

FEATURING  
**4 MARKET  
INTELLIGENCE  
SOLUTIONS**

FOR CONSUMER  
BRANDS

FREE NEWZOO REPORT | MARCH 2019

# ESPORTS LEAGUES: ONE OF MANY OPPORTUNITIES FOR BRANDS

How brands are tapping into millions of esports fans



newzoo

# INTRODUCTION

## Opportunities & solutions for consumer brands

This year marks our sixth year of modelling, researching, and reporting on esports. After pinpointing esports as a gaming trend, it has been quite the experience to see it evolve into a fully fledged business of its own—all while remaining embedded in gaming as a whole. Since then, Newzoo has been hard at work answering several press inquiries a day, helping game publishers shape their strategy, and—increasingly—educating companies outside the esports sphere about this exciting market.

Fast forward to 2019, and more than 30 of the world's most-respected brands are subscribed to our services. Many of these companies successfully entered the esports business and can be found as examples in this very report. These brands simply could not pass up on leveraging the world's favourite pastime.

The world's biggest companies are starting to discover the wealth of opportunities in gaming and esports, and are giving these markets the respect they deserve. Still, many consumer brands are struggling to navigate these uncharted waters, trying to discover if, why, and how they can get involved.

That's where Newzoo comes in. Over the years, we have built up a suite of solutions for *any* brand, regardless which phase they are in. Although there are constant developments happening in esports, brands needn't fret: our years of experience and ever-expanding range of market intelligence take care of the hard work for you.



Peter Warman - CEO  
Candice Mudrick - Head of Market Analysis

### NEWZOO'S ESPORTS SOLUTIONS FOR CONSUMER BRANDS

#### 1. EXPLORE: GLOBAL ESPORTS MARKET REPORT



#### 2. TRIPLE-JUMP: LAND YOUR BRAND IN ESPORTS



#### 3. PULSE: DON'T MISS A BEAT IN GAMING AND ESPORTS



#### 4. BRAND TRACKING: MONITOR IMPACT OF YOUR EFFORT



 **\$100M**

Is the - rumored - amount to have been spent by Nike on a four year jersey and footwear deal with the Chinese League of Legends Pro League (LPL)

## CONTENT

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# ESPORTS LEAGUE SPONSORSHIP OPPORTUNITIES

Brands are sponsoring leagues to reach millions of esports fans across individual teams

## FOCUS LEAGUES



Sponsorship activity in esports is rapidly increasing. Already, 2019 has seen more sponsorship deals than the entirety of Q1 2018. Companies from several new categories have partnered with five recently franchised leagues: the LPL, LEC, LCS, OWL, and KPL. This means there are fewer opportunities for brands in some categories, leading to increased competition.

The benefits for sponsors are clear. The five leagues mentioned above attract millions of viewers, a number that is continuously growing. Together, the LEC, LCS, and OWL have generated more than 33.9 million live viewership hours in 2019 so far, with publishers' official Twitch channels generating 26.4 million hours. These top channels attract a significant number of viewers at any given time during broadcast. The OWL Twitch channel, for example, had 155,000 live average concurrent viewers (accv) in its first two weeks of matches.

Meanwhile, the LEC and LCS grew their average live viewership numbers on Riot Games' official Twitch channel by 35% and 20% year on year, respectively.

Not only are these high viewership numbers attractive to brands, but the audience itself is a valuable demographic. For example, 39% of Esports Enthusiasts are between the ages of 21 and 35, and 43% have a high household income. With the number of Esports Enthusiasts forecast to grow with a +13% CAGR (2018-2022) to 297 million by 2022, now is the ideal time for brands to establish themselves in the community and build strong ties with league fans.

In this report, we analyze sponsorship possibilities within these five franchised leagues across several categories. We also include activations that have resonated with esports fans. On the following page, we show existing opportunities for each category per league.

 **+35%**

Increase in average viewers in the LEC from the same period in 2018.

 **+70%**

More sponsorship deals so far in 2019 compared to entirety of Q1 2018.

