

NIELSEN SPORTS

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#eSportsRevolution

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ESPORTS IS

EMERGING AS MORE

OF A GLOBAL FORCE

THE TOP 10

COMMERCIAL TRENDS IN SPORTS 2017

1

THE EMERGENCE
OF NEW MARKETS,
LED BY CHINA

2

IP OWNERS TAKING
CONTROL OF
CONTENT AND THE
CONVERSATION

3

SHORTER ATTENTION
SPANS PROMPTING
RIGHTS HOLDERS TO
RETHINK FORMATS

4

THE GREATER FUSION
OF SPORTS AND
ENTERTAINMENT

5

LIVE SPORT GAINING
TRACTION ON OTT AND
SOCIAL MEDIA

6

NEW REVENUE STREAMS
EMERGING AS FANS
GET FULLY CONNECTED

7



ESPORTS IS EMERGING
AS MORE OF A
GLOBAL FORCE

8

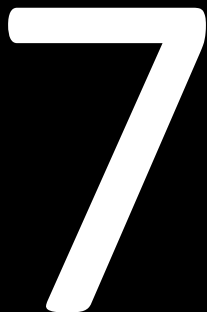
SOCIAL RESPONSIBILITY
BECOMING MORE
PREVALENT
AND IMPACTFUL

9

INCREASED INVESTMENTS
IN DATA AND CRM
CENTRAL TO OPTIMIZE
FAN RELATIONSHIPS

10

MORE FOCUS
THAN EVER ON CRACKING
THE SPONSORSHIP
ROI CODE



7

ESPORTS IS

EMERGING AS MORE

OF A GLOBAL FORCE

ESPORTS: THE STATE OF PLAY IN 2017

- Established sports **intrigued by eSports and its audience** – and seeking most effective way to get involved.
- eSports market is **fragmented and still not clear who holds power** – and which revenue streams are sustainable long-term.
- Professional eSports teams and events increasingly trying to **adopt structures and practices** of traditional sports – with mixed success to date.



ESL ONE COLOGNE 2016

“Esl One Cologne” is an Electronic Sports League counter-strike: global offensive tournament



- **Over 14.000 people attended the live show** on each of the main event days
- Viewers on online platforms consumed a total of **31 million hours**.
- With 40 million impressions on Twitter, 69 million impressions on Facebook, and 10 million video views, **these metrics have grown by 135%, 60% and 100% respectively.**

THE EVENT HAS REACHED OVER 7.5 MILLION UNIQUE FANS ON SOCIAL MEDIA, DOUBLING LAST YEAR'S REACH.

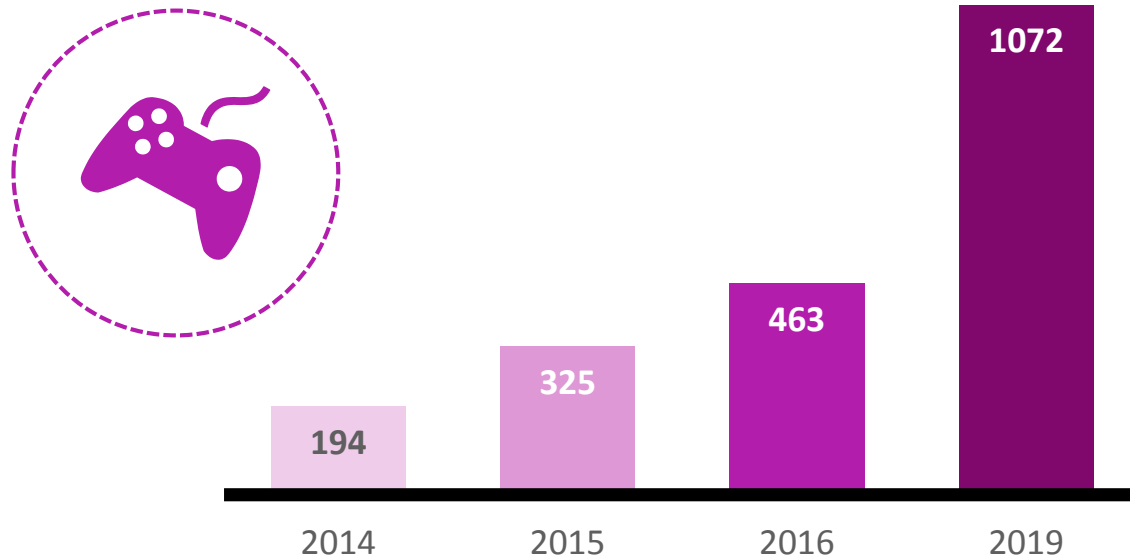
2016 LEAGUE OF LEGENDS WORLD CHAMPIONSHIP



- The final was held in front of a crowd of nearly 20,000 fans at the Staples Center in Los Angeles.
- The final was followed by 43 Million unique Viewers...
...with a peak concurrent viewership of **14.7 million**

ESPORTS IS EXPECTED TO GROW EXPONENTIALLY

eSports revenue growth prediction (\$ millions) - 2019



Includes: Media rights, merchandise and tickets, online advertising, brand partnerships, additional game publisher investment.

