



Gaming Demystified

Unlocking brand
growth opportunities
in video gaming



World Federation
of Advertisers



Foreword

Video gaming has risen from a niche, close-knit culture to a global phenomenon that is bigger than music and film. The profile of what a gamer looks like has also dramatically widened with the rise of mobile gaming – especially across Asia, where smartphones are typically the primary medium for internet access.

Esports is the pinnacle of the gaming industry, where professional gamers compete for sizeable prize pools that rival (and often exceed) those offered by traditional sports. While esports tends to generate the headlines, both it and the wider world of gaming offer opportunities marketers cannot ignore. The challenge is understanding how to navigate this rapidly evolving ecosystem and knowing where to look.

We have produced this report using primary research (depth interviews and surveys) with Asia-based senior marketers across a range of industries, as well as extensive secondary research across the gaming industry. We collected marketers' thoughts and advice regarding investment in gaming, understanding their current knowledge levels, the opportunities as they see them, as well as any potential pitfalls. The result is a report made for marketers, providing crucial information and recommendations on how to create business value in this growing space.



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This research and report have been produced by 2CV in conjunction with the World Federation of Advertisers (WFA) and Branded (the organisers behind All That Matters).

This report provides

A '101' guide to the gaming and esports ecosystems

Breakdown of industry numbers and which ones marketers should pay attention to

Details of the opportunities available for brands to be involved

Example executions from a mix of categories and brands to inspire

Initial starter tips and best practices for marketers wanting to invest

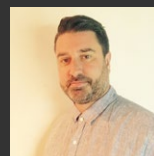
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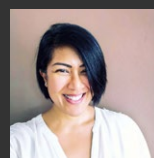
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1.

Lay of the land



The rise of video gaming and esports

Video gaming as a form of entertainment isn't anything new – hitting the golden age of arcade complexes during the late 1970s to early 1980s, long before the modern era of mobile gaming that we live in today.

In fact, even esports in an early form (a long way from what it is today) can date back to a similar era – with localised tournaments and finals being held at national levels. So why is it only the last few years that gaming and esports specifically has begun to gain so much traction?

Key moments in history. Then and Now

1975

Pong, the first arcade video game, was released in 1972. In 1975, Atari released a home version, which was as successful as its arcade counterpart

1979

The launch of Activision, the first third-party game developer focussed on software (not hardware)

1980s

Home video game industry picks up as Nintendo releases important games, such as Donkey Kong, Super Mario Bros., The Legend of Zelda and Metroid

Nintendo Gameboy released, bringing portability to games such as Tetris

1990s

With rise of the internet Multiplayer gaming increases and LAN gaming becomes popular

Nintendo released its cartridge-based 64-bit system, the Nintendo 64, in 1996

PC gaming on the rise as tournaments such as Cyberathlete Professional League (CPL), the Professional Gamers League and Quakecon became the forebearers of esports

Dreamcast released in 1999 and introduced internet gaming as a standard feature, with built-in modem and web browser

PlayStation 2 was released in 2000 and would become the best-selling game console of all time

Early 2000s

Enhanced internet capabilities and technology allowed the rapid development of games with new built-in DVD players, larger hard drives, and improved graphics.

Life simulation franchise The Sims launched in 2000 and would become the best-selling PC game in history, helping open the gaming market to female and casual gamers.

Gaming portability continued with the Nintendo DS released in 2004, followed by Sony's PlayStation Portable in 2005.

Wii introduced motion sensor gaming, appealing to a broader audience with the emphasis on family-friendly fun

Action-adventure title Grand Theft Auto was at the centre of the violence and video games debate – which continues to be discussed today

Late 2000s

Smartphones with mobile apps start to dominate and make gaming more accessible for everyone

First-person shooter Halo 3 sets the record for highest grossing opening day sales in video game history (\$170 million)

Farm simulation title FarmVille peaks in March 2010 with 83 million monthly active users

Highly acclaimed science fiction real-time strategy title StarCraft II released, which would become a staple in esports

Early 2010s

Twitch was founded in 2011 and made broadcasting games and events easier – later purchased by Amazon for \$1 billion in 2014

As mobile gaming continued to be ubiquitous, casual mobile game Angry Birds made \$200 million in 2012

Spectator-friendly games such as League of Legends and Dota 2 become popular and have continued to dominate the esports scene

Late 2010s

In 2014 the League of Legends world championship drew 40,000 fans live at the event but quickly garnered more viewers over time – 43 million viewers in 2016 and over 60 million in 2017

PokeMon Go released in 2016 and made location-based and augmented reality gaming popular – producing \$2.3 billion in revenue in the process

Prize pool for Dota league's The International exceeded records every year – from \$10 million in 2014 to \$20 million in 2016 and \$34 million in 2019

Battle Royale title Fortnite (2017) was released, achieving huge popularity – Fortnite WorldCup held in 2019 with \$30 million prize pool



Source:

<https://techcrunch.com/2015/10/31/the-history-of-gaming-an-evolving-community/>

https://www.hotspawn.com/the-history-of-esports/?utm_source=facebook

<https://www.history.com/topics/inventions/history-of-video-games>

<https://www.museumofplay.org/about/icheg/video-game-history/timeline>

https://en.wikipedia.org/wiki/Category:Decades_in_video_gaming

When many other forms of entertainment media have stagnated and struggled to stay relevant, video gaming has thrived. Participation continues to grow, and there are now an estimated 2.3 billion video gamers globally, with a predicted spend of \$152 billion in 2019. By comparison, the global film industry revenue in 2018 was \$136 billion. Not only is video gaming already bigger than the likes of TV, film, and music but it is continuing to grow at a rapid rate.

Gaming also tends to involve a much higher level of engagement from

participants, in stark contrast to the shorter attention, low engagement consumers we increasingly associate with other traditional media forms – e.g. ‘second screening’ (using a mobile device) when watching TV. While ‘second screening’ behaviour certainly still occurs in gaming, the gamer is primarily focused on the game being played at that moment of time. With a sizeable growing audience who are typically fully engaged, gaming therefore presents a compelling opportunity for marketers to grow their brands.



Audience size by sports league (2017)



Source: [Goldman Sachs Global Investment Research – The World of Games, esports, from Wild West to Mainstream, 2018](#)

Esports is quite simply the pinnacle of gaming – it has taken gaming to the next level, going beyond just games played by professionals to become a fully-fledged spectator sport. Esports typically grabs the headlines due to the size of the growing prize pools and the large viewership numbers it achieves. While other content creators will draw in millions of views or followers over time, it is the fact that thousands of fans tune in to watch esports live that sets it apart.

For example, one of the most prominent games in the esports scene is League of Legends, published by Riot Games. It sold out a stadium of 40,000 live fans at its World Championship Finals event in 2017, while in 2018 99.6 million unique viewers globally watched the event on gaming streaming platforms. A true global event, broadcasted in 19 different languages across 30 different streaming platforms for the world to enjoy.

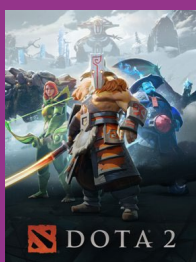
These are no small numbers and if you compare these to traditional sports you start to see just why people are starting to take notice. While these viewership numbers are certainly impressive, they are only the tip of the iceberg when it comes to the opportunity that gaming represents, when you take into account the elements of the industry that sit outside of esports.

*League of Legends
sold out a stadium
of 40,000 live
fans at its World
Championship
Finals event in 2017*

One such element is streaming and viewership platforms (e.g. Twitch) that allow gaming enthusiasts to watch others play games. While this may sound strange to the uninitiated, this form of gaming draws large viewership numbers that are at times comparable to linear TV. Looking at their own viewership details, Twitch have found that behaviour on their platform is like traditional media, with similar 'prime time' viewership peaks and viewers watching for multiple hours at a time.

“We’re seeing viewing habits occur, not only in terms of viewing behaviour but hours that people are watching. Twitch viewing behaviour is very reminiscent of how people are watching TV”

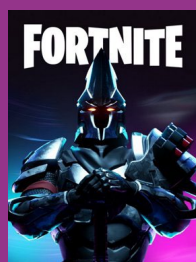
Advertiser Marketing and Activations, Endemic



Dota 2
457k Viewers



League of Legends
98.3k Viewers



Fortnite
68.7k Viewers



Just Chatting
63.9k Viewers



Grand Theft Auto V
41.9k Viewers

Example of Twitch channels



“People often think the stereotypes, think it is only for teenage boys..”

Insights Strategy, Media Agency

Source: twitch.tv

While the opportunities and reasons for brands to be involved in gaming are detailed later in this report, it is important to challenge one key misconception now. The fact is, the audience that engages in esports and gaming is not the misconceived stereotype of an unsociable teenager locked in their parent’s basement.

In fact, it is typically the highly sought-after Millennial or Gen Z target which brands often are desperate to reach.

On average these tend to be 16-34 years of age and mostly male (though not exclusively) – but more importantly these are consumers with money to spend (both now and increasingly in the future). In addition, these segments tend to be difficult to reach, as they don’t engage with traditional media or advertising to the same extent as previous generations, and are most likely to be using adblockers to avoid advertising while online.



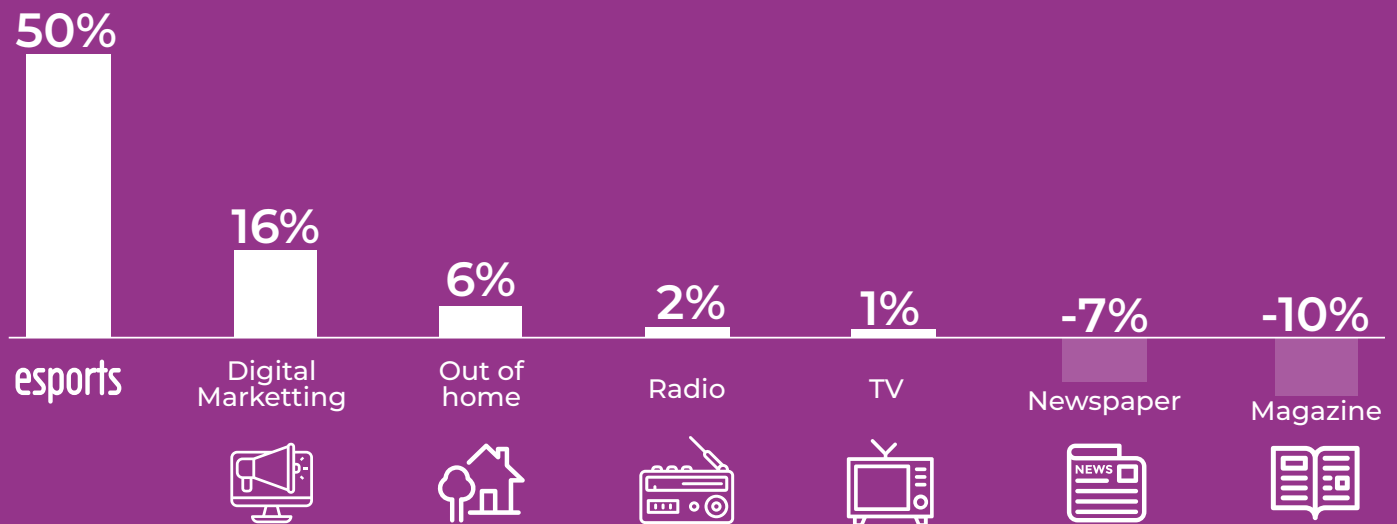
“Feels a whole new world, but it’s been happening around us for a long time”

Head of Marketing, Facilitator

There is therefore a massive opportunity to increase a brand’s share of voice by targeting this audience through gaming and esports. Not only is this something that we are seeing brands do already, but there is an expectation that this level of investment will grow in the future. Any authority on the subject will give various levels of expected growth of brand investment, with our research suggesting approximately a 50% increase in investment in Asia in the coming 12 months. While this figure might seem outlandish, in 2018 Newzoo reported 48% growth in investments. These figures show that several (non-endemic) brands are already venturing into gaming and esports and more are set to follow.

According to senior marketers we surveyed (see chart on next page), investing in video gaming and esports feels like an innovative, relevant and potentially impactful channel for brands. But with anything new comes an element of uncertainty and perceived risk. While advertising through gaming is not a new concept, with the rise of esports it can feel like a leap into the unknown. When talking to marketers about potential barriers to investing, it often came back to a lack of awareness and understanding of the opportunities available and how they can be effectively leveraged.

Expected advertising spend growth across channels in APAC



Source: Esports figure: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019. All other figures [Digitalmarket.asia](https://www.digitalmarket.asia), APAC ad spend growth to increase 7.4% in 2019, June 24, 2019

Associations with marketing investment in video gaming (among senior marketers in Asia)

INNOVATIVE 91%

RELEVANT 72%

IMPACTFUL 71%

RISKY 60%

UNTAPPED 59%

UNKNOWN 50%

CONFUSING 34%

INEFFECTIVE 30%

IRRELEVANT 26%

ILL-ADVISED 21%

Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019

The following sections look to rectify these concerns and provide a detailed '101' of the video gaming and esports landscape for the benefit of marketers – not only defining what is happening currently but also beginning to identify avenues for investment. This is a point-in-time view, and much like digital marketing, this is an ever-evolving industry that must be evaluated regularly as new titles, events, communities and gamers arrive on the scene.

Sizing the potential of a fragmented market

“Esports has brought gaming into the limelight”

*Product Innovations,
Media Agency*

There is no doubt that the video gaming and esports industry is growing. As a result of this growth, there is a lot of news around the potential within the industry – typically big numbers around future revenues and viewers. It is very easy to get excited about these numbers, but marketers must be cautious with any such forecasts, especially when they are regarding an industry just reaching mainstream consciousness.

We have provided an example below of some of the industry numbers, but the challenge is that there is no one source to draw from. The figures given are from multiple sources and differ in what they include and exclude. While one should be cautious of using any one number, the trend is clear – video gaming engagement is growing.

Industry insiders acknowledge that a lot of the numbers out there are unregulated – there is no one organisation providing these figures or checking their validity. This presents a challenge for any brand looking to put money into gaming and esports.

“There are lots of unverified numbers, it’s not like sports where you have clear numbers for viewership”

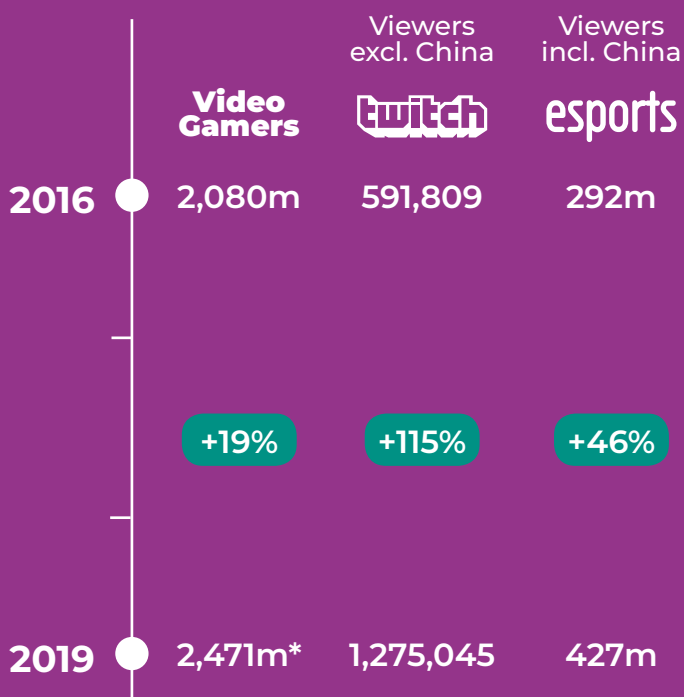
Head of Competitive Gaming, Endemic

However this isn’t something that is exclusive to the gaming industry. One can draw parallels with other digital mediums where trust in advertising viewability metrics (e.g. from Facebook and YouTube) still leave brands and agencies feeling cautious. With any new media it takes time to form a universally accepted measurement currency.

