

For marketers, esports an enticing way to reach millennials

May 7 2015, byDerrik J. Lang



In this May 11, 2014 file photo, fans watch the opening ceremony of the League of Legends season 4 World Championship Final between South Korea against China's Royal Club, in Paris. The next ally in competitive gaming's fight for mainstream awareness might be marketers. At an invite-only gathering of marketing executives Wednesday, May 7, 2015, representatives from companies like State Farm and McDonald's were looking to esports to potentially capture new consumers. (AP Photo/Jacques Brinon, File)

The latest ally in competitive gaming's fight for mainstream awareness

just might be marketers.

At an intimate, invite-only gathering this week at an exclusive seaside resort, executives from corporations like AT&T, State Farm and McDonald's were looking to electronic sports to potentially capture new consumers. While esports now regularly draws tens of millions of spectators both online and in person, the genre continues to battle for broader recognition in North America.

"There is definitely an awareness issue across mainstream elements," said Dustin Beck, vice president of esports and merchandising at "League of Legends" publisher Riot Games. "We want this to be a successful ecosystem for decades to come, and that will be buoyed by having larger brands, like those here, who become aware of esports and get involved in esports."

Beck was among the attendees Wednesday at the sixth annual PTTOW! summit, an exclusive get-together of execs interested in reaching young consumers. Other subjects discussed at PTTOW!—which stands for "Plan To Take On the World"—included virtual reality, globalization and predictive marketing, with esports among the summit's most popular topics.

"Our job is to tell people what they don't know," said Roman Tsunder, co-founder and CEO of PTTOW! "Who wants to talk about something everyone knows about? Everyone here is the best in the world at what they do, and esports was important to include because enough people mentioned it. That's notable because there's \$68 million of media investment in this room."



In this July 13, 2014 file photo, Choi Seong Hun, left, who goes by the gaming name "PoLt" and Choi Ji Sung, known as "Bomber," both of South Korea, are separated by a divider as they compete against each other in the finals of the Red Bull Battle Grounds "StarCraft II" video game tournament in Atlanta. The next ally in competitive gaming's fight for mainstream awareness might be marketers. At an invite-only gathering of marketing executives Wednesday, May 6, 2015, representatives from companies like State Farm and McDonald's were looking to esports to potentially capture new consumers. (AP Photo/David Goldman, File)

Over the past 10 years, the popularity of esports has amplified as technology has evolved, Internet speeds have become more reliable and a generation of gamers has grown up watching competitive bouts on streaming video sites like Twitch and YouTube. Earlier this year, a report released by research firm Newzoo said 205 million people watched esports in 2014.

However, a divide continues to frustrate the medium. The broadcast of a collegiate tournament for Blizzard's upcoming game "Heroes of the Storm" drew only about 100,000 viewers when it aired last month on ESPN2. It also inspired ire. ESPN radio host Colin Cowherd later remarked that he would retire if he was "ever forced to cover guys playing video games."

Several major companies don't share that sentiment.

Intel, Red Bull, Nissan, Coca-Cola and others have been regularly sponsoring esports athletes and organizations in an attempt to reach those elusive millennials who have cut the cord, streaming "Dota 2" matches on smartphones instead of watching Major League Baseball matchups on televisions. For many marketers, it's about more than simply advertising products.

"I have a very clear job," said Matt Wolf, global head of gaming for Coca-Cola. "My job is to sell more Coca-Cola. But I also love the gaming industry. I grew up in the gaming industry, so why can't I grow our brands with the power of games and, at the same time, shine a positive light on the gaming community and remove stereotypes? It's an incredibly powerful medium."

Coca-Cola kicked off a partnership with Riot Games last year by sponsoring a "League of Legends" amateur league for players to compete for a spot in the professional one. The beverage company expanded its relationship with the game publisher this year with plans to broadcast the May 10 mid-season invitational in 15 movie theaters across the United States.

Despite the popularity and Coke partnership, competition alone has yet to prove profitable for Riot Games.

"It's something our fans love, so we're going to continue to do it," said Beck. "We're in it for the long haul. Is it profitable now? No, but we have the luxury of not rushing to monetize it, so we can keep it a genuine and authentic experience. It'd be great if we could have more partners come on board to add value, not just monetarily, but also for the fan experience."

More information: www.riotgames.com

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