 **297M**

Esports Enthusiasts by 2022

# ESPORTS LEAGUE SPONSORSHIP SPOTS ARE FILLING UP

Taken and available categories per league | LPL, LEC, LCS, OWL, KPL | Per 15 March 2019

	Apparel & Retail	Hardware	Peripheral	Automotive	Telecom	Finance & Payment Provider	Food & Beverage	Gaming Furniture	Music	Oil & Gas	Electronics	Cosmetics	Social Media	FMCG
			Open		Open	Open			Open	Open				Open
					Open				Open		Open	Open	Open	Open
			Open	Open	Open				Open	Open	Open	Open	Open	Open
			Open					Open		Open	Open	Open	Open	Open
		Open	Open		Open	Open		Open	Open	Open		Open	Open	



# **SPONSORSHIP OPPORTUNITIES & ACTIVATIONS PER LEAGUE**



# LEC: LEAGUE ENTRY OPPORTUNITIES



## LoL European Championship (LEC)

**Game:** League of Legends

**Region:** Europe

**Founded:** 2013 (2019 rebrand)

**Teams:** 10

# 13M

Hours watched so far 2019

# 117K

Average viewers on Riot Games' Twitch Channel

## Current Sponsors

The LEC has an array of league-level sponsors spread across many different categories. Recently, Red Bull partnered with the LEC, becoming the only brand in the food and drink category to do so. The league also has hardware, gaming furniture, and peripheral partnerships with Alienware, DXRacer, and Logitech G, respectively. There is plenty of team-level LEC sponsorship in all these categories, with brands benefitting from team endorsements and training sponsorship while league-level sponsors supply equipment for official events. Notable non-endemic league sponsors include Foot Locker, KIA, MasterCard—which are part of categories that also have active team-level sponsors—and Shell, whose category has no presence on the team level.

## Opportunities

While many categories are well-represented in the LEC, music, cosmetics, FMCG, ecommerce, and social media have no league- or team-level sponsors, meaning there are plenty of opportunities for brands. While Red Bull has secured a partnership with the league as the only food and beverage brand, other brands in the same category still have an opportunity, as long as their product offering is different. As Red Bull is an energy drink brand, a confectionery or fast-food brand can still enter at the league level. Additionally, there are no league-level sponsors in the telecom and electronic categories. However, there are a few sponsorship deals in those categories with LEC teams. Depending on the agreement, league-wide sponsorship can also create issues for teams. For example, if a telecom brand becomes a shirt sponsor at the league level, other telecom sponsorships at the team level may cause confusion for consumers.

### Sponsors on board:



### Top category opportunities:



# LEC: NOTABLE ACTIVATION



Start Date:  
January 18<sup>th</sup>, 2019

## Shell powers the Baron Power Play with Shell V-Power

Oil & Gas



The “Baron Power Play”, powered by Shell V-Power, is a live in-game occurrence in League of Legends that gives players a temporary power boost. While an energy sponsorship would seem a stretch in esports, the link to such an in-game event relates to the audience and shows an understanding of the gameplay.

Additionally, Shell will be giving away free cosmetics, XP bonuses, and additional in-game items to members of Shell loyalty programs.





# LCS: LEAGUE ENTRY OPPORTUNITIES



## LoL Championship Series (LCS)

**Game:** League of Legends

**Region:** North America

**Founded:** 2013 (2019 rebrand)

**Teams:** 10

# 10.6M 134K

Hours watched  
live so far 2019

Average viewers on Riot  
Games' Twitch Channel

## Current Sponsors

The LCS has league sponsorships in just five categories. Just like the LEC, Alienware is the hardware sponsor for the LCS. Secret Lab is another endemic sponsor as the LCS' official gaming chair. Notable non-endemic sponsorships include MasterCard, State Farm, and Jersey Mike's. We Are Nations is the official apparel sponsor for the league.

## Opportunities

Although there are few LCS sponsors at the league level, team-level sponsorships are abundant in apparel, hardware, peripheral, finance and payment providers, and food and beverage. Despite ample sponsorship opportunities for brands in these categories, there are still plenty of challenges. There may be confusion around the team-level sponsors from these categories, for example, if other companies within the categories sponsor the league. This is especially a problem for peripheral, apparel, and hardware sponsors, where the team must use the product as part of the sponsorship. This means that league-level sponsorships can conflict with existing contracts. There are also many opportunities for brands in music, oil and gas, electronics, cosmetics, social media, FMCG, betting, and ecommerce—categories from which there are no sponsors at the league or team level.

## Sponsors on board:



State Farm



## Top category opportunities:



Music



Oil & Gas



Electronics

# LCS: NOTABLE ACTIVATION



State Farm



Start Date:  
January 20<sup>th</sup>, 2018

**State Farm explains in-game events and strategies with their Analyst Desk**

Finance &  
Payment  
Provider



An example of a successful activation in the LCS is the “State Farm Analyst Desk”, a physical desk at live events where presenters gather for post-match discussions. Guests, such as former members and experts, make appearances to share their thoughts on strategies being used and current events in the esports world. This activation positions State Farm as a knowledgeable brand in the eyes of fans, putting the brand at the center of an insightful piece of shoulder content. This helped State Farm form a connection with Esports Enthusiasts.



