GLOBAL OPPORTUNITIES FOR BRANDS: LOCAL ESPORTS COMPETITIONS
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FOREWORD
Brands shouldn’t miss the chance to leverage the growth of local esports

Esports is a global digital phenomenal. Across the globe, millions of viewers tune in to watch their favorite teams and players compete—internationally and locally. Most esports content consumption happens online, which has allowed the industry to grow exponentially. And watching esports is a truly borderless pastime; it can be watched by anyone, anywhere. What is often overlooked, however, is the increasing importance of grassroots competitions acting as a foundation for huge international events.

After all, the first wave of esports tournaments was held in smaller venues such as arcades, with only a couple of dozen people—sometimes fewer—attending to compete and spectate. These local competitions give up-and-coming talents a chance make their debut, hone their skills, and rise through the ranks, setting them on the path to become a fulltime esports professional. National events, which are often organized and viewed by the most dedicated fans, also allow local heroes to connect with their fanbase.

Local competitions, therefore, present an exciting opportunity for brands. There is a real opening for sponsors to make an impact among local esports communities. While the reach of these events is smaller than their international counterparts, activations around local competitions can often be more targeted, more creative, and more measurable.

In this whitepaper, we will look at various types of local esports competitions and how brands can benefit from them. We will also highlight some notable examples of how large international organizations, such as Nike, Coca-Cola, and Vodafone, have successfully engaged with local initiatives.

For any brand active in esports, overlooking the local opportunity may have some serious repercussions. A more holistic approach targeting a particular esports community at all levels is crucial for maximizing brand impact. If your brand is looking to understand local esports or activate fans, Newzoo has you covered. Whether it's finding out how many esports enthusiasts a specific country has or profiling the esports audience of 30 countries/markets using our consumer insights, we can help you navigate any aspect of esports that your company is interested in.

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1. LOCAL PLACES OF COMPETITION
RETURN OF THE PC CAFE
Local gaming makes a comeback

Gaming cafes and LAN gaming centers were popular in the late 90s and early 2000s. After this, widespread adoption of broadband Internet and online services such as Steam, Xbox Live, and PSN made playing games over an online connection easier than ever. Gaming cafes died out. Playing locally with friends at gaming cafes, however, has made something of a resurgence lately—especially in China (Internet Cafes). Interestingly, PC cafes never lost popularity in South Korea, where they are called PC bangs.

The increasing popularity of competitive gaming has led to a new form of gaming cafe that emphasizes esports. In addition to traditional gaming facilities, these newfound cafes feature areas in which customers can watch games being played or even compete themselves (at any level). Local competitions can easily be organized and held at these cafes, giving local esports scenes—ones that can tap into the larger scene—a means to thrive and grow. They also encourage local communities to get involved with esports, making the industry more visible, just as local soccer, American football, and basketball teams have done for traditional sports.

Large game retailers across the U.K., including GAME and PC World, are adapting their business models to include in-store arenas. Capitalizing on the success of esports is a smart move, as the games market—once dominated by physical games—continues to become increasingly digital. In the U.S., even Walmart is getting involved, introducing an in-store area in which some family members can spend time playing/watching games while others in the family are shopping.
SOCIAL VIEWING OF ESPORTS
Small- and large-scale venues dedicated to esports

ESPORTS-DEDICATED BARS GO GLOBAL

Going out with friends to watch live sports is a staple of many cultures across the world. Now, several initiatives have launched with the aim of making this a reality for esports. These initiatives give esports enthusiasts a local place to share their viewing experience. Naturally, this has led to the introduction of dedicated esports bars. Many of the world’s major cities now have at least one of these bars. One of the best-known esports bar franchises is Meltdown Esports Bar. Boasting partnerships with the likes of Logitech, Red Bull, Samsung, and Discord, Meltdown has 27 franchised bars across eight countries worldwide.

ESPORTS CITIES?