A PROFILE OF THE ASIAN ESPORTS FAN

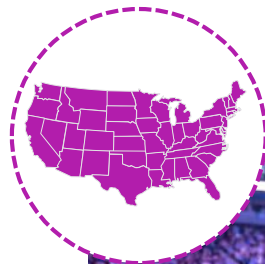


- **Young fan base:** 60% under 35
- **74%** of eSports fans are male
- Over 40% of eSports fans consume **an hour of eSports content a day**
- **South Korea and China** are prime markets
- 88% says they **watch eSports events frequently**
- Over **96%** of eSports fans show interest in participation



Source: 2016 Nielsen US eSports report, KOCCA – global gaming industry trend May edition, iResearch - 2016 China eSports content ecosystem report

A PROFILE OF THE US ESPORTS FAN



- **Fan base:** 14% of those 13+, up from 8% in 2015
- A **Millennial (and Male)** Majority – 77% male
- Engaged for an average of **4 hours a week**
- **Twice as likely** to stream sports events as non eSports fans
- **71%** stream events online, **40%** have viewed on TV and **23%** have attended an event in person



Source: 2016 Nielsen US eSports report, KOCCA – global gaming industry trend May edition, iResearch - 2016 China eSports content ecosystem report

ESPORTS PERSONALITY BREAKDOWN

eSports fans are...



...AVID SPORTS FANS

eSports fans affinity for sports is indicative in every part of their life – from their day-to-day activities, to what they watch, their attire, and where they shop



...FAST-MOVING, INTERNET SAVVY, AND KEEP UP WITH THE LATEST TRENDS

Approximately 2/3rd of the eSports fan-base is comprised of Millennials, utilize the internet to socialize, and want all aspects of their life to meet the standards of their fast moving pace



VALUABLE CONSUMERS

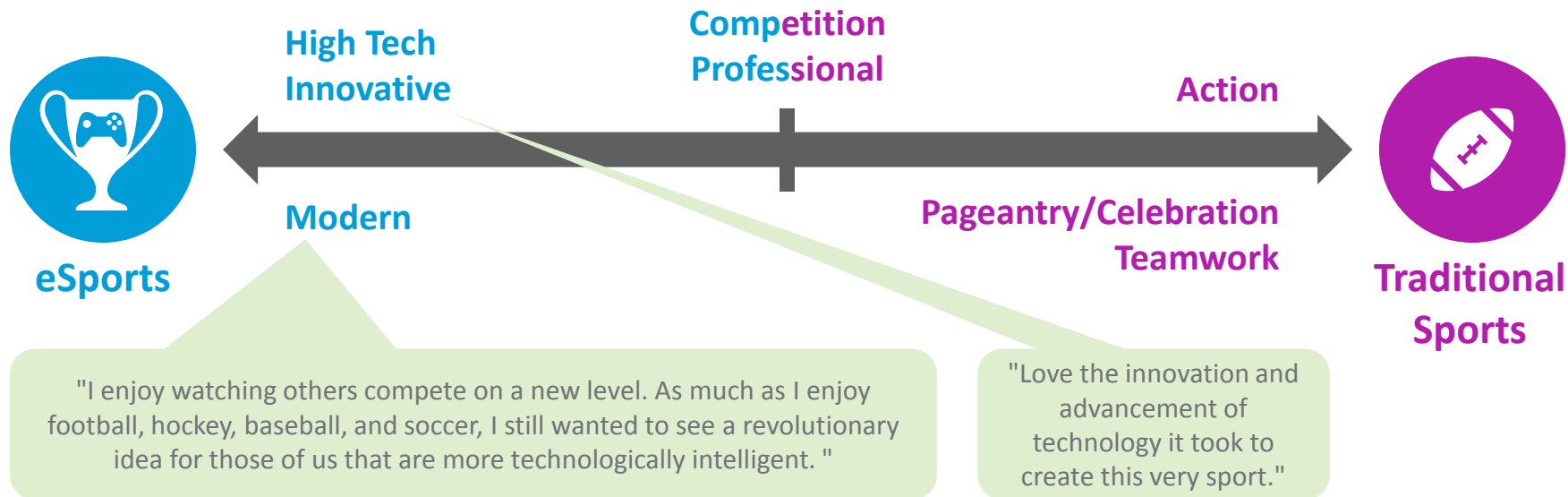
eSports allows brands the **opportunity to connect with the hard-to-reach audience of Millennial Men**



COMPARED TO TRADITIONAL SPORTS, ESPORTS IS PERCEIVED AS MORE MODERN, HIGH TECH AND INNOVATIVE.

