

WEBINAR

# State of Esports and Gaming in 2021

February 4, 2021

**BIA**  
ADVISORY  
SERVICES



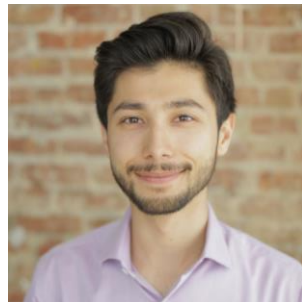
# Welcome Everyone

## Webinar Hosts:

- **Rick Ducey**, Managing Director, BIA Advisory Services
- **Zach Oscar**, Esports & Gaming Consultant, HocusFocus



**Rick Ducey**  
Managing Director  
BIA Advisory  
Services



**Zach Oscar** Esports  
& Gaming  
Consultant  
HocusFocus



## Webinar Topics:

- How esports continues to be a bust-out category in sports programming.
- How local franchises are developing revenue models to create a revenue mix of ads, sponsorships, tickets, ecommerce and programming rights.
- How esports programming is attracting desirable younger demos increasingly being lost to broadcast and cable platforms and what that means for the media ecosystem.

# BIA's Esports Overview

Esports has athletes too. And, they are ready to Battle!

- **From a local media perspective, esports is a particularly promising as a new platform to drive incremental advertising revenue.**
- Esports is a video game-based platform in which players compete on teams in a growing assortment of locally based leagues and in local forums.
- The distinction is that instead of live physical games, esports contests are among live contestants but competing online in virtual gaming environments.
- Esports athletes can compete anywhere but the bigger events are venue-based just like an arena-based major league sporting event.



# BIA's POV on Esports Opportunities for Local Media Entities

Esports is an adjacent market for local media companies, something to consider.

Esports is a timely topic as the local media industry wrestles with secular shifts in audience fragmentation and shifts across different platforms, devices and types of content.

Esports is offering:

- Fast Growing Audiences
- Hard to Reach Demos
- Incremental Revenue Streams
- Location-Based Leagues



***What can we expect next? Let's meet our guest panel.***

# WELCOME TO THE PANELISTS



Nick Barrionuevo  
Head, Gaming Partnerships  
Samsung Ads



Paul Brewer  
CRO  
Rival



Dave Madden  
EVP, OTT & Gaming  
Simulmedia



Nicole Pike  
Global Head – Gaming & Esports  
YouGov



David Tucker  
SVP, Strategy  
MAGNAGlobal

## **Gaming Partnerships Lead, Samsung Ads**



As Gaming Partnerships Lead for Samsung Ads, Nick Barrionuevo, a senior executive with over 15 years of experience, oversees Gaming industry media partnerships with publishers, agencies, content providers, and platforms across Samsung's smart devices ecosystem, including TV and Mobile.

Prior to Samsung, Nick has worked in emerging media, brand partnerships, and gaming roles developing strategic product and advertising solutions at Microsoft, Machinima, and Warner Bros.

**Paul Brewer**

**Chief Revenue Officer (CRO), Rival**



Paul Brewer has a rare mix of traditional sports and esports experience, serving in leadership positions at a wide range of media companies, brands and properties.

Most recently, he served as Senior Vice President, Global Sponsorships at ESL, the world's largest esports company, Brewer was responsible for driving sponsorships of ESL's global assets with both endemic and non-endemic brands and properties.

Prior to ESL, Brewer worked at Warner Media's Turner Broadcasting overseeing Sales Development and Marketing across Turner Broadcasting's digital sports properties.

Brewer started his career at ESPN in their Special Events Marketing department.

Brewer holds a Master's Degree in Sports Business from New York University.



Dave is responsible for extending Simulmedia advertising platform into Console/HD video games and OTT platforms.

Prior to joining Simulmedia, Dave was the SVP of Global Brand Partnerships at Electronic Arts for 9 years. In his role with EA, he led video game sponsorships, in-game advertising solutions and brand partnerships, across mobile, PC, console and esports on a global basis.