Twitch has recognised there is a need for better data in the industry, and is making big strides with its own internal data and analytics platforms; we are also seeing other industry players (e.g. game publishers and esports teams) partnering with agencies to up their own data games. While at present there might not be a plethora of reliable statistics to easily access, this is thankfully changing.

Currently some of the better sources of data would be those directly from the source – e.g. talking to the specialists at key platforms Twitch, YouTube and Mixer. There are also other providers such as Newzoo and Stream Hatchet which provide cross-platform streaming statistics, as well as emerging players such as Yup.gg who have started to collect statistics specific to the South East Asia region.

Overview of market size



*Estimated
Source: Video Gamers - Statista, Twitch viewers – Twitch Tracker, Esports Viewers - Newzoo

Speaking the right language



Before continuing through the report, it is important to set up some of the more frequently used terms that will feature. These are by no means exhaustive, but provide a quick overview of terms that anyone would start to come across if trying to enter this industry. A more extensive glossary can also be found at the end of the report.

Common Key Terms

Video gaming An electronic game played on either computer, gaming console or smartphone	Esports A competitive tournament or league for video games played by professional gamers	Content creators/streamers Gamers who broadcast themselves online playing games in order to attract viewers	Publisher Markets, distributes and operates the video games made internally or by a game developer
Game developer Designs/makes the games across all aspects of development	Streaming platform Platforms for streamers to broadcast through and for fans to engage with	Endemic brands Their products are used while gaming and are central to the experience	Non-endemic brands Those that are not aligned with video gaming at all

The gaming community have over time formed or adapted their own rules when it comes to communication – this can be likened to the shorthand communication that the internet-era has brought us, complete with an array of acronyms, references and memes.

This does however mean that any brand looking to enter the gaming space needs to get up to speed with the language

in order to be able to understand and effectively communicate with this audience – whether in a TVC or on social platforms. For example, knowing exactly what it means to say GLHF (good luck have fun) or if someone is described as ‘salty’ (being upset over something little). It is worth noting that, as with most slang, the usage of phrases tends to come and go and that across markets there are even more nuances to contend with.

Pure Non-endemic

The brands that are the furthest away from gaming and have no intrinsic link at all – e.g. car brands, furniture, household



Distant Enablers

The brands that may not be necessarily linked to the world of gaming but could in some way help or support – this could be financial services, or F&B aimed



Facilitators

The brands that help make gaming possible or enhance the experience in some way – these are the peripherals (e.g. chairs, keyboards), the technology or even the internet providers that



Purely Endemic

Those explicitly linked with the industry – the developers and publishers of games, the content platforms



Expanding Endemic vs Non-endemic classifications

A common way of referring to the brands within this space is whether they are Endemic vs. Non-Endemic – i.e. is the brand native to the world of gaming or not? While this lens may be an easy way of thinking about your brand, it could be a little too black and white. Instead we see more of a gradual spectrum being helpful – rather than purely endemic vs. not. Brands can instead be thought about as those that explicitly facilitate gaming (purely endemic), those that help enable gaming indirectly (facilitators and distant enablers), and finally those that have no link at all (pure non-endemic).

This simple change allows a marketer to better evaluate their brand and identify opportunities to be involved. While initially you may consider yourself completely non-endemic, upon reflection you may identify occasions that gamers are using your brand to enhance their experience. Chances are that some of your target audience will include gamers – meaning that video gaming and/or esports would be a valuable channel to share your brand message.



A '101' to the gaming ecosystem

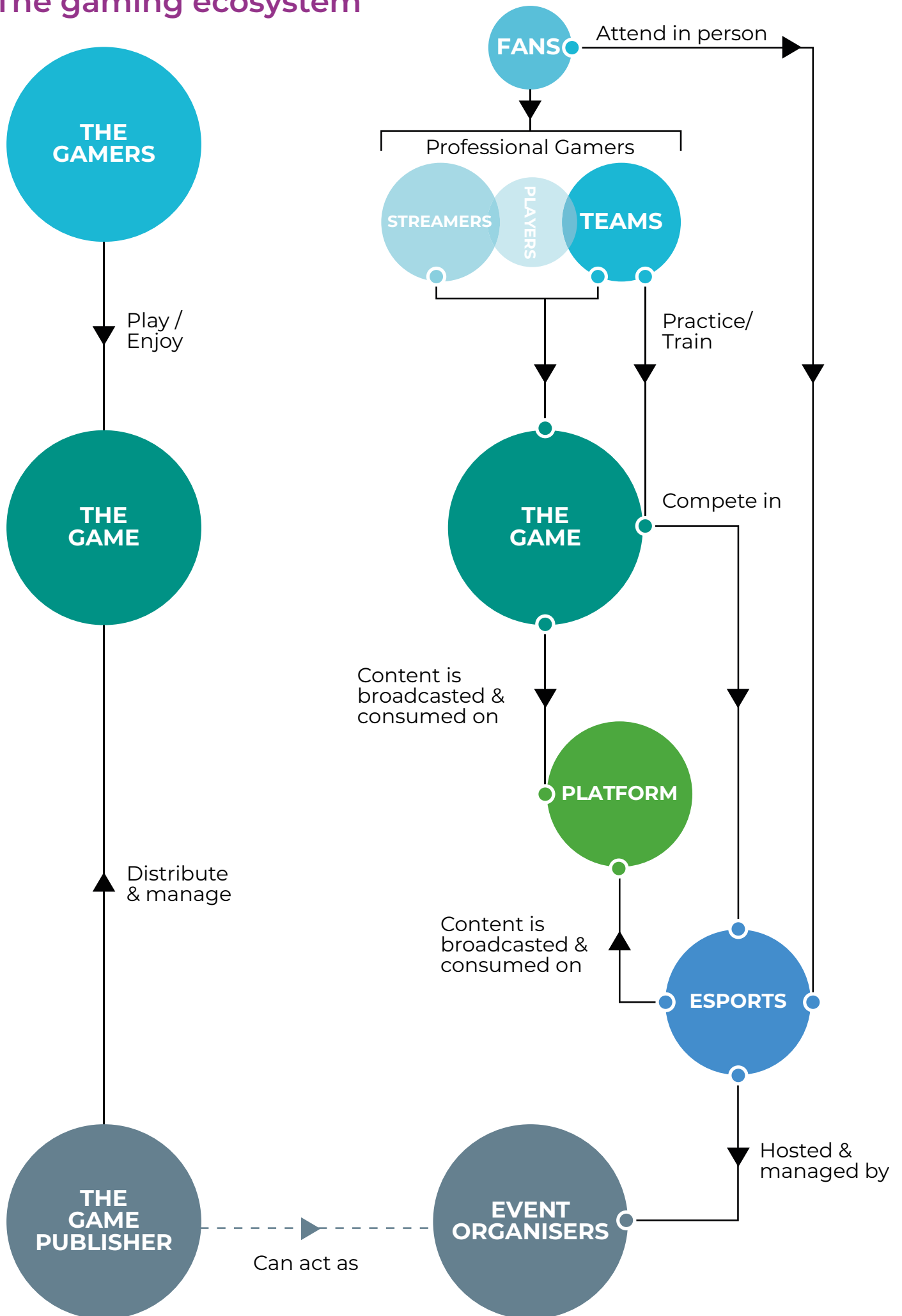
Video gaming is not as simple as it once was. When you factor all the different stakeholders involved it can quickly become quite complex – especially with the rise of various esports leagues, teams and platforms (or channels) to view it all on.

At a most basic level you have the publishers who make the games available for the gamers to play – while this is an oversimplification and more granularity is evident in reality, this is sufficient enough at this stage.

Over time this has expanded with the introduction of streamers (those making live video content of games) and the rise of esports (professional competitive gaming) – both of which have added multiple layers of complexity to the traditional ecosystem.

While the games themselves are the core of the ecosystem (without them it would not exist), streamers or content creators can be considered the next tier up, while finally esports competitions is the pinnacle of it all. Both streamers and esports are still part of the broader gaming world – but with the introduction of them comes more stakeholders and, more importantly, more opportunities.

The gaming ecosystem



Diving deeper into the details of the ecosystem



Publishers

Often the financiers and marketers of the game, ensuring that any game is developed and released at the right time to maximise sales and return on investment. Top examples include Electronic Arts, Ubisoft, Epic, Riot Games and Tencent Games.

Games

The video games are at the heart of all of this – they are the core entertainment medium. They range from free-to-play mobile games such as Candy Crush, to more fleshed-out console and PC titles. The way video games are often spoken about is somewhat akin to the film industry:

You have your ‘AAA’ games, comparable to the Hollywood blockbusters, which have a higher level of investment and tend to attract a larger audience.

There are the ‘indie’ games, which somewhat compare to the indie film scene – these tend to be developed by a smaller team with smaller budgets, and therefore often reach a smaller audience. However while AAA games typically have larger reach and appeal, that’s not to say that indie games are always small in audience – some buck this trend and can be very successful.











In terms of listing popular games, it is hard to rank them because of the many different genres involved. Much like if you were to ask someone to name their top 10 films, asking the same about games can result in quite an eclectic mix for each individual gamer. However there are some that have had tremendous sticking power – e.g. Grand Theft Auto, League of Legends, Dota2, Fortnite, Overwatch, Minecraft and Counter-Strike, to name just a few.

Gamers

The players (or consumers) of the games. An audience that varies from light gamers playing occasionally and skewing towards smartphones, to hardcore dedicated gamers who play whenever they get the chance, often on expensive custom-made PCs.



Most watched games on Twitch in the past 180 days - Average Viewers

	131,037		46,510
	123,016		46,060
	93,323		38,859
	82,548		34,324
	63,887		30,156

STREAMERS

Otherwise known as content creators, they are the next tier up from gamers – still playing the same games but at a professional level where they can earn a living through broadcasting themselves playing games to a live audience. They could be likened to content creators on YouTube or even Instagram but with the key distinction that it is live – so more like a live TV broadcast.

The streamer often builds a community that is distinct to them, their character/persona and their personality – in the same way a celebrity builds their own pool of followers. This means that the audience of each streamer may differ quite significantly in demographics, attitudes and behaviour.

It is from this community of fans that the streamer is able to generate an income, through a combination of audience contributions (tips/donations), subscriptions to their channel and sponsorships from game publishers or brands.







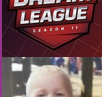


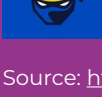
The types of games a player plays can be somewhat volatile in nature – as the popularity of a game changes, so will the interest in viewing someone playing it.

The size of the community a streamer tends to have varies in the same way as any influencer. An easy way to think about it is from a tiering perspective – e.g. an entry tier where a streamer has maybe less than 100 viewers, a mid-tier which may average around the 1,000 mark, and then the higher ‘celebrity’ tier where viewership is in the multiple if not hundreds of thousands (even millions in China!).

Note that streamers can fade in and out of popularity so might not be considered ‘top-tier’ forever.



Most watched channels on Twitch in the past 180 days - Average viewers

	dota2ti	137,588
	dota2ti_ru	111,305
	evo	77,958
	OverwatchLeague	63,434
	MDLDisney	61,231
	EA	58,609
	DreamHackDota2_RU	58,503
	Tfue	51,321
	TwitchPrime	50,441
	Ninja	39,625

Source: <https://sullygnome.com/games/180/watched>

ESPORTS

Esports is the pinnacle of the gaming world, where professional, trained athletes compete in various competitions and leagues across a variety of different

teams, and where viewers can watch live in-person or online – a model in many ways similar to traditional sports (think the FIFA World Cup or the Olympics). For someone inexperienced in gaming, esports tends to be an easy way to think about gaming marketing opportunities, as it tends to feel more familiar than alternatives such as streamers/content creators. Examples of some of the biggest esports tournaments include:

Local events to watch out for:



Vietnam Championship Series



Mobile Legends Bang Bang Professional League



Predator League



Conquerors Manila



Campus Game Fest

World Championships 2018 Riot Games



Overall prize pool
\$6m



Winner
Invictus Gaming (Team)



Fortnite World Cup 2019 Epic Games



Overall prize pool
\$30m



Winner
Bugha (Solo winner)



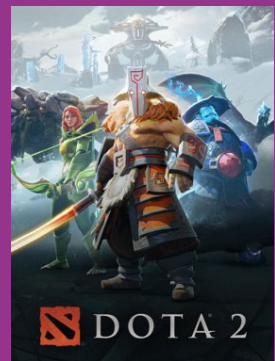
The International 2019 Valve



Overall prize pool
\$34m



Winner
OG (Team)



Source: Newzoo

EVENT ORGANISERS

Event Organisers are exactly that – those that operate a league or competition, making sure that there are matches taking place and importantly a prize pool to compete for. Publishers themselves may be the organiser or they might licence their game out to 3rd party organisers.

TEAMS

Teams are very similar in esports as other sports – they train together, often live together and play together, in order to build the team chemistry that is needed to win. These teams may have a core set of 5 or 6 players, but will also likely have other ‘substitutes’ waiting in the wings; they also may include other sets of gamers who are playing different games (e.g. a team for Fortnite and a team for FIFA). It is also worth knowing that, again like other sports teams, the teams are often well-known brands themselves – for example [FaZe Clan](#) as a collective have a strong lifestyle outlook.

PLAYERS

Players are the professionals that put in multiple hours honing their skills in the game – tending to specialise in one game so that they can be the best. These players are often also streamers, as it adds a convenient way of monetising their skills outside of the high-pressure environment of esports competition, while also bringing more attention to their (or their team’s) sponsors.

While this may sound like the same set-up as the traditional sports world, one difference is the lack of any true overarching governing body (i.e. there is no FIFA, no NBA, no NFL). This responsibility tends to remain with the publisher of the game – Riot Games for instance decides who they licence their IP (League of Legends) to and what they can or can’t do with it. There are of course pockets of different associations that do well to bring regulation and order to this growing sport (for example Singapore’s Cybersports & Online Gaming Association (SCOGA)) or the World Esports Association (WESA)). However, they are not yet to the same level as other sports federations, such as FIFA which has a significant global presence.





PLATFORM

The place where the streamer-made content or esports tournaments are consumed, unless of course people are watching in-person. These are the browser or mobile app-based locations used to watch your favourite streamer or esports event. Each platform will vary slightly in user (or viewer) numbers depending on the market.

