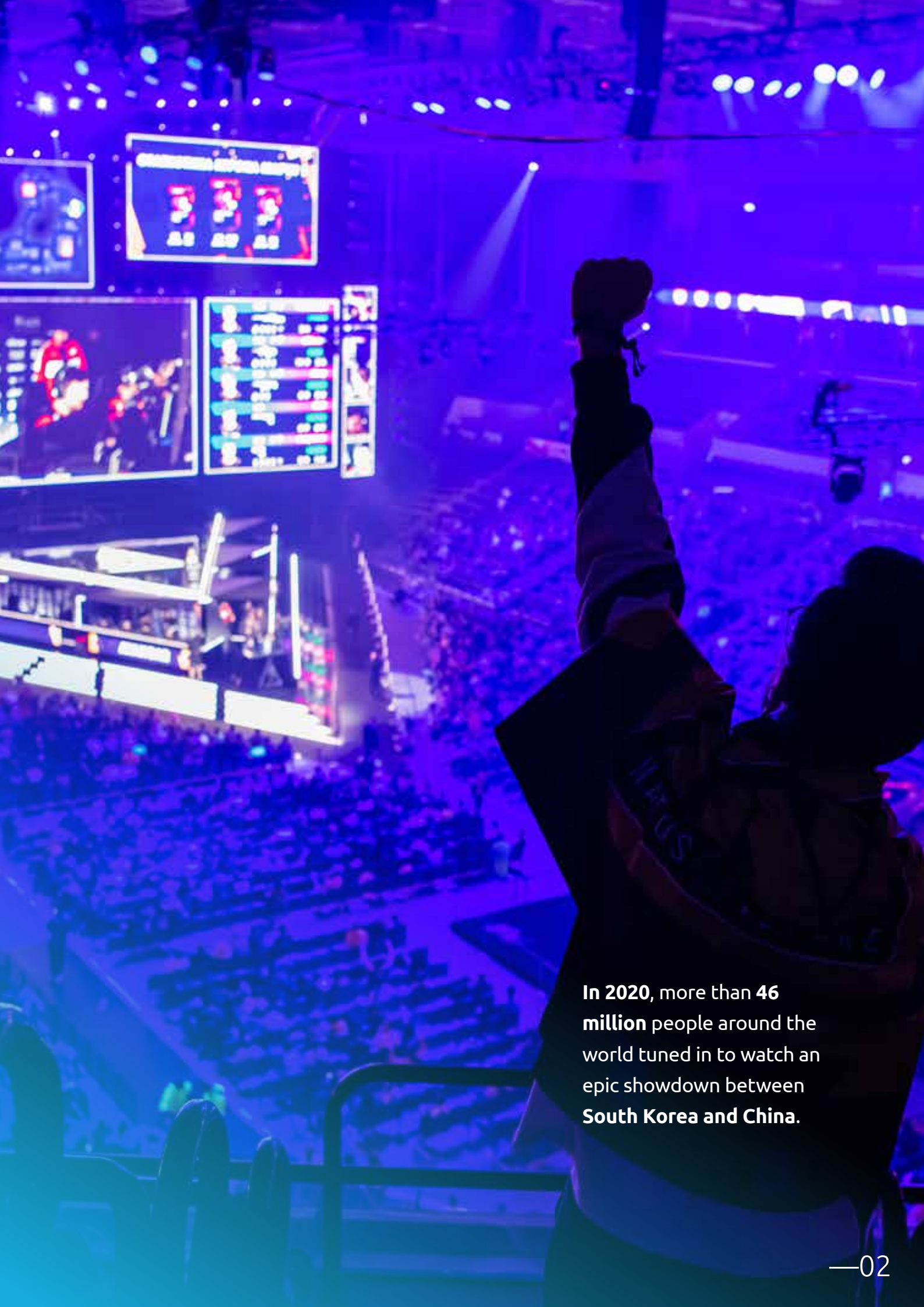


THE OPPORTUNITY OF ESPORTS

5 ways for traditional Media & Entertainment organizations, Telco operators and consumer brands to capitalize on the growth of competitive gaming