Before EA, Dave was a founding member and EVP of WildTangent, an innovative online games platform company. While at WildTangent, he and his team developed the first "rewarded ad" in video games, Brandboost, which became the default ad model for mobile video games today.

Dave graduated from Princeton University.



**Nicole Pike**

**Global Sector Head of Esports & Gaming, YouGov**



Nicole is one of the esports & gaming sector's most-respected experts, boasting 13+ years of experience in consulting, custom research, sales forecasting, brand tracking, and sponsorship measurement in the space.

She has built her career collaborating with major players in the industry to build meaningful data streams and insights and shaping industry standards for measurement of esports.

In a role specially created for her at YouGov, Nicole is designing the future of the company's analytics in the esports and gaming sectors, building on what are already some of the industry's deepest and most sophisticated research tools.

David Tucker

SVP & Managing Director, Strategy, **MAGNA**



MAGNA, the centralized Mediabrands resource, provides strategic investment and media intelligence for agency teams and clients.

Prior to MAGNA, David spent five years leading planning and strategy at award-winning independent media agency SwellShark.

David has also held strategy roles at UM, McCann Worldgroup, and Bain & Company.

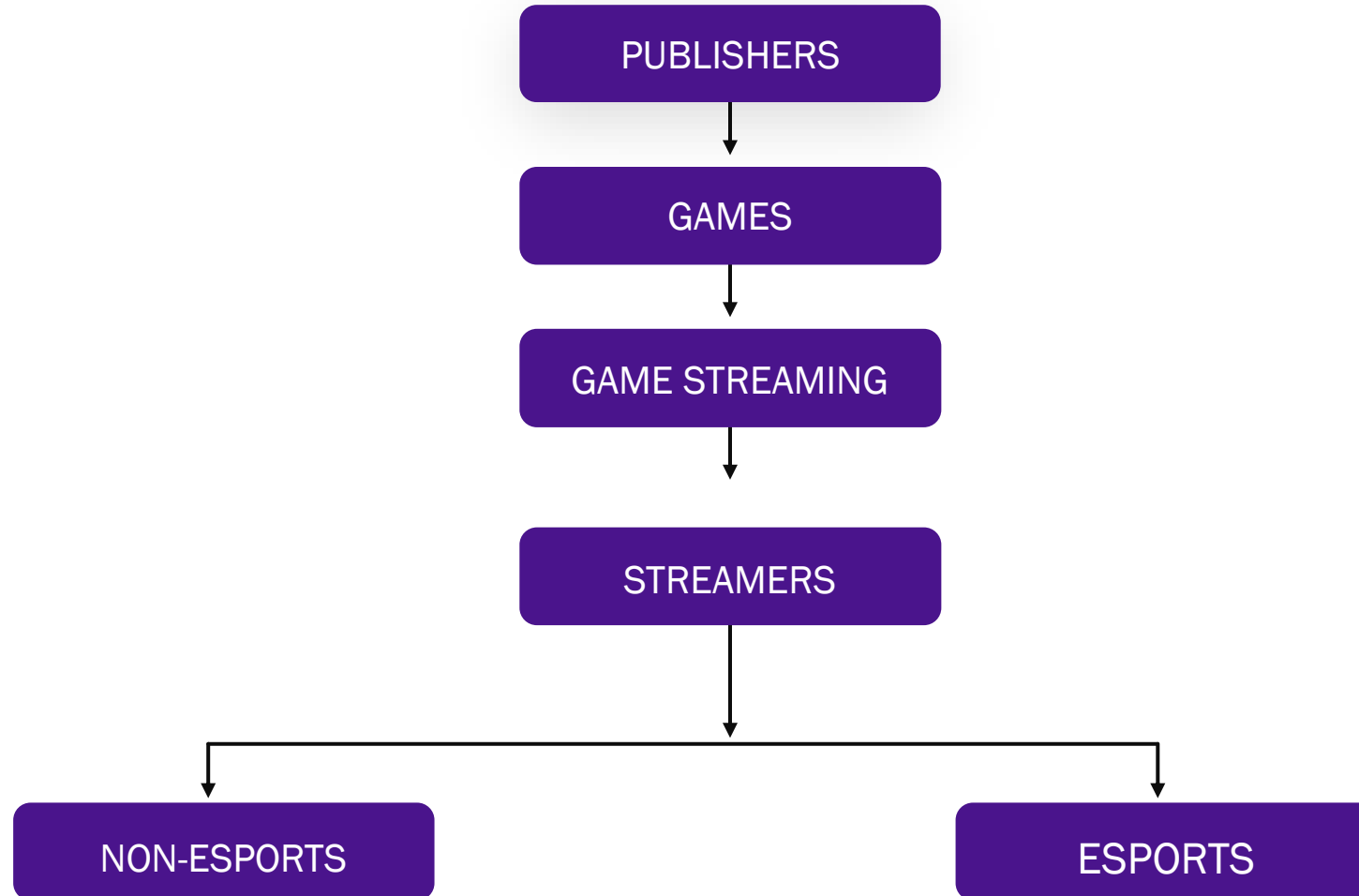
David is a passionate advocate for the use of media and ad tech to solve business challenges and cultivate audiences for brands and businesses to thrive long term.

