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YouTube has made its biggest eSports investment yet



Faceit is an esports platform where consumers and esports enterprises can organize competitions online. The company publishes a software development kit (SDK) for third parties to create their own gaming competitions via Faceit's technology. Over a million monthly users log on to platform resulting in over 12 million monthly game sessions. Some of major tournaments Faceit has helped power to the contract of the

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- The Open Qualifier rounds for The International 2016 Dota 2 Championships for players in Europe, South East Asia and the Americas.
- The official platform for Eleague, the Turner and WME | IMG joint venture professional esports league. Eleague featured 24 of the world's best CS:GO teams. Subsequently, Faceit produced the preliminary elimination phase for Eleague's The Overwatch Open.

Aside from its technology offerings, Faceit is also involved on the production side of esports events. Last April, it partnered with Twitch to launch the ECS league. Now, the company's no partnership with YouTube, instead of Twitch, is a sign of simmering competition between the leading digital esports broadcasters, and of Alphabet's commitment to compete with Amazon ascendance in this space.

ECS debated last June with Counter-Strike as its flagship esports title, and a total of 20 teams — split evenly between North America and Europe — competing for a 83.5 million prize pool. This league is unique in that it offers teams co-ownership of the league, a new development in esports. To data, the ECS Season if Flata has registered over 90,000 views on Twitch. (For a deeper dive into the esports ecosystem, check out this report.)

Years ago, eSports was a community of video gamers who would gather at conventions to play Counter Strike, Call of Duty, or League of Legends.

These multiplayer video game competitions would determine League of Legends champions the greatest shooters in Call of Duty, the cream of the crop of Street Fighter players, the elite Dota 2 competitors, and more.

But today, media giants such as ESPN and Turner are broadcasting eSports tournaments and competitions. And in 2014, Amazon acquired Twitch, the live streaming video platform that has been and continues to be the leader in online gaming broadcasts.

To put in perspective how big e8ports is becoming, a Google search for "lol" does not produce "laughing out loud" as the top result. Instead, it points to League of Legends, one of the most popular competitive games in existence. The game has spawned a worldwide community calle the League of Legends Championship Series, more commonly known as LCS or LOL e8ports.

Websites even exist for eSports live scores to let people track the competitions in real time if they are unable to watch. There are even fantasy eSports leagues similar to fantasy football.

So it's understandable why traditional media companies would want to capitalize on this growing trend just before it floods into the mainstream. Approximately 300 million people worldwide tune in to eSports today, and that number is growing rapidly. By 2020, that number will be closer to 500 million.

And financial institutions are starting to take notice. Goldman Sachs valt million in 2016 and expects the market will grow at 22% annually compositive years into a more than \$1 billion opportunity.

Of course, as with any growing phenomenon, the question becomes: How do advertisers capitalize? This is especially tricley for e8ports because of its audience, which is young, passionate, male-dominated, and digital-first. They live online and on social media, are avid ad-blockers, and don't watch traditional TV or respond to conventional advertising.

So what will the future of eSports look like? How high can it climb? Could it reach the mainstream popularity of baseball or football? How will advertisers be able to reach an audience that does its best to shield itself from advertising?

Robert Elder, research analyst for Bl Intelligence, Business Insider's premium research service, has compiled an unparalleled report on the eSports competent that dissects the growing market for competitive gaming. This comprehensive, industry-defining report contains more than 30 charts and figures that forecast audience growth, average revenue per user, and revenue growth.

Companies and organizations mentioned in the report include: NFL, NBA, English Premier League, Ia Liga, Bandesliga, NFL, Paris Saint-Germain, Ligue 1, Ligue de Football, Twitch, Amazon, OvrUbe, Facebook, Ovitter, ESNF, Batternioi Arts, Es Aports, Valve, Roit Games, Activision Bilzzard, ESL, Turtle Entertainment, Dreumhack, Modern Times Group, Turner Broadcasting, TRS Network, Vivendi, Canal Plas, Dailymotion, Dinney, BAMTech, Intel, Coca Coia, Red Ball, HTC, Mikomet

Here are some key takeaways from the report:

- eSports is a still nascent industry filled with commercial opportunity.
- . There are a variety of revenue streams that companies can tap into.
- · The market is presently undervalued and has significant room to grow.
- · The dynamism of this market distinguishes it from traditional sports. The audience is high-value and global, and its numbers are rising.
- Brands can prosper in eSports by following the appropriate game plan. Game publishers approach their Esport ecosystems in different ways.
- Successful esport games are comprised of the same basic ingredients.
- Digital streaming platforms are spearheading the popularity of eSports
- Legacy media are investing into eSports, and seeing encouraging results.
- Traditional sports franchises have a clear opportunity to seize in eSports.
- · Virtual and augmented reality firms also stand to benefit from eSports.

In full, the report illuminates the business of eSports from four angles:

- The gaming nucleus of eSports, including an overview of popular esport genres and games; the influence of game publishers, and the spectrum of strategies they adopt toward their respective esport scenes; the role of eSports event producers and the tournaments they operate.
- The osports audience profile, its size, global reach, and demographic, psychographic and behavioral attributes; the underlying factors driving its growth; why they are an attractive target for brands and broadcasters and the significant audience and commercial crossover with traditional sports. eSports media broadcasters, including digital avant-garde like Twitch and YouTube, newer digital entrants like Facebook and traditional media outlets like Turner's TBS Network, ESPN, and Canal Plus; their strategies and successes in this space; and the
- virtual reality opportunity. eSports market economics, with a market sizing, growth forecasts, and regional analyses; an evaluation of the eSports spectacle and its revenue generators, some of which are disosperative to his industry; strategic planning for brand marketers, with case studies; and an exploration of the infinite dynamism and immense potential of the eSports

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