# OWL: LEAGUE ENTRY OPPORTUNITIES



## Overwatch League (OWL)

**Game:** Overwatch  
**Region:** Global  
**Founded:** 2017  
**Teams:** 20

**10.2M** **155K**

Hours watched  
so far 2019

Average viewers on  
Overwatch League's  
Twitch Channel

### Current Sponsors:

The OWL, despite its young age, has been very successful in attracting sponsorships from multiple categories. The league recently attracted Coca-Cola as its official beverage sponsor. Other big brands are active in the league, including Intel and HP for Hardware, Toyota for automotive, T-Mobile for telecoms, and Spotify for music. Despite the league's presence in many regions, most of the sponsors appeal to North American audiences, with some exceptions. This is likely due to the fact that 13 of the league's 20 teams are based in North America.

### Opportunities:

There are many opportunities for peripheral brands, but there are already many peripheral sponsors at the team level. This is often the case, as teams desire peripheral sponsorships, which are typically easy to find. This can result in complications for league sponsorships in this category, as team contracts may prohibit other peripheral brands being used. For the Overwatch League, this is also the case for gaming furniture. There are big opportunities at the league level for partnerships in oil and gas, electronics, cosmetics, social media, betting and online platforms/ecommerce, where there are no team-level sponsors. Additionally, there are opportunities on the league and team level for Chinese brands, as four of the 20 teams are based in Chinese cities.

### Sponsors on board:



### Top category opportunities:



# OWL: NOTABLE ACTIVATION



Spotify

Start Date:  
July 12<sup>th</sup>, 2018

**Spotify builds player curated playlists to accompany the Overwatch League Playoffs**

Music



Spotify created branded playlists comprising of team players' favorite songs. This not only offers an enticing inside look at the preferences of fan-favorite players, but it also brings consumers directly to the application and allows them to interact with it. Spotify created five themed playlists for the activation, including relevant names such as "Party on the Payload" and "OWL Cool Down".



# LPL: LEAGUE ENTRY OPPORTUNITIES



## LoL Pro League (LPL)

**Game:** League of Legends

**Region:** China

**Founded:** 2013

**Teams:** 16

# 0.6M

Hours watched outside of China on Youtube in 2019 YTD

# 1.4Bn

Viewing hours for LPL in H1 2018 as reported by the LPL itself

## Current Sponsors

The LPL recently signed a four-year partnership with Nike as the official apparel sponsor for the entire league, providing apparel and footwear for all teams, players, coaches, and referees. In November 2018, it was reported that there were disagreements surrounding this deal due to teams feeling it would prevent them from acquiring other apparel sponsors. Previous apparel activity with teams includes Li-Ning acquiring Snake and a recent joint apparel agreement between Li-Ning and EDG. Other sponsors include Alienware, which is the official hardware sponsor for the league, Mercedes-Benz, KFC, Doritos, DxRacer, and L'Oréal.

## Opportunities

While there are no peripheral brands sponsoring the LPL, there are already many companies sponsoring at the team level, which could complicate league-level sponsorships. However, there are no team- or league-level sponsors in the telecom, music, and energy categories, making them viable opportunities. There are openings for league sponsorships from brands in FMCG, software, online platforms, and financial services/payment. There are very few team-level sponsorships from brands in these categories. Furthermore, the LPL's high level of sponsorship from brands in the food and beverage category illustrates how multiple brands within the same category can sponsor the league, as long as the activation/value proposition of the brands is different.

### Sponsors on board:



### Top category opportunities:



# LPL: NOTABLE ACTIVATION



Start Date:  
January, 2019

KFC helps players understand the stakes at hand with the Colonel's winning team dashboard

Food & Beverage



Kentucky Fried Chicken's LPL activation will include a Colonel-themed in-game dashboard, offering an estimation of which team will win. The dashboard will calculate different elements occurring in the game that impact a team's chance of victory and be displayed as a percentage on the bottom of the screen. Anyone watching an LPL event will see KFC's activation, giving fans more context.

KFC will also offer LPL-themed meals at their locations.