# State of Esports & Gaming - 2021

ZACH OSCAR  
Consultant, HocusFocus



# VIDEO GAMING ECOSYSTEM



## PUBLISHERS



ACTIVISION



Entities that finance development of video games

- In-house
- Third party developer subsidiarie

Develop and implement “go to market” strategy

- Partnerships
- Activations

Reap rewards and/or failures

# TOP PUBLISHERS

RANKING	COMPANY	REVENUE (BILLIONS)	NOTABLE RELEASES
1	Tencent Games	\$92.4	League of Legends
2	Sony Interactive	\$88.4	God of War
3	Nintendo	\$64.7	Mario, Zelda, Pokemon
4	Microsoft	\$63.1	Halo, Gears of War
5	Activision Blizzard	\$49.7	Overwatch, World of Warcraft
6	Apple	\$45.2	App Store Games
7	EA	\$40.0	FIFA, Madden, Star Wars
8	NetEase	\$30.0	PC/Mobile in China
9	Google	\$29.8	Google App Store, Stadia
10	Bandai Namco	\$24.2	Pac-Man, Dragon Ball Z

## GAMES



### Global:

\$180 billion worldwide revenue

- Mobile
- Console
- PC

2.5 billion gamers worldwide

### U.S.:

\$55 billion in revenue 2020

68% of U.S. persons 2+ play video games

Free-to-play Revenue: \$98.4bn

One Time Payment Games Revenue: \$24.5bn

# TOP 10 GAME FRANCHISES

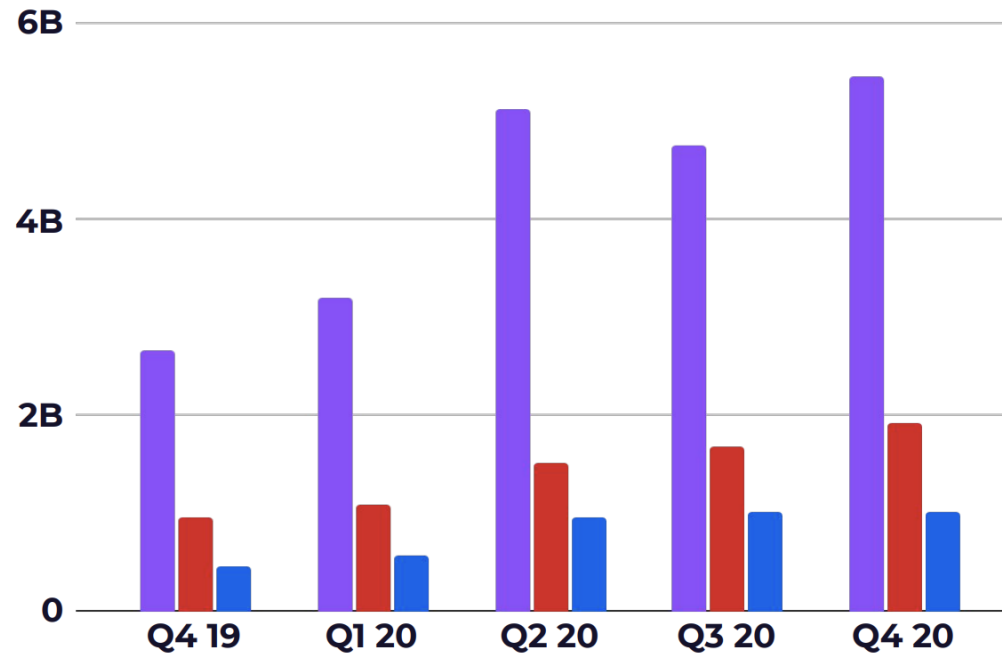
RANKING	COMPANY	ORIGINAL RELEASE	REVENUE (Billions)
1	Mario	1981	\$31.5
2	Pokemon	1996	\$18.5
3	Call of Duty	2003	\$18.1
4	Wii	2006	\$14.8
5	Pac-Man	1980	\$14.1
6	Space Invaders	1978	\$13.9
7	Dungeon Fighter	2005	\$13.4
8	FIFA	1993	\$11.4
9	Street Fighter	1987	\$11.2
10	Warcraft	1994	\$11.2



# GAME STREAMING

## HOURS WATCHED: TOP WESTERN STREAMING PLATFORMS

Q4 2019 - Q4 2020 | ON  TWITCH,  YOUTUBE GAMING, AND  FACEBOOK GAMING