Outside of China, Twitch (owned by Amazon since 2014) is the largest live-streaming platform, touting 15 million engaged active users daily. Twitch has established itself as the place to be if you are a streamer or someone wanting to consume content. MLG, YouTube, Facebook Gaming and Microsoft's Mixer all offer their own versions looking to capture viewers. While YouTube dominates in number of users/viewers of pre-recorded content, it is less prevalent for live content, where Twitch is the leader.

China as a market is somewhat more fragmented when it comes to platforms, with the likes of Douyu and Huya battling to become the 'Twitch of China'. Both have strong backing (including Tencent) and can attract large audiences to their platforms, but are yet to mature to the same extent as Twitch.

FANS

Those that bring the passion and enthusiasm to the sport – turning up in the thousands to support their favourite team or players or watching through a platform. These are not just gamers – in fact, some of them may not even play the games they watch (or vice versa), much like fans of other sports. It is these fans though that support their teams, players or even streamers by donating money, subscribing to channels and buying tickets or merchandise.

Platform Wars:

Mixer buying viewership to snowball platform to success



Mixer, owned by Microsoft, is not new as a live streaming platform (having been established in 2016 as 'Beam', and named 'Mixer' since 2017). However, despite a strong investor in Microsoft and a slick user-friendly interface it has not been attracting anywhere near the same viewership numbers as mainstream competitor Twitch (or YouTube for that matter). It is reminiscent of a platform that is just beginning to find its feet and to some extent 2019 might well be the year it does.

As a recent sign of serious competition, Mixer have bought out Twitch's largest streamer Ninja (Tyler Blevins) in an exclusive streaming contract – this is someone that as of July 2019 had over 14 million followers and pulled in 50,000+ viewers for every stream. While this was surely a loss to Twitch, the potential gain to Mixer is huge – at the time of writing the aftereffects of his move have yet to be reported, but pulling that many eyeballs to your platform cannot be a bad thing!



2.

Understanding the opportunities to invest



Breakdown of opportunities across the ecosystem

When marketing in any channel, there are multiple routes one can take with your brand. Similarly in video gaming there are many ways to invest across the ecosystem – from having a pop-up ad in a mobile game, to creating your very own branded game, to having your brand on esports team merchandise, or sponsoring a streamer.

In the following section we have curated our recommendations on the ways brands can invest across the video gaming ecosystem, more specifically for games, streamers and esports – highlighting the differences across them, as well as some of the potential benefits and limitations of each option.

While there is quite a distinct set of opportunities within ‘gaming’, there is much more of a crossover of shared opportunities for ‘streamers’ and ‘platforms’. There are differences in potential executions across these two channels, but to avoid repetition these are covered together.

For each of the opportunities we have given a score out of 5 based on the relative ease of execution, perceived commonality in the market and potential effectiveness within this space. Due to limited available ROI information, this is not definitive but more to act as a guide – it will vary depending on brand, product and other marketing efforts.

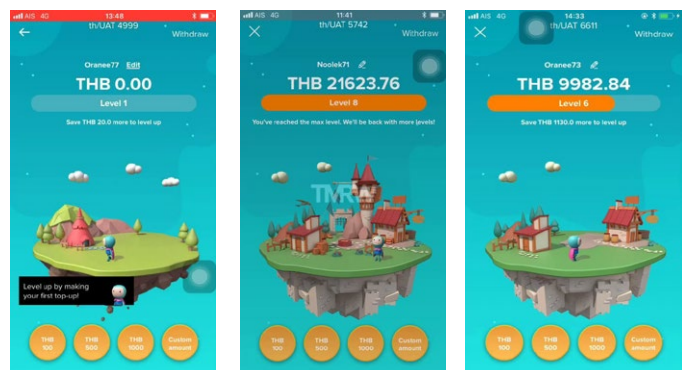
	Ease	Effectiveness	Commonality	
Games	Create/commission own game	★☆☆☆☆	★★★☆☆	★☆☆☆☆
	Digital ads on gaming websites/platforms	★★★★☆	★★★★☆	★★★★☆
	Pop-up ads within a game	★★★★★	★★★☆☆	★★★★★
	In-game advertising	★★★☆☆	★★★★☆	★★★☆☆
	Selling brand virtually within game	★☆☆☆☆	★★★☆☆	★☆☆☆☆
Streamers & Esports	Gaming events	★★★★☆	★★★☆☆	★★★★☆
	Brand logo placement	★★★★★	★★★★☆	★★★★★
	Usage of Video Ad Content	★★★★☆	★★★★☆	★★★★★
	Influencer based opportunities	★★★★☆	★★★★☆	★★★★☆
	Producing branded merchandise	★★★☆☆	★★★★☆	★★★☆☆
Esports	Providing business services and expertise	★★★☆☆	★★★☆☆	★☆☆☆☆
	Ownership of team/event	★☆☆☆☆	★★★★☆	★☆☆☆☆

Opportunities within...GAMES

	Ease	Effectiveness	Commonality
Create/commission own game	★☆☆☆☆	★★★☆☆	★☆☆☆☆

This is perhaps the most extreme example of investing and certainly one of the most daunting of tasks – but it can be done. In some cases, they are copycat games with a new branded skin (i.e. white labelled), while in other cases these are games built from the ground up with the brand in mind. There are some great examples of this over the years such as Captain Morgan: Captain’s Conquest (2012) or Opus Energy’s Christmas Conga Countdown (2017).

One of the more interesting examples is TMRW, a digital bank offering from UOB that helps you save through building a virtual city as you save more over time. While not the most advanced of games, it manages to help customers save through fun and engaging means, which is typically unexpected from a financial institution.



Source: <https://www.uobgroup.com/investor-relations/assets/pdfs/investor-presentations/asean-digital-bank-for-asean-digital-generation.pdf>

Digital ads on gaming websites/platforms



A straightforward way of reaching gamers is being where they consume their gaming content – having digital ads on the websites that they use. You might say that in the age of AdBlock – especially among this audience where usage of such software is high – that this might not be a worthwhile investment. However, with many websites pushing to be whitelisted from ad blocking software, digital ads can still be an effective means of reaching this audience.

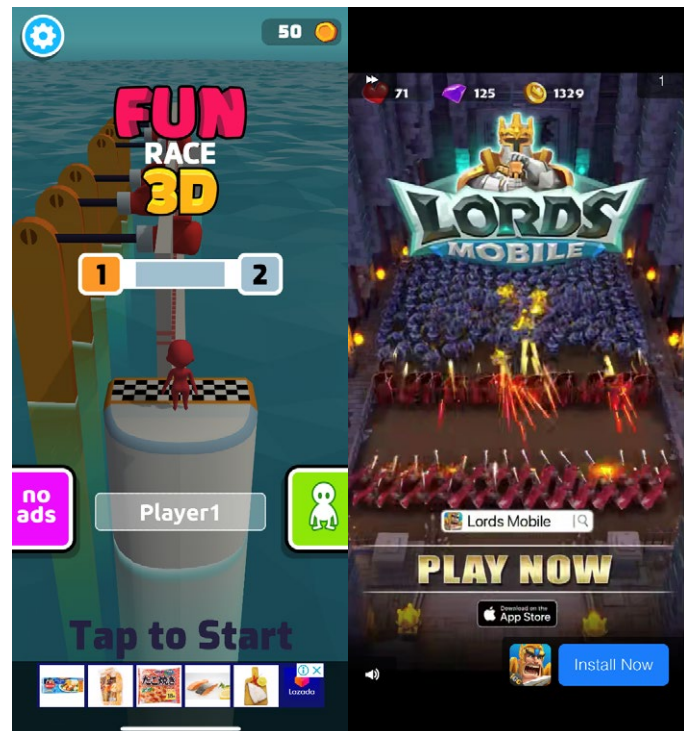
Another variation of this is to advertise on the platforms that the games are on. KFC for instance was able to build an order button into the League of Legends platform that allowed gamers/viewers to seamlessly order from the restaurant.

Pop-up ads within a game



Pop-up ads – often short 15” or 30” ads – are featured in almost all free-to-play or ‘freemium’ games. For the player they act as a way to restore energy, earn more lives, or double money – or whatever other hook mechanic is built into the game. These ads act as a key revenue source when gamers do not buy into the game’s micro-transactions.

While this type of advertising certainly reaches the consumer, it isn’t necessarily going to be the most effective – with the gamer able to skip the ad after 5 seconds and still gain their reward. This lack of effectiveness is quite possibly reflected in the type of brands that currently operate in this space. Often there are ads for further free-to-play games, or at best there might be an ad for an e-commerce platform (e.g. Lazada), prompting you regarding items on your ‘wish list’.



Source: Screenshot from the game Fun race 3D

In-game advertising



Rather than having an ad distinct from the game, in-game advertising is a way of integrating your brand into the game as natively as possible. This could be through product placement, virtual billboards or even branded game items.

There are a lot of great examples of in-game advertising, but they are most prominent within the sports genre. Games such as FIFA, Madden and NBA 2K all aim to simulate the sport as much as possible and with that level of authenticity comes brand advertising, as in real life. Whether that is the sneakers a player is wearing or the banners around the stadium that may or may not match the real thing.

2019 has seen some big movements in this space, as media giant WPP invested

into start-up Anzu.io, a platform that deploys personalised ads to video gamers in a programmatic way. Its aim is to integrate ads into the gameplay using its environment in what they call 'Blended In-Game Advertising'.

This type of advertising comes with a word of caution and that word is 'natively'. If it doesn't feel natural enough then it risks backfiring and leading to gamers becoming more annoyed than engaged with your brand. A recent example of in-game advertising gone wrong can be seen with NBA 2K 2019, where the game included un-skippable ads within the game's loading screens – gamers were not happy about being blatantly targeted in a game that they paid \$60 for the rights to play.



Selling brands
virtually within game



Source: <https://www.ea.com/games/the-sims/the-sims-4/pc/store/mac-pc-download-addon-the-sims-4-moschino-stuff>

Another form of in-game advertising is having fully licenced products accessible or usable within the game. For example this can take the form of dressing your avatar (character) in specific apparel to enhance their skills or to make them look good – making your avatar feel more representative and authentic.

This is more common in sports games, where the items you wear may make your character better in some way or purely so that you can express your personal style. For example, within FIFA 20 there is a new street football game mode called

Volta where you can dress your avatar in adidas gear.

However, don't be fooled into thinking this is limited to sports apparel. Luxury fashion brand Moschino also feature in life simulator The Sims 4 – allowing your character to wear various collections or dress in the 'Capsule Collection' inspired by The Sims.

Gaming events



Over the world there are many different events taking place that look to bring the gaming community together, and with these come the chance for brands to be present. There are many different ways to integrate your brand, whether through sponsoring the events, naming zones, having a stand to sell/advertise your product, having your products used at the event or even organising an event yourself.

Take for example the 2019 Gamescom held in Cologne, attracting around 370,000 visitors from 100 countries to try out new games and hear the latest industry announcements. It is supported by a number of media partners, from radio stations to news sites, but within its halls was the Red Bull Gaming Ground – a stage to host different talks and gaming events. For a similar but more Asia-orientated example you can look at ChinaJoy, which reported 400,000 visitors in 2019.



Opportunities within...STREAMERS / ESPORTS

Brand logo placement



One of the most common opportunities when working with streamers is to simply get your brand logo displayed to as many eyeballs as possible – helping drive the brand’s mental availability. There are however quite a few different ways that you can execute this and each one will have slightly different levels of impact – the chances are though that a brand would engage in a number of these rather than just one.

An easy concept to understand is to have a watermark on screen during broadcasts – something that works well whether it is on a live esports feed or a streamer’s broadcast. The logo may be on display constantly or part of a reel of other brands that also support the stream.

Another method of placement is whereby the logo can be integrated into the broadcasts via on-air product placements

or integrations into highlight reels. It is quite common in many traditional sports, for example a highlight of an NFL game might be ‘brought to you by Gatorade’. This is more commonly found in esports broadcasts but could be something used by streamers too.

One other approach which is more suited to endemic or facilitator brands is to have the logo appearing on players’ or streamers’ equipment. For instance a pair of headphones with a clear logo displayed so that you know who makes it – this isn’t tied just to equipment though, as it could execute well on any form of apparel that would be on display (e.g. T-shirt, jacket, hat). It is with apparel brands where there has been big rise in investments, as the likes of adidas and Nike sponsor the jerseys of esports teams, much in the same way they do for traditional sports teams.



Source: <https://www.twitch.tv/grimmz>



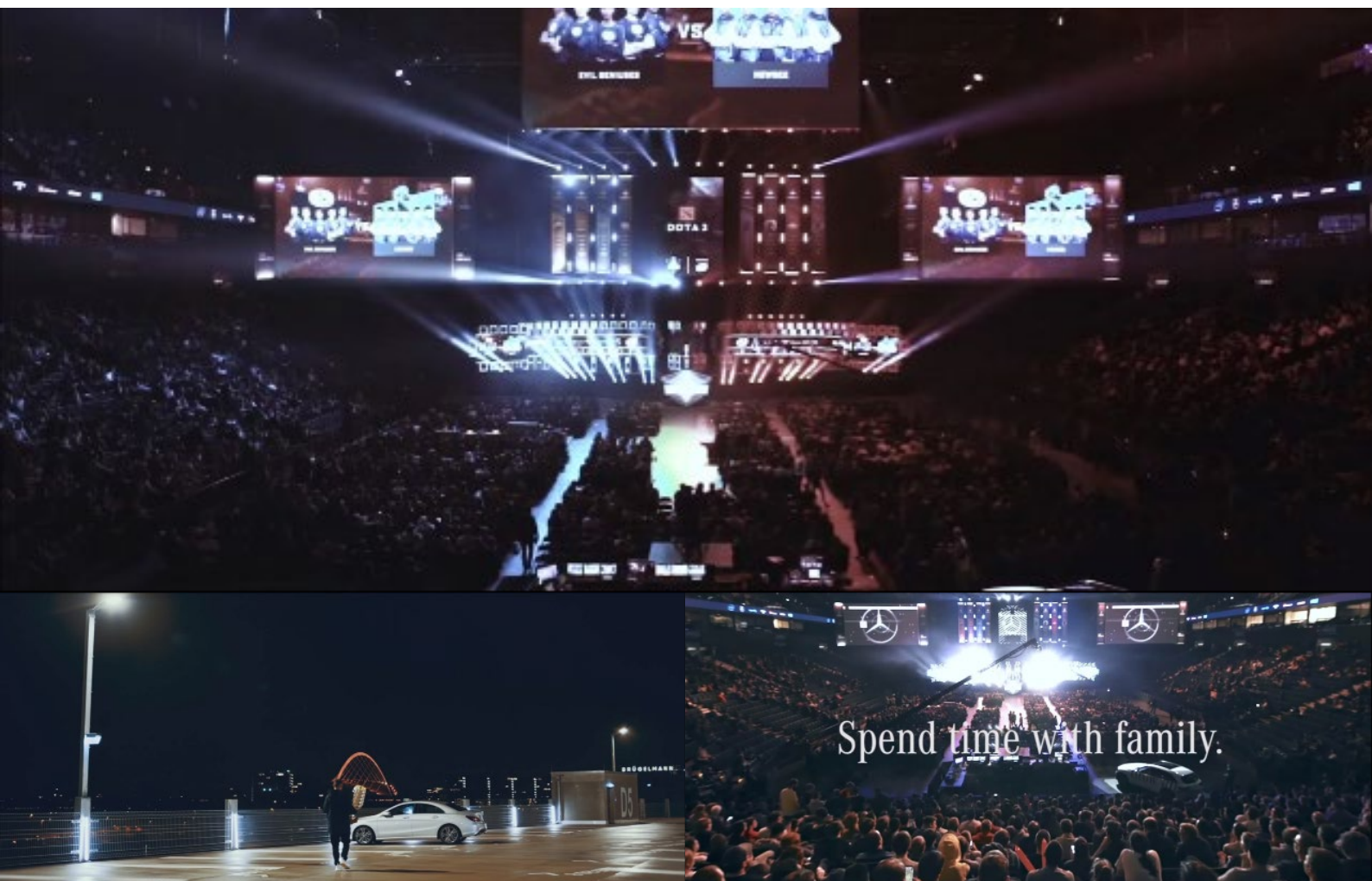
Source: <https://www.twitch.tv/overwatchleague>

Just because streamers and esports are relatively new concepts doesn't mean that the tried and tested ad mechanics will not work – and displaying a 15" or a 30" ad is no different. While the rate in which ads are shown is less often than on linear TV, they can still reach a large number of viewers and can act as a revenue source for any esports or streamer's broadcast. Often the ads will run at the start or end of a stream and broadcasters can choose to run an ad at any point during their stream – this might be after an esports match or acting as a drink break for a streamer.