Moreover, both eSports and traditional sports are considered competitive and professional.

Emotional Associations: eSports vs. Traditional Sports – *Total eSports Fans*



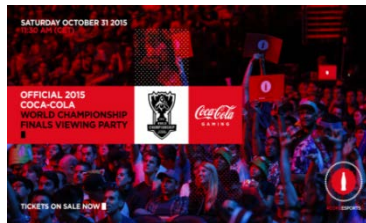
Q: Which activity or activities, if any, would you most closely associate with each descriptor? [Watching/Viewing eSports // Watching/Viewing Traditional Sports]

ESPORTS HAS OPENED UP FRESH OPPORTUNITIES AND ASSETS FOR BRANDS

OPTION 1

SPONSORSHIP OF EXISTING TEAM/GAMER/EVENT

Snickers
and
ELEAGUE



Coca Cola
and League of
Legends World
Championship

OPTION 2

ACQUISITION OF A TEAM OR CREATION OF AN EVENT

Samsung acquired
LoL team in 2013 –
renamed
Samsung Galaxy



Bud Light All-Star
Program finds &
supports gamers

ESTABLISHED SPORTS ARE INCREASINGLY EXPLORING ESPORTS AND GAMING ACTIVITY



TRADITIONAL SPORTS TEAM ACQUIRING ESPORTS TEAM

Philadelphia 76ers became first North American sports franchise to acquire an eSports team.

EXISTING SPORTS ORGANIZATIONS STAGING TOURNAMENTS

'Race Off' eSports events held before each Formula E race, via Forza Motorsport 6 game – supported by Visa.

TRADITIONAL SPORT TEAM SIGNING ESPORTS PLAYERS

Creation of new advertising platforms for traditional sports and provides career path for short-life cycle of eSports gamers.

TRADITIONAL FOOTBALL CLUBS ENTERING “TRADITIONAL” ESPORTS

TRADITIONAL SPORTS TEAM ACQUIRING ESPORTS TEAM

Schalke 04 and Besiktas picked up
League of Legends teams and will
take part in the League of Legends
Championship Series



NBA IS CREATING ITS OWN ESPORTS LEAGUE TEAMING UP WITH TAKE-TWO INTERACTIVE SOFTWARE

BY CREATING NBA ESPORTS LEAGUE, “ACTUAL”
SPORTS REMAIN THE FOCUS OF ESPORTS




- This is the first time a U.S professional sports league has created its own eSports league.
- The Esports League will launch in 2018 and will consist of teams operated by NBA franchises.
- Each team will have five single players, and play in a real league format.



TWITTER AIRS ELEAGUE FINAL ADDS ESPORTS TO LIVE STREAMING LINEUP

ESPORTS IS A MEDIUM WITH HIGH POTENTIAL
IN LIVE STREAMING CONTENTS.

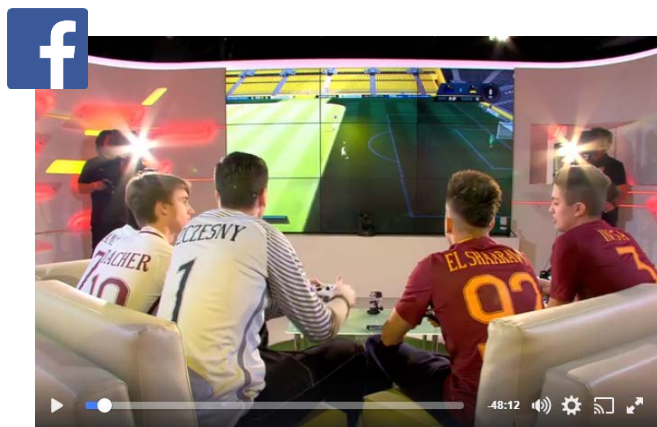


- With online video platforms like  eSports have grown up on the Internet
- Twitter streamed two “ELeague” semifinal matchups, along with the final with a \$1.4 million prize pool.
- This move is a part of Twitter’s strategy to become the place for live streaming of sports events



CASE STUDY

AS ROMA ENTERS ESPORTS IN PARTNERSHIP WITH FNATIC



Live video



Interactions

- 443.027 views
- 9.589 likes
- 1600 comments
- 684 shares

“ Live: FIFA 17 match between AS Roma's new eSports stars and Wojciech Szczesny and Stephan El Shaarawy ”

SO WHAT'S THE **OUTLOOK?**



The eSports market is starting to settle, with game publishers likely to be the key to future revenues



For established sports, there is huge value in eSports if the investment is right



eSports is on course to become established as one of the leading global sports



GRAZIE!

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