### Revenue Generation

- Digital Advertising (Pre, post, mid 15s+30s, banners, etc.)
- Subscription Revenue (\$5)
- Sponsorships + Partnerships

## STREAMERS



### Streamers:

- Content Creators broadcasting live, on a platform, to an audience
- Vary in content – from ASMR to Casual Gaming to Esports
- Some play as individual brand, some as team brand

NON-ESPORTS

## ESPORTS



### Esports:

- Organized, live competition
- Digital first format
- Comprised of multiple teams/players going head to head
- Akin to Traditional Sports
- Revenue: \$1.1bn

# A MULTIGENERATIONAL SPORT

Global Events (World Cup)



Major League System



Minor League System



Developmental - High School/College



Path to Pro System

# TOP LEAGUES BY PRIZE POOL

RANKING	COMPANY	PRIZE POOL (MILLIONS)
1	Fortnite	\$64.4
2	Dota 2	\$46.7
3	CS:GO	\$21.0
4	PUBG	\$12.7
5	Overwatch	\$9.1
6	League of Legends	\$9.0
7	Magic the Gathering	\$8.9
8	Call of Duty	\$6.5
9	Arena of Valor	\$5.8
10	Rainbow Six	\$4.1



# **ADVERTISING: VIDEO GAMES AND ESPORTS**

# ADVERTISING OPPORTUNITIES

## Sponsorships

- ▶ Leagues
- ▶ Streamers
- ▶ Teams
- ▶ Events

## Native Video

- ▶ Pre-roll, post, 15s, 30s
- ▶ Mobile video, desktop video
- ▶ Traditional digital advertising – banners

## Product Placement





# YOUR CHANCE TO PLAY WITH NINJA\*



\*NO PURCHASE NEC. 4/1/19 TO 5/31/19. SEE WEBSITE FOR FULL TERMS

RED BULL GIVES YOU WIINGS. 

# QLED

## Cyberpunk Limited Edition

A TV so exclusive, you can't buy it. You'll have to find it...