Of course, there are also many new venues dedicated solely to hosting esports events in cities and local communities. These venues typically cater to around 100 to 1000 fans, and some leagues—including the Overwatch League and China’s League of Legends Pro League—require teams to have a local venue for home matches. This development has directly led to an increased number of venues in cities with a focus on esports, especially in China and North America. China’s case is particularly interesting, with three of the country’s major cities each vying to host events for the biggest esports organizations.
CITIES COMPETE TO BECOME CHINA’S ESPORTS HUB
Hangzhou, Chongqing, and Shanghai want to be China’s leading esports city

Hangzhou
Population: 10 million
By 2022, Hangzhou aims to invest over $2Bn into developing the city’s esports activities. The city will host the 2022 Asian Games.
LGD Gaming built its own esports venue in the city, which will serve as the home venue for its LPL matches.
Other projects include an esports academy, esports-themed hotel, theme park, business center, and even a hospital designed for esports players.

Chongqing
Population: 15 million
To boost local esports activity, Chongqing signed a deal with Alisports, resulting in Alisports relocating its business unit to the city.
The sports affiliate of Alibaba Group will also work with Chongqing High-Tech Zone to build an international esports street in Jiulongpo District.
Alisports will also organize large-scale sports events and networking sessions to boost collaborations between foreign and domestic companies in the city’s sports industry.

Shanghai
Population: 24 million
Shanghai recently held a signing session with multiple companies active in esports to put the city on the path to becoming a world esports center.
As a result, Tencent Games’ Honor of Kings Winter Champion Cup took place in Shanghai, and The International 9 will happen there in 2019. Also, Esports athletes can register with the city to receive benefits, and NetEase and Shanghai’s government reached an agreement to move NetEase’s esports facilities to the city. PandaTV and ShihouTV signed similar agreements.
Across Europe and the U.S., Coca-Cola has hosted various local viewing parties in theaters, allowing those who were unable to physically attend an event to enjoy the experience of watching with other fans. The company turned a global experience into a local social activity.
SNICKERS TAKES A CREATIVE SHOT
The company organized a FIFA match on a real-life soccer pitch

One particularly creative local esports sponsorship came from Snickers. The brand set up its own 11-a-side FIFA esports match, which was played on PSV’s Eindhoven soccer pitch in the Netherlands. Team PSV and the Snickers Team, both consisting of members of the public, faced off at the Philips Stadium. To find players for the teams, Snickers worked with Dutch YouTubers LuckyGraafNL and FC Roelie, who produced a series of video content about the event.
2. NATIONAL LEAGUES AND COLLEGIATE
Over the past decade, esports has flourished into a global, digital-first phenomenon. This worldwide focus is where esports differs from traditional sports leagues and tournaments, which more commonly happen on a country level. For esports’ growth to continue, however, it is vital for competitions to take a similar bottom-up structure, in which national and local competitors have a clear road to competing at international events. This would empower local leagues; after all, many connections between fans and existing teams/players are formed through local ties.

Luckily, there are already plenty of examples of local leagues increasing their exposure, and many of these leagues offer a path to bigger, often international events. Riot Games, for example, has begun work on setting up official local leagues that tie into League of Legends’ EU Masters tournament. ESL also features national leagues in many countries, such as Germany, India, Australia, and New Zealand. Similarly, the LVP, which has been successful in building a local scene in Spain, is now attempting to do the same in Latin America.

The growing number of local leagues doesn’t only benefit local esports athletes and the leagues themselves; they also present a unique opportunity for brands, allowing them to tap into local fans’ affection toward local events and teams. And finally, they give brands more room for targeted campaigns and partnerships in esports. This more holistic approach, where international and local activations are combined, is a sign of esports’ continued growth and maturity.
Vodafone is a premium partner of ESL and sponsors its flagship events. It also sponsors Mousesports and VFL Wolfsburg’s esports team, which compete in international events but have a large following in Germany. On a local level, the brand is a name sponsor of the ESL Vodafone Championship in Italy and the Vodafone Giants in Spain.