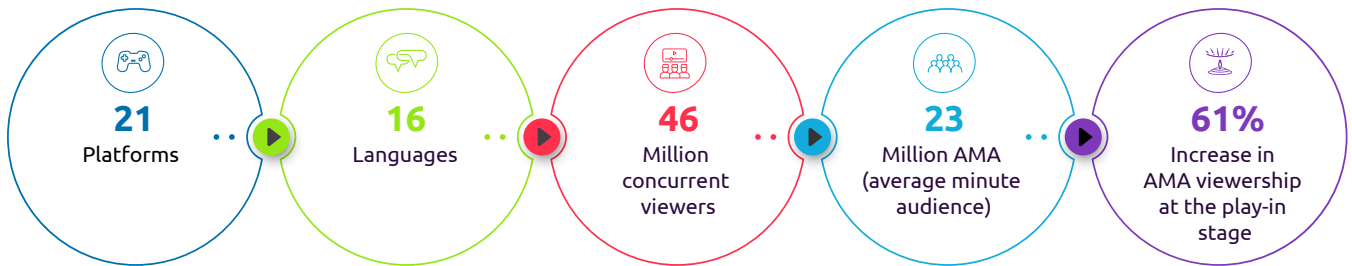




In 2020, more than **46 million** people around the world tuned in to watch an epic showdown between **South Korea and China**.

But it wasn't the World Cup or Olympic Games that drew in all those viewers. It was the **Grand Finals of the League of Legends World Championships** - just one of many eSports events that attracts tens of millions of viewers worldwide and generates billions in revenue.