# PRODUCT PLACEMENT

NFL + Fortnite

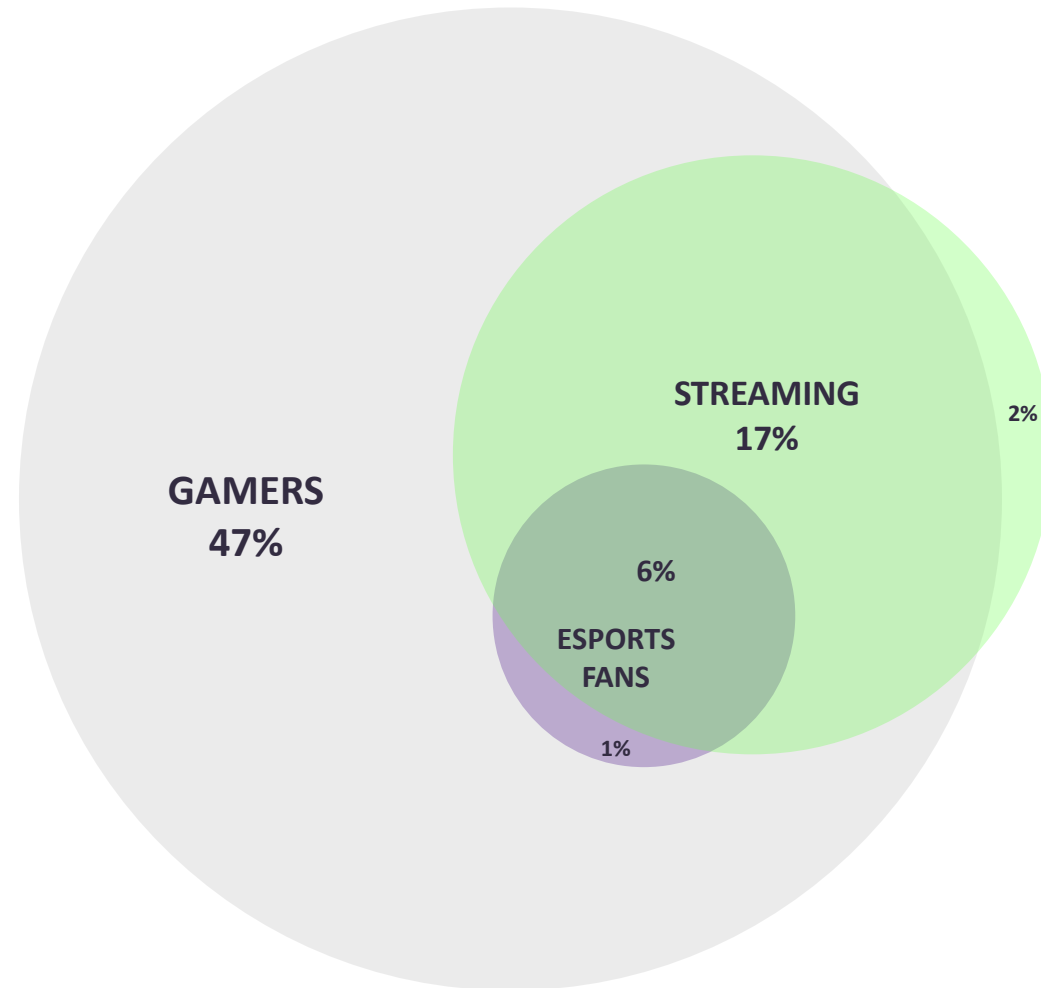


Louis Vuitton + League of Legends



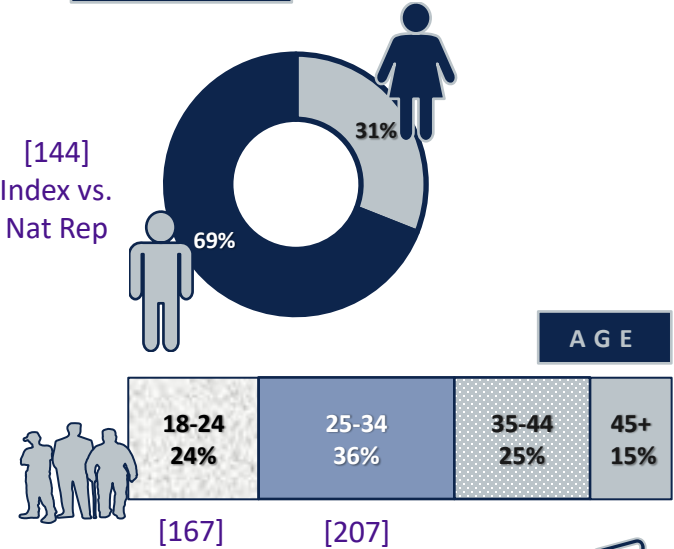
# Back to Basics: Gaming vs. Streaming vs. Esports