# KPL: LEAGUE ENTRY OPPORTUNITIES



## King Pro League (KPL)

**Game:** Honor of Kings

**Region:** China

**Founded:** 2017

**Teams:** 15

# 1.1M

KPL followers on Chinese social platform Weibo

# 200M

Monthly active players for Honor of Kings as reported by Tencent

## Current Sponsors

The KPL has the lowest number of league sponsors of all the five leagues. This is understandable, given the league's young age. It was recently announced that three sponsors—McDonald's, M&M's and SPD Bank—would not be returning in 2019. Instead, the KPL has acquired partnerships with HLA Jeans, 5 Gum, and Tongyi (Uni-President) Iced Tea. The league will maintain its partnerships with Volkswagen and Vivo. Vivo is a well-placed partnership, as the game is played on mobile; this is a good opportunity for the company to position itself as a brand for mobile gamers.

## Opportunities

The KPL, being relatively new, is full of league-level sponsorship opportunities. Recently, the league's partner in banking dropped out, while its sponsors in food and beverage were replaced by two new brands. Additionally, the KPL has massive league-level opportunities in peripheral, telecom, music, oil and gas, cosmetics, social media, FMCG, and online platforms. These categories, among others, have no team- or league-level sponsors, meaning there is room for sponsorships from brands within these categories,

## Sponsors on board:



## Top category opportunities:



Telecom



Oil & Gas



Peripherals

# KPL: NOTABLE ACTIVATION



浦发银行  
SPD BANK

Start Date:  
September, 2018

## SPD Bank puts itself in fans' wallets with their KPL themed credit card

Finance &  
Payment  
Provider



In 2018, SPD Bank and KPL made a co-branded credit card. Users could guess the outcomes of matches for rewards. Cardholders also got purchasing priority for playoff tickets and the ability to buy and redeem exclusive in-game items such as champions, cosmetics, or props. In addition, cardholders also felt that their bank and credit card were representative of their interests and lifestyle. Even if an audience member was not interested in becoming a cardholder, they would notice and appreciate the activation.





# **MARKET INTELLIGENCE SOLUTIONS FOR CONSUMER BRANDS**

# NEWZOO SOLUTIONS FOR CONSUMER BRANDS

Independent of where you are in your thinking, we are here to support

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## GLOBAL ESPORTS MARKET REPORT



### PRIZE MONEY

#### GLOBAL

Total prize money in 2017 reached \$122 million, up from \$63 million in 2016. Looking only at major events with prize pools above \$100k, prize money reached \$66 million, up from \$60 million in 2016. The largest prize pool, \$10 million, was awarded by The International and accounted for 8% of the global total. The top 10 events of 2017 accounted for 41% of all prize money.

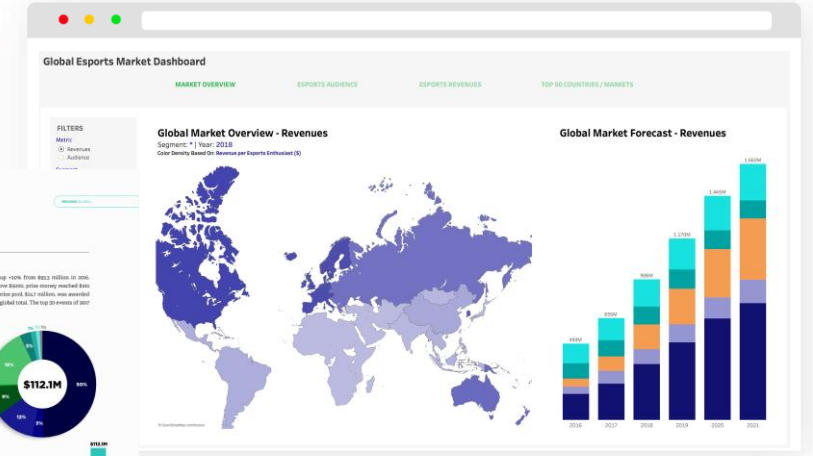
#### EVENT PRIZE MONEY

\$10.7 PRIZE MONEY (\$10,000,000) 100%



#### PRIZE MONEY DEVELOPMENT

GLOBAL (2007-2017)



### Annual PDF Report

A -100 page report that analyses the latest trends, developments, and market forecasts on a global, regional, and local scale.

### Quarterly Updates

Quarterly update (PDF) detailing the latest developments in the market and any updates to our market estimates.

### Dashboard Access

Access to our online dashboard which contains our market estimates on a granular level, allowing you to easily slice and dice the data.