There is no reason that you can't run your normal TVC on the channels – but if you want to make it effective it needs to be targeted to the audience that are going to be watching. For example, you may wish to adapt your TVC to incorporate the teams, players or streamers – much in the same way you would for a celebrity.

Mercedes is a great example of having an ad that is directly aimed at the fans/gamers watching it – and importantly it doesn't deviate too much away from the aspirational brand image they normally portray. They leverage their partnership with the ESL (a major esports league) to create an ad that feels authentic to both gamers and Mercedes themselves.

It is also worth thinking beyond just a TVC and considering producing other types of team/streamer content – this could for example be a series of videos that highlight a fan event that the brand has helped put together.





Source: <https://esportsobserver.com/secretlab-chair-provider-ti9/>

There are an increasing number of esports players and broadcasters who are achieving celebrity-like status. Take for example China-based streamer (and ex-exports athlete) Liu Mou, who is adored by his 10 million fans on platform Douyu – their dedication evident in the 3,000 fans who attended a two-day event where they met their hero. While this is quite an extreme example in terms of numbers, this is surprisingly quite common amongst mid-tier streamers and above. They hold a cult following of fans just like any other influencer on other platforms – opening the same level of opportunities to utilise them as an ambassador for your brand.

One simple example is to have sponsored streams or segments of a broadcast. This might be as quick as 15 minutes where someone talks about the brand, or it might be 4 hours where the stream is entirely sponsored by the brand. Over the years there have been several

examples of how a brand can approach this.

For example, a brand may provide their goods or services for the player or streamer to use. Take SecretLab – they have just agreed to be the chair of The International 2019, the biggest annual Dota2 tournament.

The usage of the product and a way for it to feature organically requires asking the streamer to have an unboxing, whereby they receive your product in the mail and go through the initial user experience live on stream, their surprise and delight acting as a great sell and sparking the curiosity of their audience. This should sound familiar as it is something commonly done in the fashion & beauty space with Instagram influencers.

Product promotions are also a great opportunity in these situations, especially if you are looking to drive the viewers

further down the funnel and convert to sales. You could allow the streamer to have a code that gives a percentage off and acts more of a referral code or affiliation model. A great example of this was with UberEats and streamer Ninja. They were offering codes that gave consumers a 25% discount – an amount that was decided by the number of kills he got in a certain timeframe in Fortnite. This promotion was planned to run several days but ended up being redeemed entirely on day one.

While not as common as other utilisations of streamers and esports players, guest appearances could quickly take off. For example, bringing these influencers to your stores to talk about and promote your brand, while live streaming the experience to their fans as it happens. There are successful cases

of this in other industries and there is no reason it could not apply to gaming.

Another example is perhaps the reverse of that – having a brand representative either livestream themselves and represent the brand or alternatively (and probably an easier option) join a broadcaster on their stream. Madrinas Coffee for example is a relatively small start-up out of Los Angeles – to really push their brands to the streamer community they not only provided a referral discount code, but as part of a sponsored segment they frequently play games with the streamer. It's a 'hang out with us and we'll occasionally plug how good our coffee is' type of affair. They also created streamer-branded coffee for fans to buy – thereby well and truly embedding into the community.



Producing branded merchandise



With a dedicated fan base for esports and streamers that is only continuing to grow, the opportunities to sell merchandise will continue to rise. This is yet to be to the scale of traditional sports teams, but as the fan base grows so will the demand for merchandise, as fans look for ways to express their support.

Within esports for example, teams will have their own jerseys styled in their team colours but that's not all – it is possible to have multiple types of apparel to appeal to different individuals and fandom. For teams in the Overwatch League for instance you can buy the core jersey complete with player name (or your name). Or what about a t-shirt? A badge pin? A keyring? Or even a mug? All available if you want it.

It's not limited to esports though, as the mid-tier streamers will often have limited edition runs of t-shirt designs available for their community to buy – but again they are not just limited to wearables but other pieces like mugs as well.



Source: <https://www.overwatchleaguestore.com/stores/owl/en>

Providing business services and expertise



A slightly left field opportunity and certainly not one that is prominent right now, but these teams, players and streamers are all effectively running businesses. Much like any business they need services and expertise from other businesses – whether that is PR management, accounting services or even future financial planning. Also with the rise of mental health issues coming to light in other professions and a career in video gaming being just as demanding, there may be potential to offer wellness services.



Ownership of team/
event



Source: <https://www.facebook.com/AirAsiaAllstarsEsportsClub/photos/a.495557080780237/495555260780419/?type=1&theater>

While perhaps not as daunting a task as creating your own video game, the idea of owning your own branded esports team (or even event) probably comes close. A fully branded team allows the opportunity to have strong brand exposure any time they play or are spoken about.

The more common examples of brands owning or investing into their own teams are from already established sports team such as the English Premier League's Manchester City, or from celebrities with a vested interest in gaming such as musician Drake or NBA star Stephen Curry. But it doesn't have to be this way – AirAsia for example have their own employee team (AirAsia Allstars) that competes in tournaments, but the airline

have also sponsored the Mineski's Dota 2 team as well.

It is worth mentioning that if you own the team (as opposed to being an investor or backer) then this will need to be treated as a true acquisition of a business and not just run as a marketing asset. For example, this would include player contracts, salaries and general wellbeing all being part of the responsibilities.

Looking to set up an event itself though is a lot tougher as it requires more investment, logistical expertise and licencing from the publisher to allow you to use its game. It is possible, however collaborating with a specialist event organiser with esports expertise makes a lot more sense.

Bonus idea: Learning from game mechanics

Gamification of brand touch points

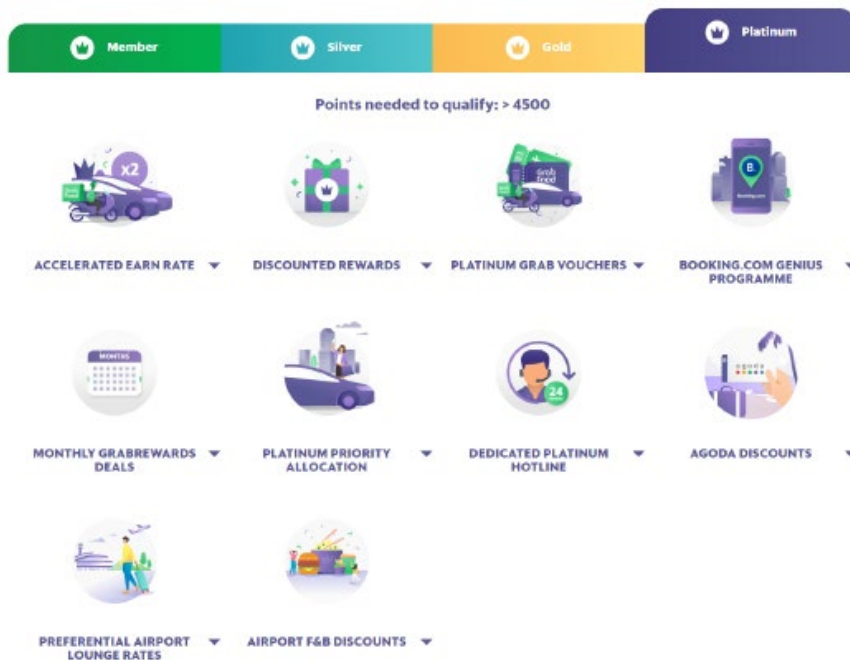


While not directly using video games as a marketing channel, gamification is built upon the fundamental behavioural science of gaming – taking an existing platform and finding a way to make it more engaging using elements of game design.

There are many ways to incorporate game-design elements, whether that is

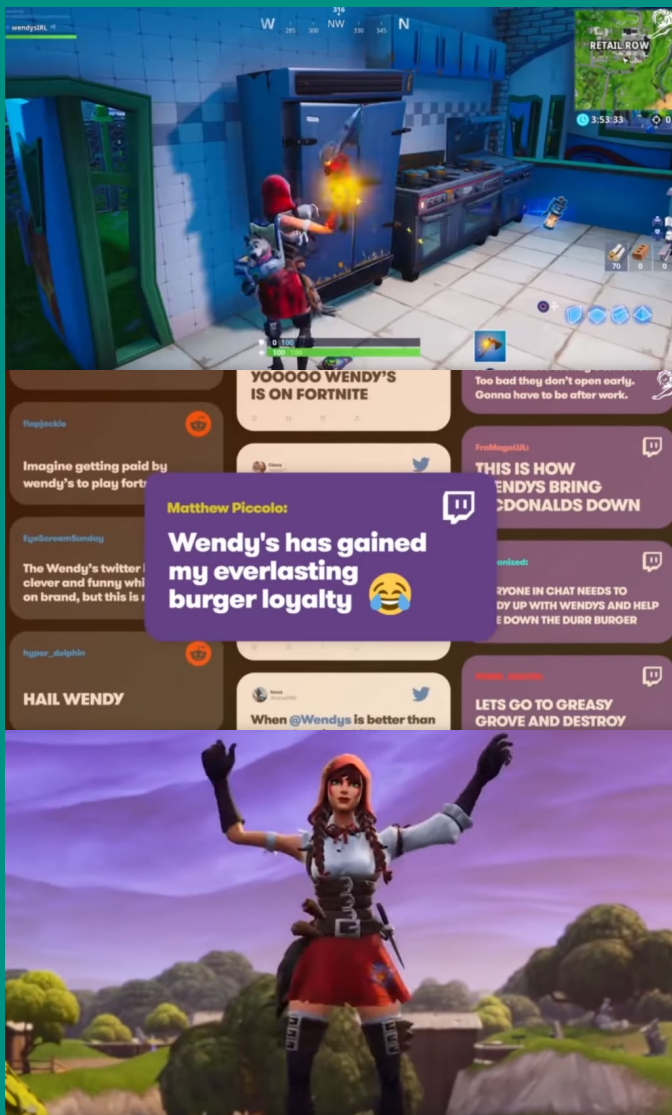
having some form of competition among customers or different levels that unlock new perks. This should sound rather familiar as loyalty schemes are built using these mechanics – all with the view of ultimately nudging your behaviour in favour of the brand. For examples of gamification you can find a [collection of case studies](#) here.

A great example in Asia comes from ridesharing giant [Grab](#) (below), where they use different forms of gamification within their app to not only enhance your experience but to drive loyalty. Points are rewarded after each transaction, whether by taking a ride, ordering food or making a purchase using its mobile wallet function (GrabPay). All of these add up to redeemable vouchers to use on the platform. Pair this with its own tiering (or badge) system, whereby you can ‘level up’ from a lowly ‘Member’ to ‘Platinum’, and as you advance you unlock accelerated points earning and priority ride allocation.



Source: <https://www.grab.com/sg/rewards/>

Wendy's Keeping Fortnite Fresh



Source: <https://adage.com/article/special-report-cannes-lions/wendys-keeping-fortnite-fresh-bests-nikes-dream-crazy-take-social-influencer-grand-prix-cannes-lions/2179046>

In a tough fast food market like the US, standing out and disrupting the conversation can be a great way to capture market share.

A campaign by VMLY&R took disruption to a new level by tapping into the video gaming pop-culture. During a limited-time event ('Food Wars') Fortnite was holding, where team Pizza faced off against team Burger, they spotted an opportunity to weave in Wendy's core brand message – not doing frozen beef.

They created an avatar within Fortnite that resembled the iconic Wendy's character – but instead of playing the game to win, they did something different. They went into all the in-game restaurants and destroyed all the freezers.

This unusual behaviour was picked up by other players, streamers, and eventually the mass media – giving Wendy's huge publicity, so much so that even its competitors could only acknowledge their success from the side-lines.

Through this Wendy's were able to capture 1.5+ million minutes watched of the event and increased mentions of the brand across all social platforms by 119%. This Campaign took home the Social & Influencer Grand Prix at the Cannes Lions International Festival of Creativity at Cannes 2019. Fortnite also made a permanent change to their game by removing all the freezers – they now too don't do frozen beef.



Current and future investment

We've given you a detailed view of the video gaming ecosystem and the opportunities to invest. We also wanted to provide a snapshot of how senior marketers in Asia view the opportunity – to that end we conducted primary research with senior marketers all decision-makers or direct influencers on marketing investment decisions based in Asia/Australia, encompassing both in-depth qualitative interviews and quantitative online surveys¹. The survey involved marketers in charge of non-endemic brands, while the qualitative component also focused on this segment, it also included some interviews with communications and marketing agencies.

The research covered marketers' views on marketing, sponsorship or partnership opportunities within gaming, including their own interest and plans to getting involved with the brands they control. The key results from this research (the survey in particular) are covered in the coming sections – starting off with current and future interest in investing in the industry (next page), and subsequently the perceived barriers and concerns with investing.

These results effectively highlight the current mindset of marketers regarding investing in gaming – marketers who sit outside of the gaming industry.

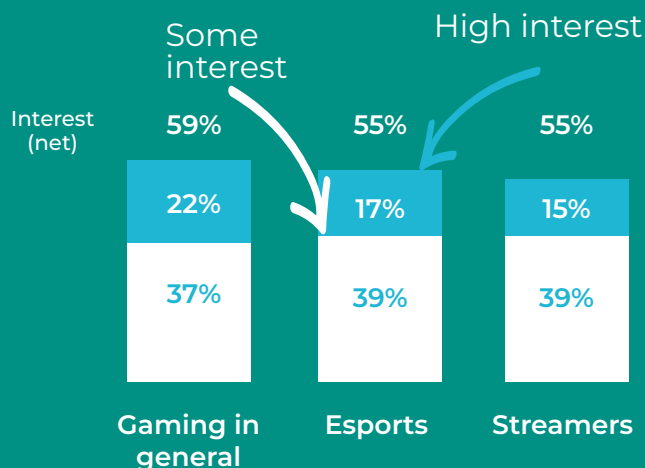
¹ Survey of senior marketers in Asia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

Interest in investing in gaming

Interest among marketers in gaming is widespread. Two-thirds of marketers expressed some interest (high or some) in investing – in gaming generally, and/or more specifically in esports or streamers/content creators.