- 1. US Gamers (71%)**  
Play games on any platform
- 2. US Streaming Engaged (25%)**  
Watch and/or stream gaming video content (GVC)
- 3. US Esports Fans (7%)**  
View and/or attend esports events, or regularly follow esports



# Esports fans are of a desirable demographic, and have well above average disposable income

## GENDER



## EDUCATION

High School Graduate	59%
Bachelor's Degree	22%
Postgraduate Degree	13%

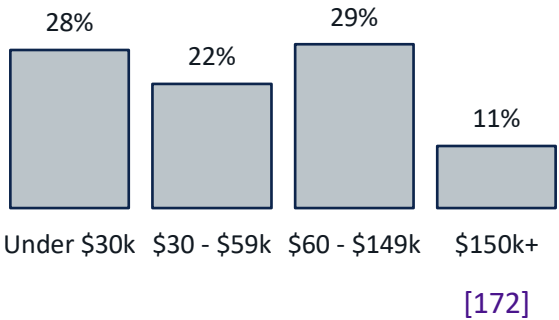
## EMPLOYMENT

Employed	57%
Student	11%
Retired	5%
Other	25%

## MARITAL STATUS

Married	39%
Never Married	46%
Other	15%

## HOUSEHOLD INCOME



## BACKGROUND

White	45%
Black	16%
Hispanic	23%
Other	15%

## TYPE OF AREA

Suburban	27%
Urban	50%
Town	10%
Rural	12%

## HOME OWNERSHIP

Own	49%
Rent	23%
Other	20%

## PARENT/GUARDIAN

Yes	52%
No	44%

# THANK YOU TO OUR PANELISTS



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# Conclusions

- Esports is becoming more broadly accepted as a legitimate media platform with high growth spending potential in paid media advertising and sponsorships from leagues, teams, venues and distributors.
- It's also showing high audience growth rates, particularly in younger demo groups that are hard to reach elsewhere.
- While it is a complex ecosystem, it is worth figuring out and determining priorities for entering and participating in the parts of this market that look to make the most sense.
- BIA is here to help you assess the opportunity. Contact us at [info@bia.com](mailto:info@bia.com) if you'd like to set up a time to discuss further.

And, enjoy a complimentary report: <https://bit.ly/BIA-EsportsPaper>

*Thank you for attending!*



# Examples of How Our Clients Work with BIA Advisory Services

In esports or other areas our goal is to help you achieve your business goals.

We can help with assignments such as:

- **Corporate positioning and branding:** We'll create thought leadership, content marketing pieces for lead gen and engagement.
- **Corporate briefings:** Provide informative and actionable briefings on market conditions for Board, C-suite, division heads
- **Market sizing and projections:** Prioritizing and directing resources, business modeling, opportunity assessments.
- **Sales planning and strategy:** Budget forecasting scenarios, analyzing performance of product mix, direct and channel strategies.
- **Competitive intelligence:** Insights into what your competitors doing and how they compare to your current, planned strategies.
- **Product strategy and road mapping:** Customer segmentation, use cases, product evolution, product margin analytics, trends.
- **Strategic planning:** Lead strategy planning sessions and initiatives with facilitation, presentations, SWOT analyses, etc.
- **Investment and M&A:** Due diligence on potential investors, acquirers or acquisition targets, company and sector briefing books.







THANK YOU



## GET IN TOUCH WITH BIA



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