FOR CONSUMER BRANDS NEW TO ESPORTS & GAMING

# NEWZOO'S TRIPLE JUMP: LAND YOUR BRAND IN ESPORTS

The fastest way to discover where to go and why. Harness the market leader's experience and intelligence.



## MARKET FIT

READY

What does the market look like now and in future? How does it fit into the general media landscape? What are my brand's opportunities?

2 WEEKS

**INPUT:** BRAND & PRODUCT STRATEGY

**OUTPUT:** TAILORED MARKET & TREND SESSION\*

**OUTPUT:** STAKEHOLDER ON-BOARDING SESSION\*

**MAIN MARKET INTELLIGENCE SOURCES USED\*\***

**TRENDS & MARKET FORECASTS**, INCLUDES DIRECT ACCESS TO OUR GLOBAL GAMES AND ESPORTS MARKET REPORT SERVICE FOR 12 MONTHS

\*\*Newzoo services: Global Games & Esports Market Reports, Consumer Insights, Game Streaming Tracker, Gaming Trackers.



## AUDIENCE FIT

SET

How do the gaming, viewing and esports audiences relate to my brand and products in general and by game?

2 WEEKS

**INPUT:** TARGET AUDIENCE & BRAND VALUES

**OUTPUT:** CUSTOM AUDIENCE ANALYSIS SESSION\*

**OUTPUT:** STAKEHOLDER REVIEW SESSION\*

**AUDIENCE INSIGHTS & SEGMENTATION**, INCLUDES DEEP DIVE INTO 3 COUNTRIES AND GLOBAL PERSPECTIVE



## ECOSYSTEM FIT

GO

Which channels, leagues, events, influencers and teams fit my brand and objectives best? Who do I work with in the ecosystem?

2 WEEKS

**INPUT:** MEDIA STRATEGY & CAMPAIGNS

**OUTPUT:** PARTNER SELECTION SESSION\*

**OUTPUT:** STAKEHOLDER OUTLOOK SESSION\*

**ECOSYSTEM TRACKING DATA**, VIEWING & GAMING

\*Sessions are online. Preference for at-client in-house? Add \$3K (+travel expenses) per session.

CONTACT US  
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**INFO &  
PRICING**

FOR BRANDS THAT ALREADY ARE IN ESPORTS & GAMING

# NEWZOO'S PULSE: DON'T MISS A BEAT

Take gaming seriously. Keep track like you do for traditional media.

FULL-YEAR SUBSCRIPTION

## KEEP TRACK OF



**GAME IP  
POPULARITY**



**RISING  
STARS**



**SOCIAL  
FOOTPRINTS**



**AUDIENCE  
TRENDS**



**BRAND  
INVESTMENTS**

## THE COMPLETE ECOSYSTEM

GAMES	LEAGUES	EVENTS	TEAMS
PRO'S	INFLUENCERS	CHANNELS	SPONSORS

### USING SERVICES SELECTED SPECIFICALLY FOR CONSUMER BRANDS

**TRENDS & MARKET FORECASTS**, INCLUDES CONTINUOUS ACCESS TO OUR FORECAST DASHBOARD AND TREND UPDATES

**AUDIENCE INSIGHTS & SEGMENTATION**, INCLUDES CONTINUOUS ACCESS TO OUR ONLINE ANALYSIS TOOL AND CONSUMER INSIGHTS

**ECOSYSTEM TRACKING DATA**, INCLUDES CONTINUOUS ACCESS TO OUR VIEWING, STREAMING AND GAMING TRACKERS

CONTACT US  
FOR MORE  
**INFO &  
PRICING**



## BRAND TRACKING

Looking to monitor your brand's performance? Or measure how your branding and activation effort is faring among game enthusiasts? We have already helped countless major brands invested in esports answer these questions. Benefit from our 10 years of experience and the world's biggest panel of Game Enthusiasts, and track your brand using the most cost-effective and efficient solution on the market.

The service includes profiling & analysis using Newzoo's proprietary Gamer Segmentation



BENEFIT FROM OUR PROPRIETARY PANEL & SEGMENTATION

**NEWZOO'S GLOBAL GAMING & ESPORTS PANEL**

**2M+** Direct access to over two million game enthusiasts

**NEWZOO'S GAME ENTHUSIAST SEGMENTATION**

**8** Unique persona's based on viewing, gaming, owning

CONTACT US  
FOR MORE  
**INFO &  
PRICING**



## CONTACT

questions@newzoo.com  
newzoo.com/contact