However, while most marketers expressed interest, relatively few are highly interested (see chart right), indicating that the gaming industry still has work to do to entice more non-endemic brands to invest – particularly in regards to esports and streamers.

Interest investing in

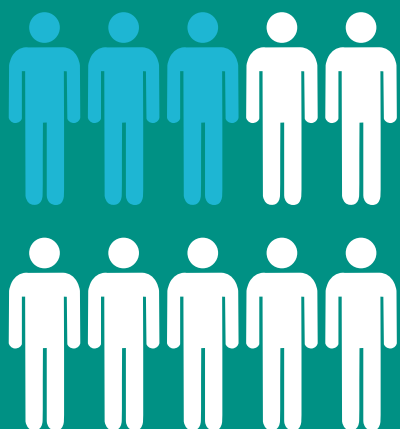


Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

While 2 in 3 senior marketers are interested in investing, relatively few (32%) had invested² in the last 12 months. However, the much-hyped growth in the industry (particularly for esports) is evident, with a larger proportion of marketers (40%) expecting to invest in the coming 12 months.

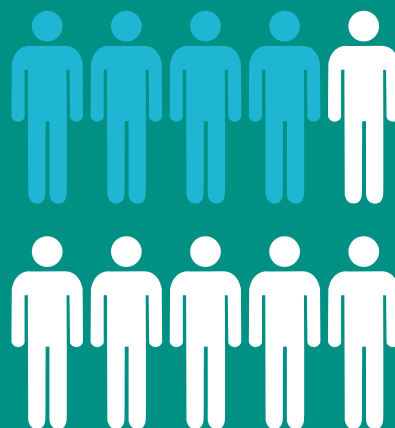
“We want the non-endemic brands to take part, the more we get into esports the more it will flourish”

Head of Marketing, Facilitator



32%

of marketers had invested in gaming in the last 12 months



40%

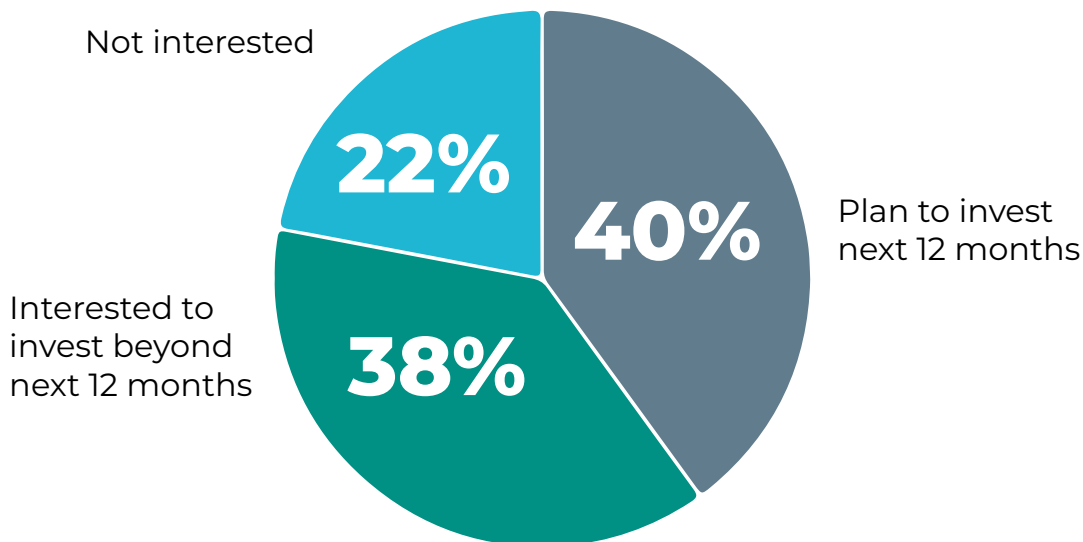
expect to invest in the coming 12 months

Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019

² This captured any form of marketing/sponsorship/partnership investment in video gaming

While 60% of marketers were not intending to invest in gaming in the coming 12 months, many were interested to do so further into the future (i.e. beyond the coming 12 months). The full breakdown of future investment intentions is shown in the pie chart – only 22% had no interest at all.

Future gaming investment intentions



Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

The marketers who are most interested in investing in gaming (and are most likely to have already done so) tend to be younger gamers – if you are a gamer in your personal life, it seems that a natural result is that you are more attuned to gaming opportunities in your business life. Gender is not a significant driver of interest – as both male and female marketers showed similar levels of interest.

How interest in investing in gaming varies by:



Personal gaming interest:
75% of medium/hardcore gamers are interested vs. 44% of light/non-gamers



Age:
70% of marketers aged under 40 are interested vs. 48% aged 40+



Market responsibility:
68% of marketers overseeing markets in South East Asia vs. 45% of marketers overseeing Australia



Gender:
Both male (58%) and female (60%) marketers showed similar levels of interest

Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

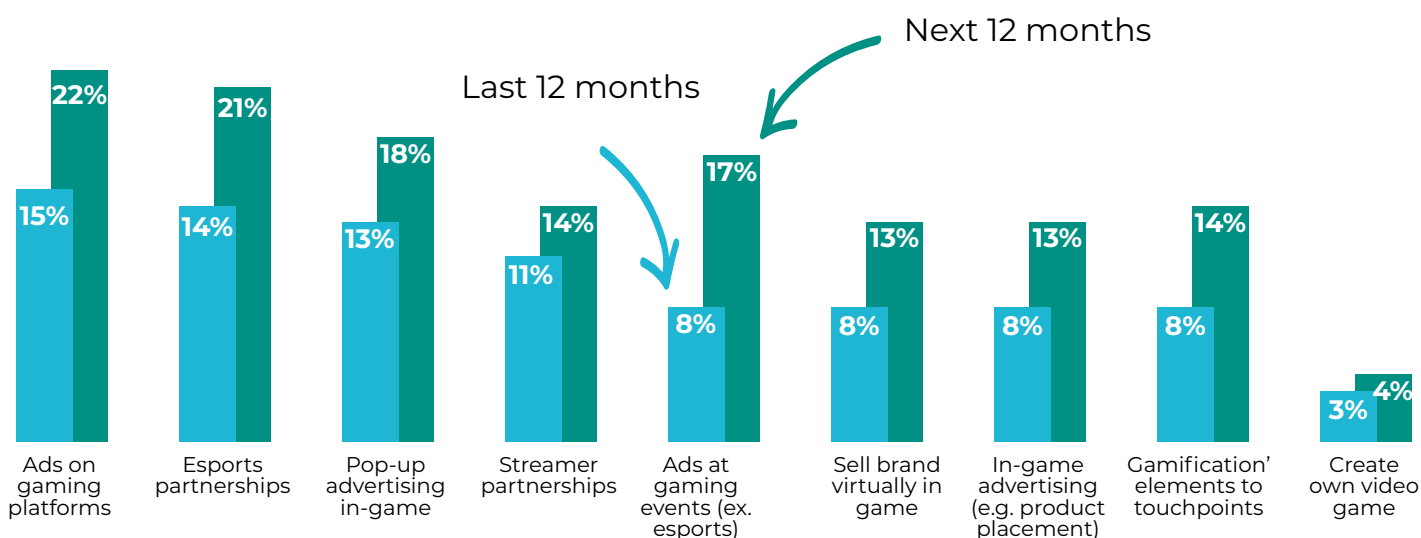
How brands are currently investing in video gaming

Among brands who have invested in the last 12 months, investments are most commonly advertising on gaming platforms or within games themselves, or investments in esports (see chart below).

Looking to the coming 12 months, we can expect to see growth in all areas of investment, in particular around

advertising on gaming websites/ platforms and advertising at gaming events. Growth is weakest in percentage terms for streamers (+27% expected change year-on-year), while it is much stronger for esports (+50% change), suggesting esports will continue to capture more brands in the future.

Types of video game investments (last 12 months & next 12 months)



Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

While streamers are capturing investment from a smaller number of brands compared to esports, the types of investments brands are choosing are similar across the two options. Below shows the top 5 areas of investment in each, which are centred on exposing brand logos during broadcasts/events, content creation and influencer marketing.

Type of investments in esports

1. Team/player-themed content (e.g. video series)
2. Advertising during broadcasts/events
3. Esports gamer as influencer
4. Brand available at events
5. Logo on players and/or equipment

Types of investments with streamers

1. Logo on creator and/or equipment
2. Creator as influencer
3. Creator-themed content (e.g. video series)
4. Live appearances (e.g. in-store)
5. Logo within broadcasts

Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

Size of gaming investments

In addition to the number of brands turning to gaming for marketing investment, the senior marketers we surveyed also indicated we should expect the size of each individual investment to increase.



\$385,000

average investment in gaming (last 12 months)

\$566,000

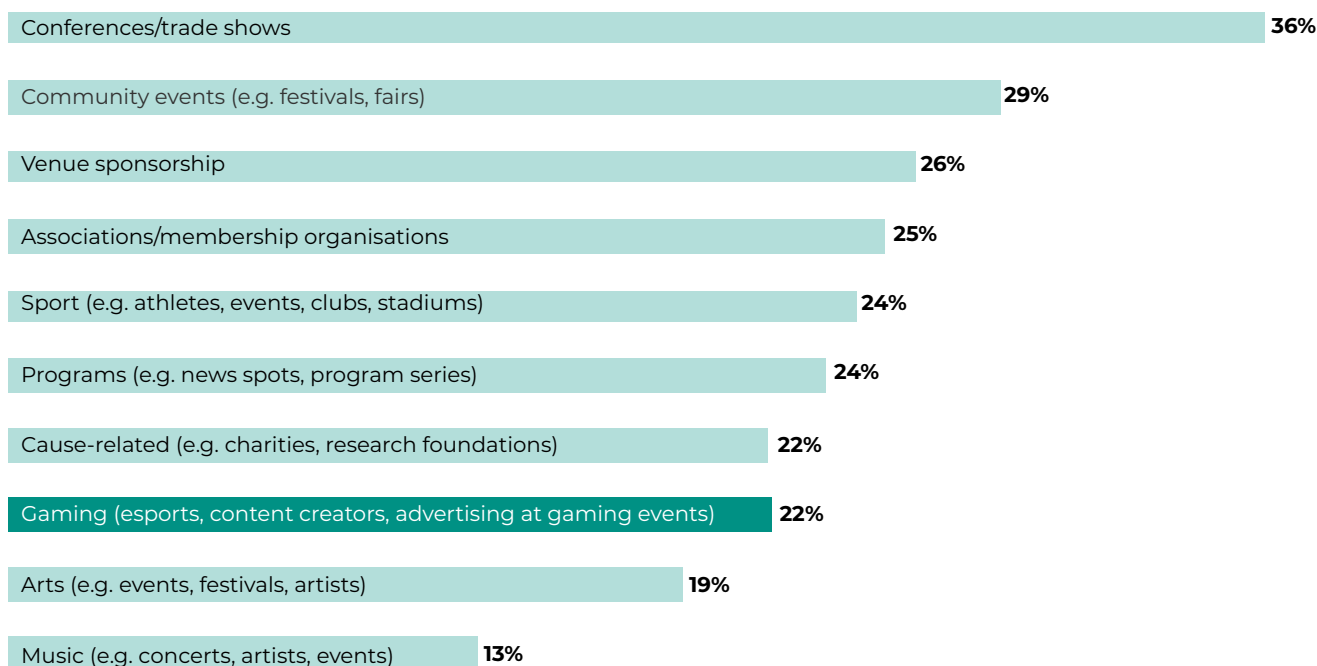
average expected investment in gaming (coming 12 months)



Investments in gaming are clearly on the rise, but it is worth considering how common sponsorship and partnership deals in gaming are compared to alternatives such as traditional sport and music. We therefore asked marketers where they had invested in sponsorship/partnerships, so we could compare it to gaming (see chart below).

When gaming is limited to investments that are predominantly sponsorship/partnership based (esports, content creators and advertising at gaming events), gaming does fall behind the majority of alternatives, particularly trade shows and community events.

Sponsorship or partnership investments (last 12 months)



Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

However, over 1 in 5 marketers reported investing in gaming these ways, which is comparable to the incidence of investment in traditional sport and is well ahead of music. This result – despite many marketers still feeling unsure about gaming as a marketing investment – highlights the potential for gaming to capture the attention of a wider array of brands in the future.

One point to note however is that these results only capture the incidence of investment – they do not take into account the average size of investments across gaming and the presented alternatives. It is safe to say that at this stage of gaming’s evolution, the average size of investments in traditional sport are still much bigger than similar investments in gaming. That said, while broader sponsorship opportunities are starting to be saturated in their maturity with little year-on-year growth, there is still much room for opportunities (and growth) across the gaming sector.



Sponsorship Deals



Esports specifically

\$359.4 million

(53.2% rise YoY)



Sponsorships generally

\$65.8 billion

(4.94% rise YoY)

CASE STUDY

Gillette Grooming local champions



In Taiwan, the wet shave market is struggling – dry shave brands are instead capturing growing market share. While globally there had been many successful campaigns using brand ambassadors, the local team saw esports as an opportunity to re-establish their brand value and win over young consumers.

Since the beginning of 2018 Gillette has worked on three different esports activations. While each was successful in its own right, they have taken learnings and built on each to ensure it was better than the last.

The first iteration in the first quarter of 2018 saw them play on the idea of “Precision makes the difference” – not only leveraging a message key in shaving but one that equally works within esports. They partnered with Arena of Valor (a major game across Asia) and micro-influencers and gave away redeemable in-game skins on the back of product packs – a combination that led to a year-on-year gain in value share for a fraction of the investment. This was something they then repeated in their second venture, but with game FreeFire, later in Q4 of 2018.

For the third iteration (April-June 2019) they worked with 2012 League of Legends world champions Taipei Assassins (TPA). They produced TVCs and digital ads that played on this partnership and featured the local heroes. They also produced a promotional TPA pack of razors, in-store displays and even had an official League of Legends in-game banner.

This iteration was a phenomenal success that reached 5 million Taiwanese consumers, achieved the highest view-through rate of any campaign (including the first iteration, Gillette benchmarks and competitors) and outstanding levels of positive feedback from the public. All for less investment than a regular celebrity campaign would have cost.

Source: Case study provided by P&G



3.

