

Takeaways from the 2016 eSports Conference Presented by Kisaco Research

By: Joseph Clemko Esq. MBA
Associate Attorney
Beckmen Law Firm

Over the past three days, hundreds of eSports industry professionals and enthusiasts, from all over the globe, united together at the Westin Bonaventure in downtown Los Angeles for the 2016 eSports Conference presented by Kisaco Research. In only its second year, Kisaco built on their experiences from 2015 and made this year even better. Kisaco did an excellent job at bringing together industry leaders to present on various topics, setting up tours with Next Generation eSports and ESL, and the opportunities provided to network with all in attendance. Some of the presenters included, Ralf Reichert from ESL, former pro player Stephen “Snoopeh” Ellis now with Facebook, Travis Gafford from Yahoo, and Bryce Blum from IME Law. During the pre-show event alone, I was able to meet attendees from Singapore, Canada, Russia, UK, China, UAE, South Africa and Brazil to name a few. We also toured Next Generation eSports, where Andy Vander Woude, CEO/Co-Founder of NGE, gave us a tour of their operations, which included a behind the scenes look into the production of Rocket League, participation in the Super Magical Cup and a networking cocktail hour. This article will provide some key insight and takeaways from the conference.

1. eSports is seeing explosive growth year over year

Everyone involved is trying to catch up and figure out how to capitalize on the growth the industry has seen over the past few years with the addition of companies like Twitch. According to Pieter van den Heuvel with Newzoo, a leading Global Market Intelligence company, projects that eSports will reach a worldwide audience of 215M people in 2017 up from 148M projected to finish out 2016. In March, Intel Extreme Masters holds an annual event in Katowice, Poland, that rivals the NFL’s Super Bowl. This past March over 113,000 people converged on Katowice to watch professional eSports players compete for millions of dollars in prize money. Although Katowice draws the largest crowd, it was this year’s International DOTA 2 Championships held in Seattle, Washington, that provided the biggest prize pool in eSports history with over \$20,000,000 being distributed to the contestants, of which, \$9,139,002.00 went to the winning team. The only event that has a bigger prize pool is the World Series of Poker with a \$25,000,000 pool in 2016.

Andy Swanson from Twitch capped off day one with an excellent presentation. He ended his discussion with his insight on how eSports can help foster its growth into the future. First, he would like to see true premiere leagues by individual games with cooperative representation for the league, the teams and the players. Second, he mentioned the benefit that clearly defined seasons would have on eSports, which would

allow for the players to take advantage of time away from competition and provide advertisers the ability to strategically plan their marketing efforts. Lastly, Andy mentioned that he would like to see some type of regionalization to help grow the sport. By doing so it will allow fans to get behind their local teams by attending events with friends and by wearing team apparel. This will also create opportunities for brands to create excitement through giveaways and targeted advertisements at local events. During the Q&A session, an attendee asked Andy if he were a venture capitalist where does he see opportunities for investment. Andy responded that he believes there is ample opportunity in three main areas, Infrastructure, Regionalized Venues and Technology, such as, streaming, and combining virtual reality with eSports.

2. eSports Is Perfect for Non-Endemic Brands

During day one, a panel of experts analyzed how non-endemic brands can promote their brands and attract consumers. There are multiple avenues for endemic and non-endemic brands to capitalize on eSports. They can sponsor events, teams or players. Most players make majority of their income from streaming on platforms like Twitch, which provides a huge opportunity for brands to take advantage of player and fan engagement by providing products, coupon codes or giveaways to audiences. Another opportunity for brands would be to get more involved with teams by providing resources such as financial advising, legal services, health and nutrition sponsorships (protein bars, energy supplements, etc.). Philip Wride, CEO of HEERO, mentioned the key to engage non-endemic brands and capitalize on the global audience is to start with educating the brands about eSports and the power of the industry, then speak their language and utilize data analytics to bolster your discussions. With a projected global audience reach of 215,000,000 in 2017, can brands afford not to be involved with eSports?

3. eSports Pro Teams & Pro Players

On Thursday there was an interesting panel discussion on pro teams and player rights involving Noah Whinston, CEO of Immortals and Carlos “Ocelote” Rodriguez, a former pro player and CEO of G2 eSports. Both discussed the importance of ownership integrity and the need to take care of your players. One thing most outsiders may not realize is that eSports Pro Teams operate similarly to traditional pro sports teams, they have trainers, nutritionists, psychologists and other key personnel to ensure the players are performing at optimal levels. This discussion led into the need for the formation of trade associations to protect both teams and players. This segued into the breaking news of the day with the discussion of the formation of the Professional eSports Association (PEA). PEA is an association of seven professional North American eSports teams that have agreed to partner to enhance the eSports experience for all involved. PEA also will provide equal profit sharing between owners and players, as well as, health insurance and financial planning services to the players of the seven

teams involved. Lastly PEA will provide its players a voice by including player representatives on Rules and Grievance committees.

4. Ensuring the Growth Continues

Many of the panelists and attendees expressed their eagerness to ensure that the growth of eSports continues for years to come. With major companies like Facebook, YouTube Gaming and Twitter jumping into eSports they will help lead the next evolution of the industry through live streaming and content. During the second half of day one there was a panel discussion led by Robb Charini from Ubisoft, which also included Yan Perng of Foster Peppers and Wim Stocks, COO for EGAMES. The panelists tackled the lack of diversity in eSports, more specifically the need to be more inclusive towards women because they represent less than 20% of the current players. The panelists discussed the importance of creating more all-women leagues and being more inclusive which will only help spur the growth of the industry and attract more brands into the space.

The panel and other attendees touched on the growth of eSports on college campuses, through the development of eSports specific courses and the development of eSports as a collegiate sport. Other takeaways from the conference on areas of importance for the growth of the industry include building out the infrastructure, self-regulation, and developing the technology. Andy Vander Woude from NGE also mentioned, "Publishers need to continue producing high quality content because right now there is a shortage of content at the pro level."

Conclusion

Having this many thought leaders, from around the world, in one place will greatly benefit the eSports ecosystem. eSports is still in its infancy with many challenges in front of it, but with conferences like this one where everyone within the industry comes together to continue working towards the common goal of making eSports a better and more efficient industry the ecosystem and all involved will flourish.