League of Legends World Championships Viewer Stats



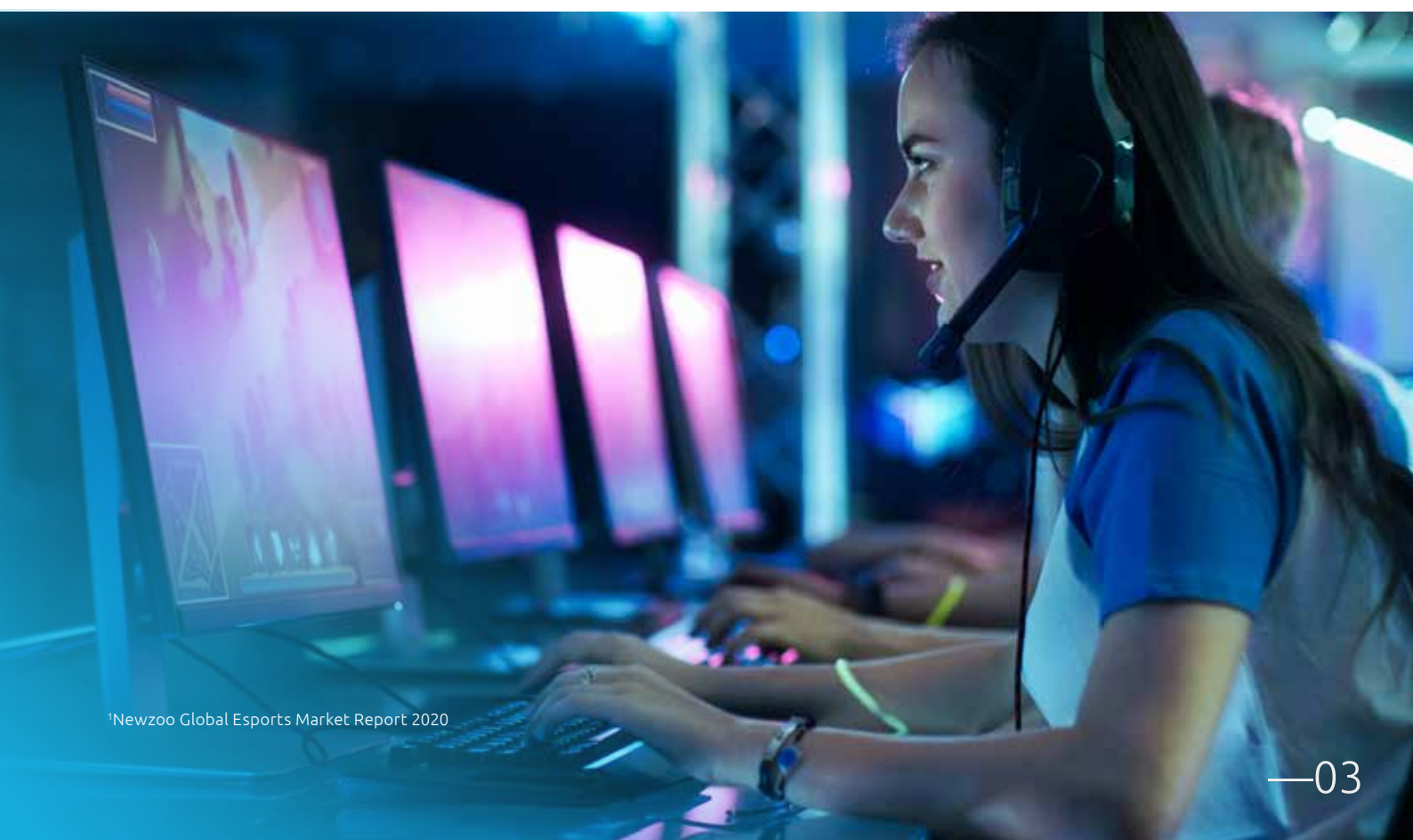
A CLOSER LOOK AT ESPORTS

As the stats above imply, eSports is a rapidly growing subsection within the gaming industry where professional players compete in organized tournaments. You can think of these eSports events in much the same way as NHL or NBA games—millions of amateur players watch those at the top of their craft compete to win titles and prizes for games like Fortnite, League of Legends or Counter Strike.

The proliferation of tournaments and events within the eSports industry has attracted more viewers and fans, growing the base to hundreds of millions of people around the world and creating a \$1.1B industry in the process.

“ *In 2020, global eSports revenues reached **\$1.1B**, a year-over-year growth of almost **16 percent**¹.*

¹Newzoo Global Esports Market Report 2020



eSports presents a unique and valuable opportunity for virtually any company that wishes to reach a broad range of digital consumers. For traditional **media and entertainment companies**, eSports can also be a means of broadening their content portfolio and activating new revenue streams through event streaming, viewership parties or supplemental programming or content. **Telecom operators** can complement their convergent connectivity offerings with new services. And virtually any **consumer brand** can tap into the energy of eSports to gain exposure with large new audiences in a highly immersive context.

What makes this opportunity particularly valuable is the position of the sector itself. eSports offers brands several different advantages in terms of current audience and reach, as well as future scalability.

The eSports value proposition:



Low entry barrier for players and fans.

Anyone with an internet connection can play or view eSports games or events. Many games and platforms are free, while consoles and other equipment are relatively inexpensive. This suggests that the base of players and viewers will continue to grow over time.



Global reach.

The digital nature of eSports makes it a truly global affair with events broadcasting throughout the world both in local languages and in English. Most games are also released through global, digital distribution, making it a relevant opportunity for brands in virtually any country.



Fast-moving, Wlive-oriented.

eSports delivers the excitement and drama of unpredictable action and outcomes—much like traditional sports. As such, major events capture a sizable live audience, both in-person and through digital streaming.



Inclusive, community-driven model.

Contact between fans, pro players and gaming brands are relatively fluid. The constant introduction of new digital content and services means more touchpoints for fans, such as events, merchandising, specialized programming and content. This translates into a significant relationship-building opportunity for brands.



Advent of the industry

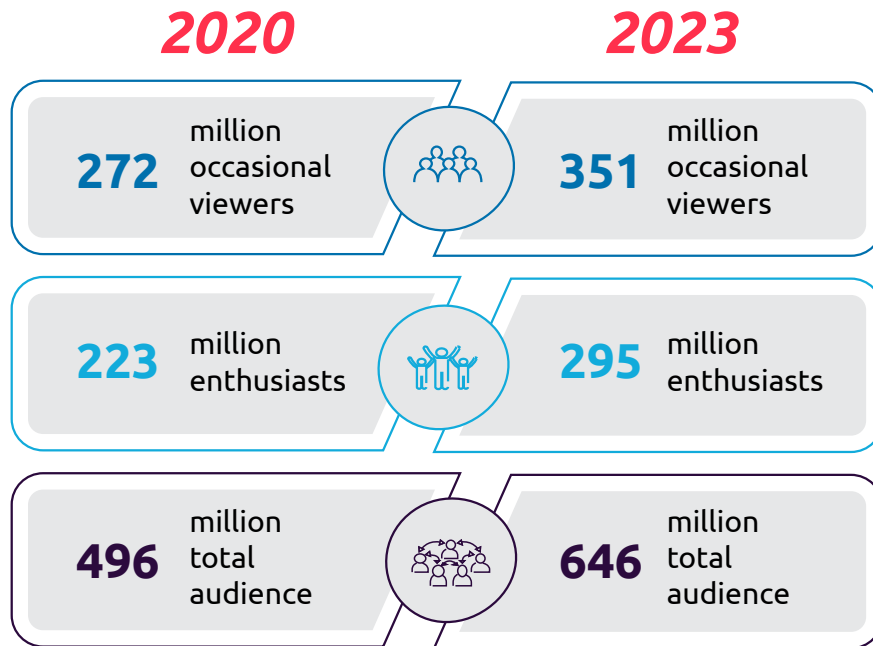
The revenue opportunity realized thus far in eSports is just the tip of the iceberg. The market is expected to grow 10.4% by 2023². While eSports draws players of all ages and walks of life, 38 percent of players are between the ages of 18 and 34³—an important demographic for every company, but one that is especially elusive to traditional Media & Entertainment organizations and some consumer brands.