Benefits and potential concerns

“With all the news on the size and the amount of consumers, we should all figure it out”

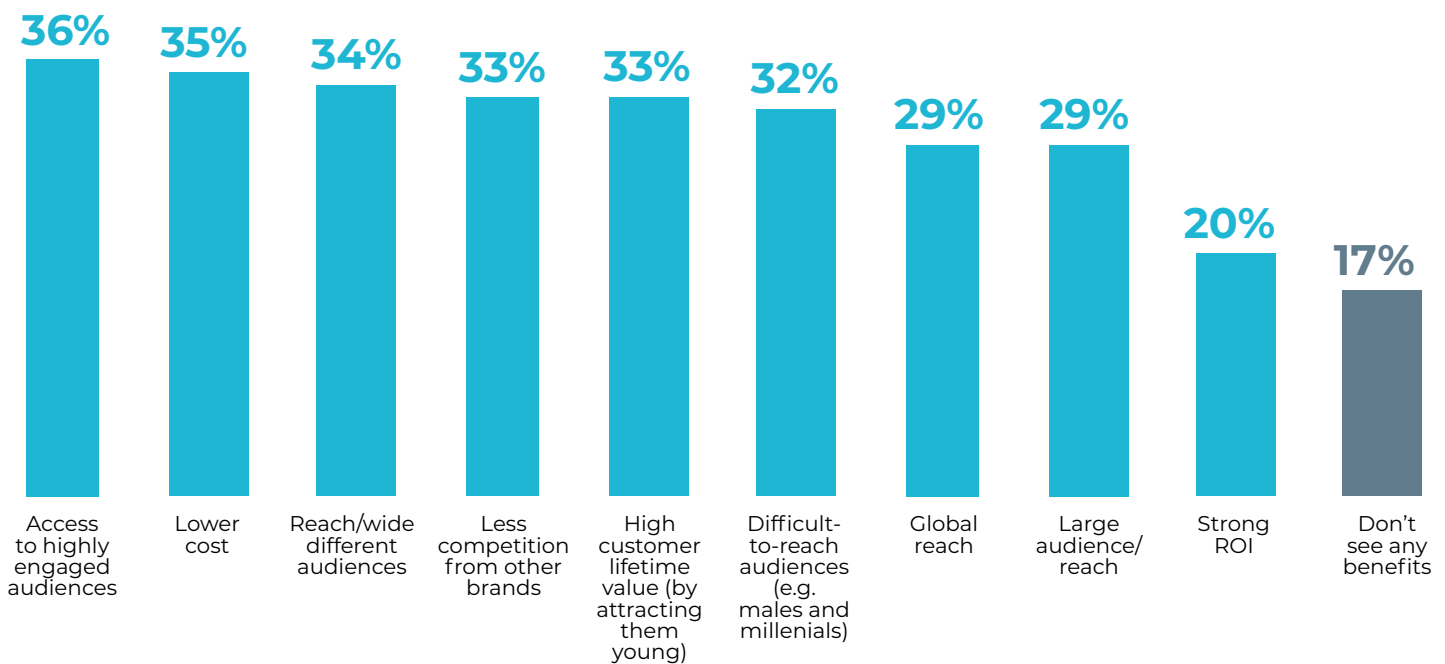
Marketing Director, Non-Endemic

Exploring the benefits

Over 8 in 10 marketers see video gaming as offering at least one benefit to brands – with only 17% seeing no benefits at all. The key perceived benefits in particular are the ability to reach attractive audiences (i.e. sizeable, highly engaged, hard-to-reach) at a lower cost compared to traditional marketing (see chart below).

Marketers are less sure about the potential for strong ROI at this stage, which is aligned with them wanting more evidence about the effectiveness of gaming investments (covered later in this section).

Perceived benefits of investing in video gaming



Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

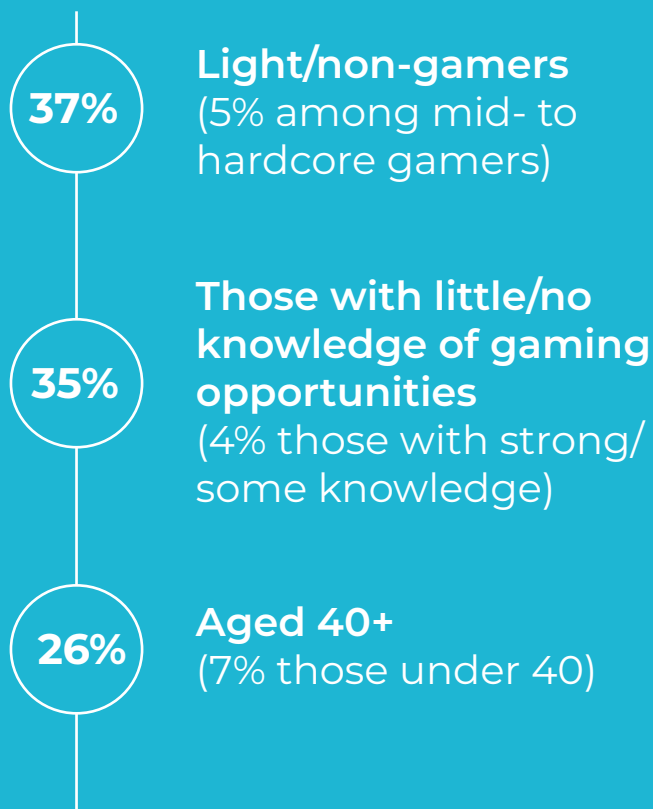
“What are the opportunities at the basic level that we can wrap our heads around?”

Senior Director, Non-Endemic

Marketers who had invested in gaming in the last 12 months perceived gaming as offering a similar set of benefits as marketers who had not invested. However those who had invested were much more likely to see gaming as providing access to difficult-to-reach audiences (50% saw as a benefit) than non-investors (23%). This therefore appears to be a benefit that comes into sharper focus once a brand starts investing in the industry.

Whether marketers perceive video gaming offers benefits to brands is highly skewed by the existing knowledge of gaming marketers hold (which in turn is linked to current personal gaming habits and age). (See right bar).

Marketers seeing no benefits to investing in video gaming:



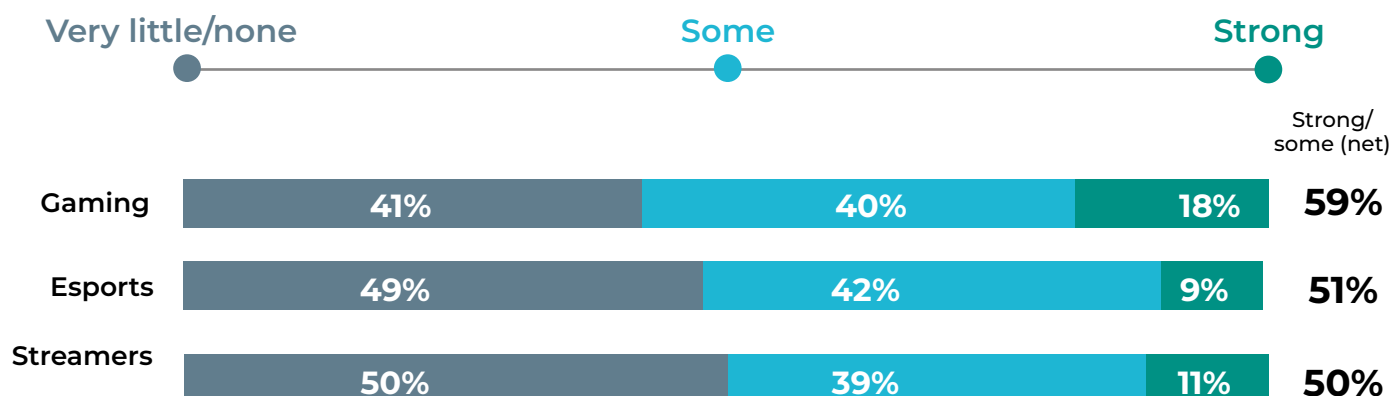
Potential pitfalls to be aware of

Lack of knowledge among marketers

Currently marketers lack knowledge of the marketing opportunities available within video gaming – only 18% of marketers feel they have strong knowledge of marketing opportunities in the gaming industry (see chart).

This lack of knowledge will limit marketers' ability to identify and maximise relevant opportunities in the industry, and highlights the need for them to fully educate themselves about the industry as a starting point, before making any decisions to invest or not invest.

Knowledge of marketing opportunities in video gaming



Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

Some segments of marketers have more knowledge about gaming opportunities – as we have seen elsewhere in this report, those who game in their spare time are more in-tune with gaming opportunities, as are less experienced marketers (who will typically be younger):

- **Gamers:** 77% of medium/hardcore gamers have strong/some knowledge (42% among light/non gamers)
- **Less experienced marketers:** 70% of marketers with up to 10 years' experience have strong/some knowledge (52% among 10+ years' experience)

What this suggests is that marketers who are seeking to understand how they can invest in video gaming should seek out colleagues who are gamers (who will often be younger) – they are likely a solid source of insight about the gaming world, able to play the navigator role for where and whether the company should consider investing. They may also be a valuable resource to include in the process once the decision has been made to invest, to avoid potential missteps. This internal insight however cannot replace the need for seeking external expertise – e.g. from within the gaming industry or through investments in primary market research.



“Most CMOs are not young go-getters but older people who are not aware or up for trying something new”

CMO, Non-Endemic

Marketers want information about marketing effectiveness

While younger gamer colleagues will be a good source of insight about the gaming industry and potential opportunities, marketers are most interested in information about the likely effectiveness of gaming investments. When we asked them what they wished to better understand about gaming opportunities, of most interest was how gaming will deliver sufficient reach, the right audience and strong ROI.

Gaming information needs: marketing effectiveness



48%

Audience reach



47%

How to measure effectiveness



45%

**Audience targeting/
profiling**

These top information needs relating to effectiveness are consistent with marketers expecting external agencies (specialist or general communications/media agencies) to bring gaming opportunities to their attention – such agencies will be the ones expected to come armed with compelling information as to why investing in gaming is a worthwhile exercise, relative to alternative channels. However given the relatively new demand for this, agencies are still educating themselves on the process and the pros and cons of the different opportunities comparatively to traditional activations.

“There is no exact science behind it at the moment – we are constantly looking for better and more accurate ways of doing it”

Influencer Agency

Besides effectiveness, marketers want to better understand detail around the specific opportunities available – if they were to invest:

What should they consider?

Where should they look?

What are the likely challenges?

What relevant brands success stories can I draw upon?

Gaming information needs

Understanding the opportunities

1. Brand success stories/case studies (42%)
2. Types of sponsorships available (36%)
3. Opportunities & challenges: esports (34%)
4. Opportunities & challenges: content creators (25%)

Information about the landscape and potential risks were also wanted by a significant proportion of marketers, albeit fewer than the needs above.

Industry landscape

1. Overview of the landscape (34%)
2. Genres & game titles (23%)
3. Gaming terminologies (20%)

Potential risks

1. Governance & regulations (29%)
2. Potential brand risks (24%)

Marketers are concerned about marketing effectiveness and lack of knowledge

Consistent with the most widespread information needs being centred on marketing effectiveness, the biggest concerns among marketers around investing in gaming are related to the same topic – will their investment be an effective use of their marketing funds? Specific concerns in this area are whether it will provide the right audience for their brand and whether they can effectively measure the success of any investment made.

The issue of gaming reaching the wrong audience is the most widespread concern – marketers expecting that gamers are too narrow an audience for their brand, potentially based on pre-existing biases they hold about gamers (e.g. primarily teen males).

This issue is highly related to the level of knowledge marketers hold around gaming opportunities, with more knowledgeable marketers much less likely to consider this an issue.

Gaming investment concerns: *Marketing effectiveness*

1. Wrong audience for brand (42%)
2. Opportunity hard to measure (39%)
3. Lack of relevance for market(s) (35%)
4. Need to divert spend from other areas (30%)
5. Not good fit with our brand(s) (29%)

Source: survey of senior marketers in Asia/Australia (n=119) overseeing non-endemic brands. Conducted July-August 2019.

Gaming provides the wrong audience – concern among:



This suggests that education is the key to recognising the marketing potential of video gaming – once the industry knowledge is there, marketers are likely to overcome their gamer biases and realise the audience is not only sizeable but also (in most cases) relevant for their non-endemic brand.

Dispelling the gamer myth

One US study shows that the average age of esports viewers was 31 and 61% fell into the 25-34 age range – a demographic viewed as difficult to reach with traditional marketing – and that their average annual household income was \$64,700. While this is an example from the US, other studies in Asia show again that gaming is not just for teenagers with no money – but the average age, gender split, and money can all differ across markets. Statistics such as these should alert marketers that stereotypes about gamers are untrue and that they can be an older and wealthier target than may be expected.

With a degree of industry knowledge necessary to understand the potential gaming offers brands, it was notable that many marketers recognise that they, their company and their agencies lack knowledge currently; each of these were common concerns (see right).

Some concerns regarding industry instability

Another concern among marketers (30% cited) is the apparent instability of the industry, in terms of game titles and esports teams changing frequently, which could make long-term investment decisions difficult. To illustrate, consider that the massively popular ‘battle royale’ shooter titles Fortnite and PlayerUnknown’s Battlegrounds – 3rd and 5th respectively in terms of global esports prize pools in 2018 – were both only released in 2017. This is in stark contrast to traditional sports, where stability is the norm in popular global sports (e.g. football, tennis, basketball) and their leagues and tournaments.

While this is a valid concern, marketers can take steps to mitigate the associated risks, in particular by investments that are sufficiently diversified – for example by investing in esports organisations/teams and content creators which cover multiple games. In such cases the brand is being linked to successful entities (and getting exposure to their audiences), rather than being too closely linked to any specific game.

Relatively few concerned about brand risks

A potential risk with any sponsorship or influencer marketing investment is that the party being sponsored (e.g. celebrity, sports star or sports team) behaves in such a way that it reflects negatively on the brand involved. This is also true with video gaming, where there is the potential for esports gamers/teams or individual content creators/streamers

Gaming investment concerns: *Lack of knowledge*

- 40%** Insufficient industry information
- 30%** Lack of expertise – in company
- 28%** Lack of expertise – in agency partners

to embarrass a brand – and arguably the risk is higher in gaming as often the content is being broadcast live, and the gaming stars are often young and perhaps naïve about the commercial world they have entered.

One recent example was Twitch streamer Guy “Dr Disrespect” Beahm, who is sponsored by multinational brands such as Gillette. While broadcasting live at the E3 gaming conference in June 2019, he walked into a public bathroom and broadcasted various members of the public to his live viewers, which resulted in him being suspended from Twitch. There have also been several incidences of high-profile content creators uttering a well-known racially offensive term while broadcasting live.

“It is always a risk with these influencers or these streamers as they are still not quite business people. You have this range of people who might have really high viewership because they are super entertaining and good in a game but not much media experience. We had somebody full on reading their contract on their stream and didn’t think anything was wrong with that.”

*Advertiser Marketing and
Activations, Endemic*

Despite the apparent risk, this is not a widespread concern among marketers (25% cited). We do however believe it needs to be kept in mind by those considering investing in the industry – while the probability of something offensive occurring may be low, it is important to carefully select who/what to sponsor, to ensure their style is consistent with the brand. While brands that are more anti-establishment (e.g. Red Bull) may be more comfortable with content creators who ‘push the envelope’ when it comes to their content, more mainstream brands may only want to consider investing in relatively safe content (e.g. esports teams who carefully manage their public images).

Relatively few concerned about lack of governance and regulations

A lack of governance and consistent regulation is evident within gaming, due to its relative youth as an industry in its current form. While traditional sports have well-established governing bodies – e.g. The Football Association (FA) in the United Kingdom, or the International Basketball Federation (FIBA), the global basketball governing body – the relative newness of the esports and content creator industries means the governing bodies in gaming are less established.

