E-Sport And Technology

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An Analysis Of Consumers And Stakeholders Involved In The eSports Ecosystem In Germany

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Aim of the research

The relevance of this research topic is based on the fast-growing market of the eSports industry. According to market researching firm Newzoo, the revenues of the eSports market has more than doubled from US$194 million to around US$463 million between 2014 and 2016. The total sum of prize money by eSports events was around US$60 million in 2015. These impressive figures have not passed unnoticed by professional football clubs. In Germany, VfL Wolfsburg and FC Schalke 04 are pioneers in the field focussing either on FIFA (EA Sports) or League of Legends (Riot Games).

This research is aimed to shed light into the market opportunities and risks which are based on an engagement in eSports. In particular, the following two research questions have been formulated:

- RQ1: How is the behaviour of eSports consumer classified in the 'experience economy'?
- RQ2: Who are the major stakeholders within the eSports ecosystem in Germany and what are their interests?

Literature review

The model of 'the four realms of an experience' serves as the theoretical background. It is based on the 'experience economy' and follows the idea that consumers increasingly seek experiences in consumption that go beyond traditional goods and services. Experience is seen as a dimension by itself and treated as a new source of value for consumers capturing the brand's value proposition. It was created by Pine and Gilmore (1998) as a continuation of both the industrial and service economy to create memorable events for their customers. Borowy (2012), Borowy and Jin (2013) and Seo (2013) applied the model further to the field of eSports. Their model describes four fields of consumer experiences: a) passive participation (entertainment & esthetic), b) active participation (educational & escapist), c) recording (entertainment & educational), and d) immersion (esthetic & escapist). Watching streams of computer games can deliver important insights of consumer behaviour which also has a central meaning for stakeholder engagement in eSports.

Methodology

The authors chose a mixed methods research design consisting of expert interviews and an online survey. Based on a stakeholder analysis, key actors within the eSports ecosystem in Germany were identified. The aim was to provide a comprehensive map of all relevant actors (Freeman, 2010) in the field. At the time of writing, two semi-structured interviews have already been conducted. Further interviews with decision-makers from clubs (e.g. Schalke 04), agencies (e.g. Infront), lobby groups (e.g. eSport Verband Deutschland) and others are scheduled for the weeks to come. The aim of this qualitative approach is to disclose interest and intentions of key players who all try gain their share in this steadily professionalizing market. Results of this work in progress will be presented at the conference.

Additionally the authors integrated the model of the four experience dimensions of Pine and Gilmore (1998) as an eminent element in the quantitative data collection tool. This part of the research consisted of a SoSci-based online survey among German e-sports consumers (n = 1.172) that was conducted in July 2016. Respondents (97% male, 3% female, 21 years on average) were reached through pertinent eSports chat rooms and social media.

Results and discussion

62.4% of all respondents indicated to watch regularly matches of the 1st and 2nd Bundesliga on TV. The intersection between FIFA spectators who also watch Bundesliga matches was with 97.26% the highest among all video game genres. This is not surprising as EA Sports FIFA is a real football simulation using original team names and original counterfeits of players. In regards to the model of 'the four realms of an

experience', the respondents highlighted to watch streams of computer games for the following reasons: educational = 67.9%, entertainment = 83.4%, esthetic = 75.6%, and escapist = 15.5%. This means that the entertainment dimension is the most important among all respondents.

Regarding the second research question, the authors found that there are mainly three goals to achieve for stakeholders in the eSports market: a) increase the brand's popularity among a new target audience; b) acquire new sponsors from different branches to increase sales figures; c) carry the brand's image into a new market. Both experts interviewed explained that due to high proximity to the real sport of football, EA Sports FIFA was considered best to enter the eSports market. However, in order to achieve sales targets, FIFA's market size does not appear to be sufficient. Engagements in League of Legends, Dota 2, or Heroes of Warcraft should rather be considered since there the number of e-gamers is many times larger.

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