²Newzoo Global Esports Market Report 2020

³Statista

At a glance: Current and projected eSports viewers⁴



SEIZING THE OPPORTUNITY: 5 WAYS BRANDS CAN GET INVOLVED IN ESPORTS

So how do companies take part in this emerging industry? We look to the market for some examples:

- 1. Content production:** Media & Entertainment companies can leverage existing assets to create eSports content, including original programming, player/team features and interviews. For example, Red Bull's documentary, *Against the Odds*, which chronicles the unbelievable success story of their sponsored team, Team OG at a 2018 Dota 2 competition, generated significant media coverage and was called "a must see" by critics.
- 2. In-game content:** M&E companies can follow the lead of brands like Jordan and Louis Vuitton, which created exclusive skins and gear within Fortnite and League of Legends, respectively.



⁴Newzoo Global eSports Market Report 2020

3. **Viewing parties:** With millions of fans tuning in to watch eSports competitions, brands can create virtual or in-person viewing events—allowing them to make inroads with new customers or even unlock a new revenue stream.
4. **New monetization models:** With eSports, consumer brands can access new advertising formats and value propositions to reach a large new audience in a high-touch environment. In 2020, brands like Lenovo, Kia, Geico, Mountain Dew, Nike and Gucci all launched highly creative and engaging advertising campaigns or brand collaborations that specifically targeted the eSports market.
5. **Sponsorships:** The backbone of many marketing strategies, sponsorships with eSports events, teams or brands are intended to bring about the same benefits as sponsorships of other sporting or cultural events. In the case of eSports, brands have the opportunity to segment the audience and customize campaign elements even further since much activity takes place online.

YUVOX

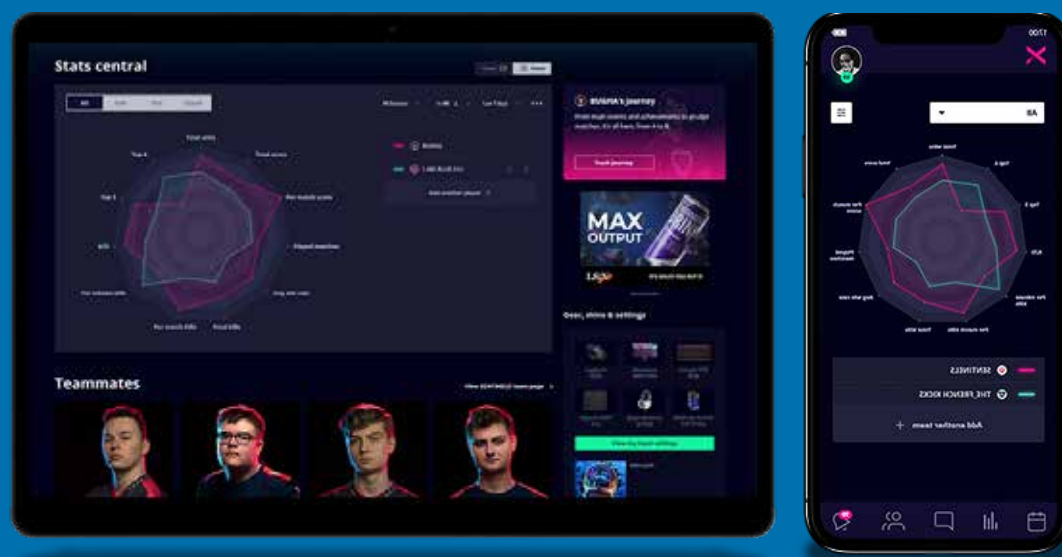
CASE STUDY: OPTIMIZING EXISTING BRAND SPONSORSHIP PROCESSES FOR ESPORTS WITH YUVOX

Existing sponsorship processes are not optimized for the fast-growing digital ecosystem of eSports, making it difficult for media and entertainment companies to identify the right teams, players and events to engage with.