And while in traditional sports the power predominantly sits with a governing body (e.g. the NFL oversees all NFL teams in North America), in video gaming the power sits heavily with game publishers, whose primary priority is profit rather than the health of the industry as a whole (although these objectives are usually linked).

In our survey of senior marketers, lack of governance and regulations is a concern among 24% of marketers – these concerns make marketers question how effectively they can navigate the process of investing in an industry which is still in its infancy and which lacks clear processes and standards. Our advice

to marketers would be to take care with who you are investing with – speak to many industry players and work with people who you feel most comfortable with, and who demonstrate a strong understanding of what you are trying to achieve as a brand.

Most marketers are not worried about gaming diversity issues

Several other factors that we hypothesised could be major concerns ended up being relevant to only a small proportion (<20%) of marketers – this included negative issues that often dog the gaming industry, such as a lack of gender and ethnic diversity. While these issues have often provided negative publicity for the industry (Gamergate being one of the most controversial examples), they were relatively minor concerns among marketers, who are instead pragmatically focused on the potential benefits that gaming could bring to their brands.

CASE STUDY

KFC The KI Colonel



KFC has had a long-term commitment to using gaming as part of its communications strategy in China, working with different activations since 2015. It started with in-game rewards for players before even redecorating key restaurants with iconic imagery from League of Legends.

However, working with Mindshare in 2019, it took this one step further to give real-time predictions of the League of Legends World Championship matches. It had used AI to assess the metrics that indicated successful teams and players to predict who were most likely to be winners.

They fed these predictions and charts tracking the win rates into the stream's live chat section – which at peak had 35 million people in China alone watching it. The KI Colonel was also on hand to offer opinions and give away QR codes so fans could order from them during their viewing time.

It was reported that this achieved 203 million total views, two million live comments and redeem rates for the QR code were 2,500% above the benchmark – finger licking good!

Sources:

https://www.campaignasia.com/article/how-mindshare-helped-kfc-take-on-e-sports-with-ai/453811?eid=21&edate=20190823&utm_source=20190823&utm_medium=newsletter&utm_campaign=daily_newsletter



4.

Tips for getting involved



We hope this report has sparked your interest and you are now curious what the next steps could be to get involved in video gaming as a marketing channel. We have taken tips and learnings from several brands already involved in the industry to give you a head start in your brand's pioneering journey into gaming.

Our tips are divided into:



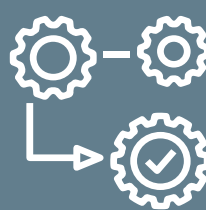
The Preparation

Taking steps to ensure you and your company are sufficiently knowledgeable about the opportunities video gaming offers, so you can make informed investment decisions



The Strategy

Considering how video gaming can be an effective way to achieve your business and marketing objectives



The Execution

How specifically you will go about leveraging video gaming to achieve your objectives



The Evaluation

What KPIs or measurements should you be looking out for to measure the ROI

Each is discussed in turn – written for those with minimal gaming experience and knowledge in mind.



The Preparation

“Go out to conferences, meet the team leaders, read the newsletters...I even travelled overseas to Korea and immersed into a live event. My eureka moment still has not happened yet”

Growth Development, Non-Endemic

1. Build your knowledge of the industry

Before even considering a venture into gaming you need to be clear with yourself on the different opportunities available for your brand. Not knowing where to start is often the hardest part and hopefully the earlier sections of this report have brought your knowledge to a greater level – but this is just the beginning.

We fully recommend getting out there and experiencing gaming for yourself – pick up and play a game that’s not just on your mobile. There are plenty of free-to-play games out there – perhaps look at downloading and playing the more popular titles such as Fortnite or League of Legends. Don’t worry about not being good but focus on what the experience feels like.

Similarly look to immerse yourself in the content that fans interact with. For example, tune into different streamers on Twitch and see how the communities change depending on the personalities. Equally, go onto YouTube and watch some highlights of key esports matches – it might be hard to know exactly what is happening in each moment but it’s more about seeing the style of the competition and where/how brands are already engaging. If you really want to feel the atmosphere for yourself, see if there is a local tournament or event happening near you.

Look to understand how other brands from your industry (or others) are getting

involved, and see how they have executed their activations. While the specifics on effectiveness are often not available, they are in some cases (e.g. the examples we have included in this report), so have a look at what you can find.

Of course reach out to your advertising or media agency partners for advice but don’t be afraid to also go direct to the source. Reaching out to the game publishers or esports event organisers can not only broaden your network but is a great place to help build your knowledge.

Leverage the industry knowledge held by your younger colleagues who are gamers – there is a good chance they will have an opinion on this area and can answer any tricky questions before you have to communicate the opportunity to others within the business.

Some example content to watch:

[*Shroud \(US, Streamer\)*](#)

[*Ezqelusia \(Thai, Streamer\)*](#)

[*Dynamo Gaming \(Indian, Streamer\)*](#)

[*GLOCO Gaming \(Filipino, Streamer\)*](#)

[*League of Legends LEC/LCS \(Esports\)*](#)

[*Overwatch League \(Esports\)*](#)

[*FaZe Clan \(Esports and Entertainment team\)*](#)

Check out Yup.gg for more examples





The Preparation

“We ran internal surveys to find out knowledge and perspective across the business, then shared what esports was. Some saw the potential but could not connect it back to the business KPIs”

Esports Marketer, Non-Endemic

2. Educate the business

You've built up your own knowledge and now is the time to share it within the business. This can of course be a challenge as not all colleagues will have the same level of understanding and so there may be a level of internal pressure.

It is however critical to educate the business from the top. This can help to ease some of the concerns that people have and get everyone behind the investments you have in mind.

Create some internal sharing sessions where you engage together in gaming – whether that's playing some games, watching some live content, or simply a presentation of some of the key numbers involved.

The key task here is 'myth busting' – challenging any biases people may have about the gaming audience. For example, thinking that gamers are mostly teenagers with limited money and hence they are not right for the brand.



CASE STUDY

AirAsia Flying high with Esports

AirAsia has always been quite the forward-thinking airline that isn't afraid to try new things – and their venture into the world of esports is no different. They are a prime example of learning, living and breathing the video gaming community to ensure what they do is authentic.

It all started in 2017, and like many brands the journey started with a key question – what on earth is esports? They started internally by creating a discussion group on Workplace (Facebook for Work), opening the platform to employees to understand where gaming and esports fit within their lives. This, paired with other desk research and event attendance, led to the decision to do something more within the business – so they created their own internal team.

AirAsia Allstar jerseys were mocked up and given out to 100+ staff members, including Group CEO Tony Fernandes – instantly creating club fandom and engagement internally. By August 2017 the AirAsia Allstars had their first external tournament in Malaysia, accompanied and supported by the cabin crew – a move that went viral and gained massive exposure for the brand.

This pattern only continued over the last couple of years, with multiple internal tournaments held (for prize money!) and external tournaments entered. In 2018, the airline opened a Esports Zone (a place to play) in its Global HQ – the same time as bringing on its own team sponsors in Razer, Alienware, and SecretLab.

In January 2018, AirAsia begun its sponsorship of Top 10 global Dota2 team – Mineski. And by March 2018 they were the majority stakeholder in another pro team (AirAsia Saiyan). But this was just

the start as it was also announced (by Tony Fernandes himself) that there would be mobile esports on flights and that they were looking to continue investment into teams, leagues and even an esports centre (which is set to open Q3/Q4 2019).

AirAsia is a fascinating journey for a non-endemic brand – one that not only has engaged employees but tapped into the wide ecosystem of esports – a journey that looks to only continue in the future.



Source: Provided by AirAsia



The Strategy

“We are very conscious based on authentic connection to brand... closer to the culture the more effective it is”

Senior Director, Non-Endemic

3. Decide whether gaming aligns with your brand

Now is the time to start asking the right questions – and most important of all is whether investing in gaming provides the right audience for your brand? While typically a male-dominated audience averaging around 30 years of age will be relevant for the majority of mass market brands, in some cases (e.g. brands with a narrow female or older demographic target) the profile may not be as relevant. That said, if you are looking to reach a female audience then mobile gaming could be a great platform.

Equally you need to consider whether your brand culture aligns at all with gaming culture – while gaming provides access to a huge audience of consumers, it is often an irreverent form of entertainment that some companies will be uncomfortable aligning with. But on the other hand, this may be a great fit if you are trying to re-position your brand to appeal to a new generation of potential customers.

Internally you must decide what story the brand is going to tell – what is the narrative that works for you? Is it going to be transparent and authentic enough to avoid alienating gaming audiences or even alienating your current customers?

It is also important to understand where your brand fits within the lives of the audience – what are the occasions that your brand can fit with? Do you have permission to talk to them and what

role can you play? You may already have a customer journey defined within the business – but it may not be clear where the right nudges are for this audience when it comes to gaming behaviour.

“Nudging our brand in a relevant area is an opportunity – could be a pre-gaming purchase or collaboration through a delivery service”

Global Marketing, Enabler

4. Identify the right opportunity

Gaming is not a one-size-fits-all marketing approach (much like any marketing investment) – it is a fragmented industry with many possible investment choices.

Understand who the audience is for each of the opportunities – is the audience the right one for you? While it is easy to talk as if gaming audiences are homogenous (e.g. young, male-skewed), the demographics will differ depending on the content – e.g. a Fortnite audience will be younger compared to PlayerUnknown’s Battlegrounds, despite both titles being within the same genre.

Equally, different opportunities can lead to different brand effects – consider your objectives (e.g. brand building vs. short-term sales) and choose investments that are most suited for achieving those goals. For example, if you want to drive sales then consider a promotion with an



The Strategy

“Marketers often make mistakes – marketing dollars are getting stretched, need to take a stand on what it can deliver, what is it trying to do”

Head of Marketing, Facilitator

influencer or if you're trying to build top of mind awareness then consider brand placements with large audiences.

Remember that it is not just about the number of viewers watching – e.g. smaller content creator broadcasts can offer a more authentic experience and have a more engaged audience who may more actively respond to brand messages. This is similar in rationale to why a brand would use micro or nano influencers instead of major celebrities.

5. Define what 'success' looks like

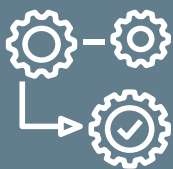
With any investment of course comes the returns – but knowing what those returns look like can be hard in this space due to the lack of benchmark metrics available. This makes it even more important to carefully think about what you are wanting to achieve – is it towards the top or the bottom of the funnel? Or is it even a larger brand equity piece?

Think about and plan how exactly you are going to measure success – what does that mean to you? Look at what benchmarks are available to you currently and how you might be able to track changes to those. For example, you may wish to look at a brand tracker, a pre/post activity survey, or look at social listening as a way of tapping into the metrics of a successful investment.

One of the key learnings from all investors we spoke to was to think long term – but is this something that you want to do? Does your success need to

come over the course of 6 months or can it wait a couple of years and see gradual change? Depending on the timing, you will need to consider which opportunities are realistically able to deliver on those objectives. While you may think about the long term play – ensure you consider all the small steps, the micro learnings, and the possibility of a constant test-learn-evolve-redeploy approach.

This process in reality is not so different from any other marketing investment (especially an emerging channel) – whenever you have a creative brief for instance you are thinking about the core objectives and measurements of success, and it should be no different here.



The Execution

“Set aside 5% of budget to experiment with gaming and esports”

Esports Marketer, Non-Endemic

6. Start small – dip a toe

It makes sense not to dive in too quickly – like any new channel, a slow and steady approach is recommended so you can see what works and avoid repeating mistakes you might make.

If there is a marketing budget set aside for more experimental approaches, gaming could be the right place to invest it. Keeping the remainder of the budget for marketing that you know can deliver – after all, it is hard to invest into potentially risky ventures when internal pressures demand results.

Investments don't need to be huge long term commitments and there are plenty of opportunities to start with a low budget short-term investment. There is no need to rush into a multi-year esports team sponsorship; instead identify opportunities that will provide a scale that is fit for purpose.

If you feel that esports is the opportunity for you then perhaps start off smaller with an amateur (or lower level) esports team, taking it as an opportunity to learn the dynamics of the ecosystem before diving in head first.

7. Think outside the box

Much like other newer media formats such as Facebook, Instagram and now TikTok, each needs its own version of creative to be most effective with consumers. You fundamentally have to create for the channel.

While a 'logo slap' might work just fine and help build top-of-mind brand awareness, realistically it's not going to be the most engaging approach and may not be viewed as an authentic attempt to connect with the audience – in turn, risking further resistance with this community in the future.

There are some great examples of brands pushing boundaries and doing something different to work with gamers to really embed themselves within the community. Some great examples to look at are [Mercedes](#), [Gillette](#), and [KFC](#) – all of which we have included in this report but are worth further consideration.

“The Mercedes stuff was really working well; the game developer was helping them to build a campaign. It was not just like a give me your money and I put your logo on. But more we're going to build something that is good for you and for the gamers and we're going to help you do it. Because maybe sometimes in the traditional companies they might not have a very big knowledge about gaming. But that's where the gaming companies can help”

Gaming Advisor, Facilitator

Don't be afraid to reach out to game publishers and event organisers (the ones you contacted when building your knowledge), as they will often be more than willing to discuss your ideas. Consider working with them to co-design your brief as they too have a vested interest in ensuring the relationship works.



The Execution

8. Prepare to test, learn and adapt

Gamers, as a broad stroke, are particular in nature. They are protective over what is 'their' space, their passion – in the same way film buffs are over cinema, or any sports fan is for their team. While they are willing for brands to be involved, it must be done in a considerate manner – it can't be too forced, too salesy, or too blatant. It's very similar to 'interruption media' in live sports, where it must be done well or risk backlash from fans.

If you do get it wrong, you will soon hear about it, and that's okay! Gamers are highly vocal, but are also (mostly) more than willing to try and help correct

the course. Be where they are (Reddit, Twitch, etc.) when you decide to go live with any activation so that you can gauge immediate responses.

Start with a smaller execution or run of any campaign so that you can review how it does initially and work to improve it before committing to anything long-term.

Most importantly, while it may sound just like the current marketing du jour, be authentic in whatever you do – including how you react to criticism. It needs to feel like you care as a brand and are wanting to improve on the experience for all parties involved.





The Evaluation

“Take a tiered KPI model, first think about the eyeballs reached but then move onto how you move them into the products”

Head of Marketing, Facilitator

9. Long term fame versus short term gains?

While it is certainly possible to gain a quick boost in sales (much like UberEats did with their successful campaign with Ninja ([see here](#))), one must be careful about pure profit/sales driving activations as gamers are quite primed to this, having been subjected to it enough in the games themselves (e.g. perceptions of being ripped off with paid downloadable content in games, or loot boxes that rely on luck).

If you're looking further up the funnel to build brand awareness or equity, don't expect overnight results as you shouldn't in many other marketing channels either. Many brands see this as a much wider investment that is going to pay off for them in the future when esports/gaming really hits full maturity.

Any investment needs to be part of the strategic plan of other activations and follow-ups – while it is OK to sponsor an event to raise awareness, one must also consider how you are going to pull them through the funnel after and convert that awareness into sales.