Vodafone’s holistic approach to esports sponsorship allows the brand to reach a large number of global viewers through top-tier events while, at the same time, activating fans of local teams and events.
LOCAL ESPORTS HEROES AS BRAND AMBASSADORS

Using local esports stars to reach a specific market segment

**Nike** featured Jian “Uzi” Zihao. Uzi in a recent marketing campaign. Zihao is commonly described as the world’s best League of Legends player and was featured in NIKE’s “Dribble & Carry” campaign, alongside basketball superstar Lebron James. The campaign that featured Uzi was mostly used in China, the player’s home country. It also marked Nike’s first major esports inclusion.

**Head & Shoulders** used esports athletes in one of its latest campaigns, aiming to appeal to the market’s esports fanbase. The shampoo brand assigned the Virtus.pro Dota 2 star Roman “RAMZES666” Kushnarev as its ambassador in Russia. At only 19 years of age, RAMZES666 is now one of the brand’s main figures among CIS’ young demographics.

**Gillette** is another Proctor & Gamble-owned brand that used a Russian esports player in a campaign. “Solo”, RAMZES666’s Virtus.pro teammate was featured in one of the company’s Russian digital marketing campaigns. With this appearance, the player joins a roster of athletes including Roger Federer, Tiger Woods, and Neymar Jr.
COLLEGIATE ESPORTS BECOMES MORE POPULAR
Esports: the next American football?

A SCENE RESEMBLING TRADITIONAL SPORTS

The popularity and number of esports competitions for high-school, college, and university students is rapidly rising. In the U.S., the collegiate esports scene is already resembling traditional collegiate sports. Riot Games is a major proponent. In fact, at least 50 colleges and universities will draft varsity esports teams for the 2019 College League of Legends Season. Selected teams must be officially sanctioned by the school, have a faculty accountable for the program, and use their school’s trademark.

LEVERGING STUDENTS’ AFINITY WITH GAMING AND ESPORTS

One of collegiate esports’ biggest advantages is how easily it attracts fans. Tying games and fans to universities and tapping into existing school rivalries builds up fanbases quickly. And gaming is already incredibly popular among students in the U.S. Newzoo’s consumer insights shows that 88% of the group play games in their spare time. Naturally, game video content is also popular. Sixty-five percent of students in the U.S. watch game video content on platforms such as Twitch. More specifically, just under a quarter (24%) watch esports content while 77% are aware of esports. PlayVS, a company that organizes high-school esports tournaments, recently secured funding of over $45 million, which speaks volumes for the increasing interest in collegiate esports.
3. LAN EVENTS
THE POWER OF COMMUNITY
LAN events: an opportunity for on-site activations

Over the years, community events for gamers have evolved from small gatherings into grand, arena-sized spectacles. Today’s biggest games conferences, such as Gamescom and E3, now gather gamers from across the globe to discover and celebrate all things gaming, and esports is becoming a major part of these events. At E3 2018, ESL hosted its first official esports arena at the event. ESL also held various esports tournaments at Gamescom 2018.

There are also plenty of LAN events, including DreamHack and Insomnia, that give gamers a chance to relive/discover and enjoy LAN parties in a modern setting. Naturally, these kinds of events also offer many opportunities for on-site brand activations, as attendees often spend hours and even days at these points. This is ample time for them to engage with sponsors’ content and activities.

However, it still makes sense to combine these on-site activations with online exposure for sponsorships. After all, many LAN events also host esports tournaments that are streamed online. DreamHack, for example, features on-site activations in addition to online exposure for sponsors during its international broadcasts.
MONSTER ENERGY: ON THE SHOW FLOOR AND ON THE AIR

Monster Energy activates locally at LAN parties as well as through online broadcasts.

Monster Energy is the global partner of DreamHack. The company combines several types of activations with DreamHack events to promote the Monster brand. It is the name sponsor of Sweden’s Monster Energy DreamHack Studio, has a presence on the show floor at all DreamHack events to connect with attendees, and has its logo featured on DreamHack’s esports broadcasts. Combined, these activities ensure that the Monster brand can reach local attendees and international viewers alike.
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Tap into your target market
Newzoo’s esports consumer insights provide an in-depth overview of esports fans and enthusiasts in 30 different key markets. Analyze these valuable consumers by media habits, viewing preferences, brand attitudes, income, and 200 more variables.

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