Capgemini partnered with Yuvox, an eSports platform set to launch in 2021, to help brands identify and connect with teams, athletes, event organizers and other members of the eSports ecosystem.

What makes Yuvox unique is their algorithm, which assigns gamers with a rating based on their player performance and social media status. This rating, which is visible on every gamer profile, enables video gamers to generate interest from teams, sponsors, and fans.

This rating system also helps brands streamline the sponsorship process. For the very first time, the player's and team's market value can be accurately calculated, monitored, and compared.

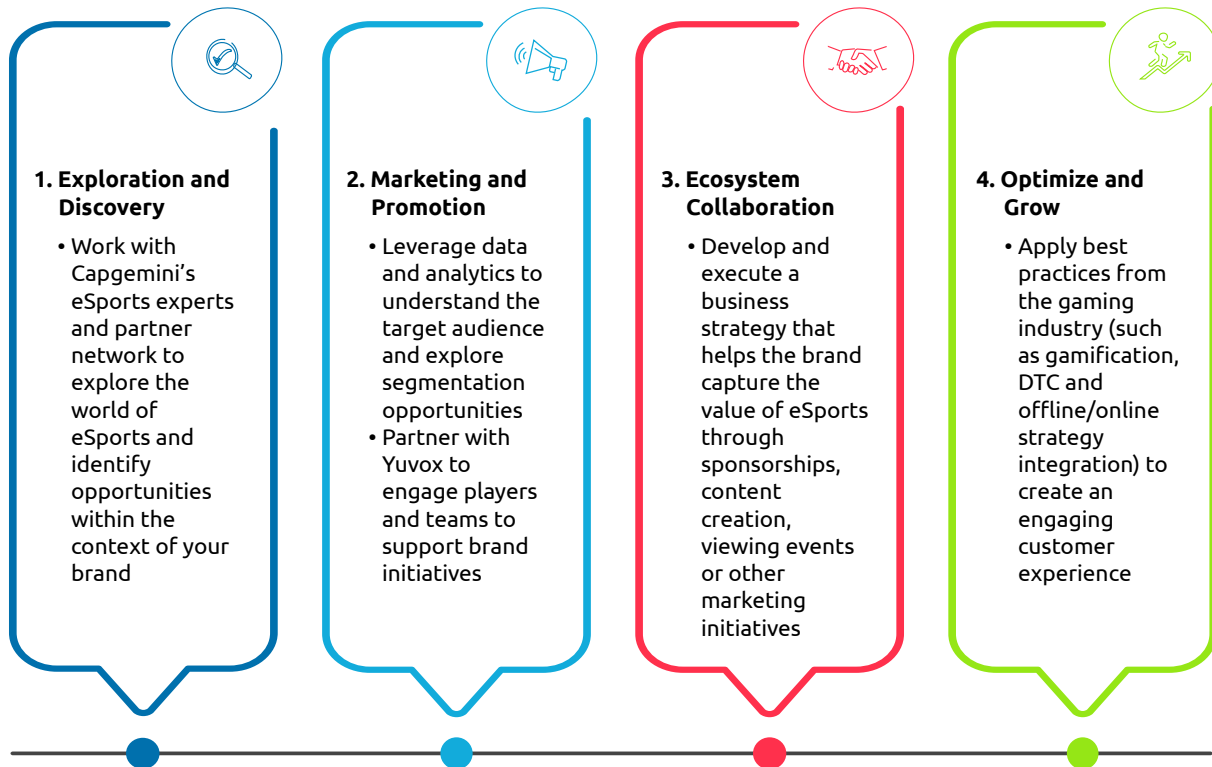


Through the Yuvox platform, brands are able to identify and engage the ideal eSports players and teams to represent their brands and support any number of their marketing strategies, including advertising campaigns, events, viewing parties and more.

REACHING THE ESPORTS COMMUNITY WITH CAPGEMINI

Capgemini's partnership with Yuvox is one component of its eSports offer that helps brands capture the unique and timely opportunity within this emerging market.

Capgemini's eSports Offer



NEXT STEPS IN ESPORTS

eSports represents one of the biggest growth opportunities to traditional Media and Entertainment companies—but they must act now, while the market is still relatively free of clutter and noise.

To learn more about the opportunity of eSports, our eSports offer and our cuttingedge capabilities with Yuvox, reach out to our experts:

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