Committing to the community for the long term can show you care and as a result, gamers will be more supportive and more receptive to your brand in the future. Being one of the first brands to do it, and to do it right, will surely only pay off exponentially in the long run.

10. Signs of success

So you have launched your campaign or started your partnership with a streamer on Twitch – now is the time to switch to measuring the impact of your execution. As with most media investments, you should not be expecting an instant payoff – \$1 today is not going to be \$2 tomorrow, but it may be in the longer term.

Depending on what opportunity you decided is best for your brand, how you measure the impact will differ – but there are a few different things you can monitor:

- Number of views/eyeballs (reach)
- Shift of brand equity measures
- Increase in brand awareness
- Rate of click throughs or watch throughs of content
- Uplifts in social activity/discourse
- Redemption rates of affiliation or coupon codes
- Changes in sales figures

No singular measure is perfect, and it can be tricky to isolate the exact impact of one campaign versus the rest of the marketing mix. These are however the more common effects to watch out for.



You might be thinking that gaming is not an avenue for your brand and that may well be a wise decision. That said, we recommend that you take a moment to reflect, discuss internally with someone, and see if there is opportunity to get involved in this exciting space. If not, be sure to check back as it evolves out of its current infancy into a mature marketing channel.

CASE STUDY

Intel Game Is War

“The great thing about working with yup.gg on this was their expertise on the ground, they knew the Thai market, they knew our brand and were able to deliver a great execution”

Sameer Tupaki, Head of Marketing, Singapore

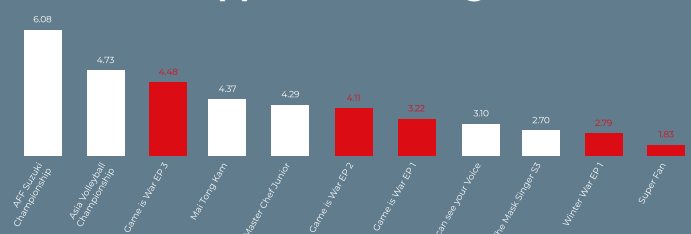
Intel is one of the best-known endemic companies in gaming and esports, powering the PCs that are key to high-level Gaming and professional esports. Intel’s core esports activations include it’s US\$100M investment into The Intel Extreme Masters (IEM), an ESL-run league entering its 14th season and the longest-running global professional gaming circuit. IEM is the largest brand and technology partnership in the esports space, but to address specific market needs, Intel wanted to take a more focused and local activation approach. Game is War started as an experiment in Thailand, where Intel wanted to engage one of the most lucrative and engaged SEA country with Thai-specific Gaming Content, in Thai, focused on high community engagement rallying around a specific IP.

Intel approached yup.gg (a specialist agency bringing brands and content creators together) in order to create a new community-focused IP, specific to Intel around the popular Battle Royale Game, PUBG. Through its platform, Yup.gg organized the online event, helped select the streamers who participated, managed the event through a local studio partner, and tracked the results for Intel.

And the results? Intel’s Game is War had a 95% local audience engagement rate, peaked at a live concurrent viewership of over 181,000 unique viewers and reached a total audience of over 7.5 million total viewers – an online event with organic traffic that matched TV ratings. Game

is War proved that when you engage local gaming personalities, you engage their audience, creating evangelists for your products. Multiple seasons led to greater Thai community affinity, tying this to sponsorships/partnerships with local electronics vendors meant that Intel was front-of-mind for the Thai Gaming Community when they thought about buying new products. Offers on Intel-powered machines closed the sales loop meaning that Intel’s initial engagement with Game Is War led directly to sales opportunities in-store. Game is War is just another example of how great esports/gaming marketing activations can be when they’re powered by Intel!

Applied TV ratings



Game is War

	Episode 1	Episode 2	Episode 3
Peak Concurrent Viewers	111.9k	158.9k	181.5k
Unique Users Reached	2.09 million	2.67 million	2.91 million

Source: yup.gg

SCHEDULE

PORT

DS

STAGE

4TH AUG

10AM

11AM

12PM

130PM

5PM

8PM



5.

Addendum

Methodology: Primary research with senior marketers

Depth interviews

The first component of the primary research was depth interviews with senior marketers based in Asia. The purpose of these interviews was to understand the issues around investing in video gaming among relevant decision-makers; this insight was used throughout the report and also to input into the design of the subsequent online survey.

The interviewees ranged from marketers who had invested in gaming to those who knew very little about it, to ensure we captured a range of opinions on the topic.

In total, 16 x 1-hour interviews were conducted across the following brands/industries (in some cases, respondents wished their brand to remain anonymous):

Brand	Industry
Intuit	Accounting software
AFK Creators, Dentsu	Agencies
Air Asia	Airline
Diageo	Alcohol
Intel	Electronics
Netflix	Entertainment
(Anonymous)	Fashion manufacturer and retailer
Wrigley Mars	Food & beverage
Johnson Controls-Hitachi	Manufacturing
Gillette	Personal care
Australian Football League	Sports
Singtel	Telecommunications
Electronic Arts, Twitch	Video gaming

Online survey

The marketer survey results reported in this report were based on quantitative research conducted by 2CV Research in July-August 2019. The purpose of the survey was to understand current behaviour and attitudes with regards to marketing and sponsorship investments in the video gaming industry. Further details and sample profile as follows:

Survey details:

- Online survey
- N=119 completed surveys
- Approximately 10 minutes in duration on average
- Respondents could choose to take the survey in English, Korean, Indonesian, Traditional Chinese or Simplified Chinese
- Sample source: combination of online panel, WFA members and senior marketing contacts of 2CV and Branded

Survey qualification criteria:

- Full-time employees in marketing function
- Minimum 5 years' experience in marketing
- Oversee Asian market(s)
- Primary or joint decision-maker or influencer on marketing decisions
- Oversee non-endemic brands

Sample profile:

Demographics		Location based	
Male	58%	Singapore	22%
Female	42%	Indonesia	13%
		Australia	12%
		Hong Kong	11%
		India	11%
		Philippines	8%
		South Korea	8%
		People's Republic of China	7%
		Japan	3%
		Malaysia	2%
		Thailand	1%
		Europe	1%

Individual Markets Overseen

Australia	32%
Singapore	29%
Indonesia	29%
Philippines	21%
Malaysia	20%
People's Republic of China	20%
South Korea	20%
India	19%
Hong Kong	18%
Japan	14%
New Zealand	13%
Thailand	13%
Vietnam	12%
Taiwan	10%
Middle East	7%
Market(s) within the Americas	7%
Market(s) within Europe (incl. UK)	7%
Myanmar	6%
Cambodia	5%
Sri Lanka	4%
Markets within Africa	3%

Type of Markets Overseen

Single market	36%
Multiple markets	29%
Region (e.g. APAC)	24%
Global	11%

Influence on marketing decisions in company

Primary decision maker	28%
Joint decision maker	47%
Able to influence decision maker(s)	25%

Number of years' experience in marketing

5 - 10 years	37%
10 - 15 years	32%
15 - 20 years	17%
20 years or more	14%
Average years	13.2

Job title

Marketing Manager	28%
Head of Marketing	11%
Director of Marketing	8%
Marketing Analyst	8%
Chief Marketing Officer	6%
Marketing assistant/coordinator	5%
Brand Manager	5%
Digital Marketing Manager	4%
Product Manager	3%
Content Marketing Manager	2%
Communications Manager	2%
Media strategist/planner	1%
Other	17%

Industry

Food & beverage	14%
Manufacturing	14%
Financial & banking	10%
Retail	8%
Electronics & tech - computer (e.g. PC, mouse, peripherals)	5%
Healthcare & pharmaceutical	5%
Travel & tourism	4%
Fashion (manufacturer, store, designer)	3%
Sports	3%
Real Estate	3%
Electronics & tech - lifestyle (e.g. TV, fitness wearables)	3%
Personal care	3%
Telecommunication	3%
Insurance	3%
Energy & mining	2%
Media (e.g. magazine, newspaper, TV, radio station)	2%
Beauty	2%
Education	2%
Hospitality	1%
Entertainment (e.g. movies, streaming services)	1%
Transport	1%
Music	1%
Other	9%

Personal gaming interest

Heavy gamer	I'm committed to gaming – it is something I love doing and try to do as often as I can	11%
Medium gamer	I do like gaming, however it is just one of many things I like to do in my spare time	37%
Light gamer	Gaming is mainly something I do here and there to have some fun or relieve boredom – it is not really an important part of my life	22%
Non-gamer	Not into gaming at all	30%

About 2CV, World Federation of Advertisers and Branded

This piece of research has been conducted by 2CV in conjunction with the World Federation of Advertisers and Branded, the organisers of All That Matters



Instinctive disruptors, we've been pushing the boundaries of traditional research methods and challenging client briefs since 1989. Together with our clients, we have successfully navigated the increasingly complex world and have global offices in the UK, USA and Asia. Never accepting the obvious or mainstream, we unite unique perspectives, research and commercial expertise.

Exploring the current, leading edge and future perspectives, readying clients for future disruptions; from new tech launches to emerging trends hitting the masses. Solving client challenges with creative insights, using a multi-dimensional lens to unlock deep human understanding that drives behavioural change and commercial success. Our key areas of expertise:

Audience Intelligence:

Using a blend of social and behavioural data, digital ethnography, context/decision points and key category emotional drivers, we build rich segmentations, map journeys and provide category assessments.

Brand & Communications:

Applying creative and experimental qual and quant techniques, we explore brands in their competitive context, measure brand perception and equity, optimise campaigns, then track how the reality delivers on the promise.

Product & Innovation:

We spot gaps in the market, ideate new products and services, develop concepts into market ready products, optimise positioning, pricing and packaging. We facilitate co-creation labs, ideation sessions and creative workshops, testing propositions and optimising concepts, as well as testing features and pricing with conjoint analysis.

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World Federation of Advertisers

WFA is the only global organisation representing the common interests of marketers. It brings together the biggest markets and marketers worldwide, representing roughly 90% of all the global marketing communications spend, almost US\$ 900 billion annually. WFA champions responsible and effective marketing communications.

WFA champions and defends marketers interests, helps set standards for responsible marketing communications worldwide, and encourages leadership initiatives, which go beyond compliance with existing industry standards.

WFA helps its members to improve the effectiveness and efficiency of their marketing communications through benchmarking and the sharing of knowledge, experiences and insights, provides a unique global network of marketers who help each other navigate the fast-changing marketing landscape, and takes a global leadership role on key marketing issues which affect its members.

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BRANDED

Founded in 2002 and part of Dentsu Aegis Network, Branded is recognised as a top 10 Event Marketing Agency by Marketing Magazine. Branded produces live media that matters, connecting businesses, brands, celebrities and fans through large and small scale events including dynamic conferences, live music festivals, educational academies, and fan events globally.

Branded owns and operates the award winning “Matters” series including Sports, Digital, Marketing, Gaming and Music Matters. Branded is also a Global Partner of YouTube FanFest and created It’s a Girl Thing, an empowerment platform and touring festival for teenage girls.

Branded is staffed by passionate multi-cultural, multi-lingual and multi-talented individuals with offices in Hong Kong and Singapore and affiliations that reach all corners of the world.

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Glossary

AAA games	Comparable to the Hollywood blockbusters which have a higher level of investment and tend to attract a larger audience
Adblockers	Software designed to prevent advertisements from appearing on a web page or other digital content
Avatar	An in-game character that is used to represent the user, often found in online games, communities or forums
Blended In-Game Advertising	Refers to advertising within the game itself, often consisting of billboards, signs, or items
Branded game items	A form of in-game advertising whereby an item within the game will resemble a real world item (e.g. apparel or F&B)
Distant Enablers	Brands that may not be necessarily linked to the world of gaming but could in some way help or support - this could be financial services or F&B aimed at consumption during a gaming occasion.
Douyu	China based live-streaming platform specialising in Gaming content and heavily backed by Tencent
Huya	China based live-streaming platform specialising in Gaming content backed by Tencent and YY
Endemic brands	Those closely aligned with video gaming – their products are used while gaming and are central to the experience (e.g. game publishers, gaming furniture and gaming accessory manufacturers)
esports	A multiplayer video game played competitively that is typically by professional gamers. Encompasses many different games, tournaments, leagues and organisers
Event Organisers	Those that operate a league or competition making sure that there are matches taking place and importantly a prize pool to compete for
Facilitators	The brands that help make gaming possible or enhance the experience in some way - these are the peripherals (e.g. chairs, keyboards), the technology or even the internet providers that make it possible

Fans	Those that bring the passion and enthusiasm to the sport – turning up in the thousands to support their favourite team or players or watching through a platform
Game developer	Designs/makes the games across all aspects of development; once a game is made they may partner with a larger publisher to market, distribute and operate the game
Gamers	The players (or consumers) of the games
Indie games	Games that tend to be developed by a smaller team with smaller budgets and therefore often reach a smaller audience (though not always) - can be likened to the indie film scene
Influencer	An influencer is an individual who has the power to affect purchase decisions of others because of his/her authority, knowledge, position or relationship with his/her audience
Mixer	A live streaming platform that is owned by Microsoft
Non-endemic brands	Those that are not aligned with video gaming at all (e.g. auto manufacturers, food & beverage, financial institutions)
Platform	The place where the streamer-made content or esports tournaments are consumed, unless of course people are watching in-person
Players	Players are the professionals that put in multiple hours honing their skills in the game – tending to specialise in one game so that they can be the best
Pop-up ads	Pop-up ads – often short 15” or 30” ads or banner ads within the game
Product placement	Marketing technique where specific brands or products are incorporated into another medium such as a film or television program with specific promotional intent
Publisher	Markets, distributes and operates the video games that have either been made internally by the publisher or by an external game developer
Reddit	A social news website and forum where content is socially curated and promoted by site members through voting
Second Screening	Using multiple devices at the same time often associated with using a mobile while watching TV

Streamers	Otherwise known as content creators, are the next tier up from gamers – still playing the same games but at a professional level where they can earn a living through broadcasting themselves playing games to a live audience
Streaming	Watching video in real time, such as watching others play a video game live
Streaming platform	Online platforms for content creators to broadcast through and for fans to engage with; popular sites include Twitch, YouTube, Mixer, Douyu and Huya
Teams	Teams are very similar in esports as other sports – they train together, often live together and play together, in order to build the team chemistry that is needed to win
TikTok	Social media video app for creating and sharing short lip-sync, comedy and talent videos
Twitch	The largest live-streaming platform bought and owned by Amazon in 2014 for \$970 million
Unboxing	When a streamer receives your product in the mail and go through the initial user experience live on stream, their surprise and delight acting as a great sell and sparking the curiosity of their audience
Video gaming	An electronic game played on either computer, gaming console or smartphone
Yup.gg	A marketplace for gaming, esports and IRL content creators in the emerging markets

Sources and Accreditations

Thank you to all the brands that took part in the primary research.

Third party brands used in this presentation are the property of their respective owners, and are used here for informational purposes only. The use of such brands should not be viewed as an endorsement, affiliation or sponsorship by or for 2CV, Branded, or WFA or any of their respective products/services.

Thanks to the teams at both SCOGA and yup.gg for sharing and allowing us to use many of the photos in this report. Copyrights of these images belongs to them.



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