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MARKETING SOLUTIONS TO PROMOTE BRANDING IN ESPORTS

This study aims to identify marketing solutions that contribute to the improvement of brand image as a result of sponsorship participation in eSports. Since eSports is an activity that attracts millions of viewers worldwide, its development involves attracting sponsors and donors for its development. That is why marketing is a special tool that can promote this sport's endemic and non-endemic goods and services. The research aims to determine the special importance of eSports for promoting and selling goods and services advertised on virtual sports grounds. The object of the study is the influence of the brand's sponsorship participation in eSports tournaments on its image.

A conceptual framework for the study was created and then refined with empirical data. This quantitative study analyzed 110 eSports fans who were selected using a non-probability heterogeneous method. Empirical data were collected through an online and closed-ended survey. Thus, more accurate and updated empirical data were collected to increase the conceptual framework's quality, reliability, and detail. In particular, special attention was paid to determining the subtleties that contribute to the improvement of the sponsors' brand image by the above-mentioned elements.

The data showed that eSports sponsorship provides several main elements that enhance the sponsor's brand image. These elements include brand recognition, brand trust, building loyalty, referrals, willingness to try a new product, association with famous athletes. The field of eSports sponsorship is largely ignored by academia. As such, this study is first step in better understanding the benefits of eSports sponsorship and lays the groundwork for future research. Knowing the main brand image benefits of eSports sponsorship will help build confidence for brands that are still reluctant to enter this new market.

Research has shown that the use of marketing strategy in eSports for brands of any scale corresponds to the stages of marketing strategy in traditional sports, in particular defining the target audience, and searching for channels of communication with the target audience, collaborating with celebrities, team sponsorship, holding an event with a white label.

Keywords: eSports marketing, endemic goods, non-endemic goods, followers, streaming, audience engagement.

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1. Introduction

Markets are plagued with so many similar brands that it is difficult for companies to find main selling point. Here, it is common for brand image to be the only, or main, distinguishing element. Brands that build the best image will have the competitive edge and reap the most ROIs. In this regard, one of the best tools for building a brand image is advertising, and of its various types, sponsorships are the most effective as they seem far less commercial.

The process of informatization has also affected the gaming industry because today video games are positioned as something more than just a component. Nowadays, eSports are becoming an opportunity to earn money, transforming your favourite hobby into a job. Its development is constantly in the direction of direct competition with sports tournaments. This is facilitated not only by the use of modern technology but also by the technique

of eSports. As a result, competing computer games are attracting more and more attention, which cannot escape the scientific community. Computer games, or eSports, are a phenomenon that has become one of the elements of modern digital youth culture, but its study still faces several challenges.

First, the scientific community lacks an understanding of the importance of eSports as a cultural phenomenon. Secondly, there is still a belief that computer games are intended exclusively for children and the unemployed. Third, eSports causes conservative rejection in many countries [1].

Thus, eSports are a form of competitive activity based on the use of computer games. It did not arise spontaneously and today demonstrates a certain history of slow but confident movement toward global recognition. The sharp rise in the popularity of eSports could not fail to attract the attention of the business sector. Today it is one of the most promising investment areas in the domestic and global

markets. The dynamics of eSports are constantly increasing, which makes it interesting and relevant for research.

2. The object of research and its technological audit

Research on the impact of sponsorship in virtual sports marketing on user preferences in combination with indirect or direct marketing is important today. After all, a limited understanding of the importance of the latest trends in the promotion of goods and services prevents us from understanding how users' evaluation of the experience can contribute to their study of sports brands. While eSports marketing can serve as a more powerful vehicle for communicating sports brand details and experiences than traditional media, there are unique and distinctive characteristics that differentiate virtual sports experiences from indirect and direct sports experiences. The lack of research on the role of sponsorship in eSports on its impact on consumer consciousness creates a conceptual void in the consumer sports literature. That is why *the object of this study* is the influence of the brand's sponsorship participation in eSports tournaments on its image.

The characteristic disadvantages inherent in this object in the existing operating conditions are:

- underestimation of the importance of eSports in the modern conditions of digitalization of society;
- lack of understanding of opportunities to promote one's goods/services through sponsorship in eSports.

It is very difficult to convince people to accept advertising. In this sense, sponsorship always runs the risk of the brand being perceived as too intrusive. However, the researchers found that eSports fans are very receptive to sponsorship. This high recognition is because fans know that eSports cannot survive without sponsors, as most of the revenue comes from them. Furthermore, studies have shown that between 58 % and 95 % of all eSports sponsors are endemic brands [2], and one reason for this disparity is that non-endemic brands are unsure of how well fans will accept them as eSports sponsors. What is very important is that most fans also accept non-traditional sponsors in eSports. This is attracting more and more non-endemic companies such as PokerStars, Domino's, Coca-Cola, Audi, Visa and Gillette.

3. The aim and objectives of research

The aim of this study is to identify marketing solutions that contribute to the improvement of brand image as a result of sponsorship participation in eSports. The objectives of the research:

1. To determine the importance of cybersports as an economic component.
2. To identify the prospects of development of cybersports.

4. Research of existing solutions to the problem

A relatively small number of scientific works scientists are devoted to the study of the phenomenon of eSports. The situation with a lack of scientific articles on the chosen topic is explained by the fact that eSports have a fairly short history of development and ambiguous perception of certain segments of society.

ESports, defined as video game competitions involving consumers, companies and other stakeholders through multiple interactions, has experienced unprecedented growth in recent years. A major reason for this worldwide growth is the increased access to both technology and elite competition by a large portion of the population. From a scientific point of view, eSports is considered a field of sports activities in which people develop and train physical and mental skills with the help of information and communication technologies [3]. Other definitions of the concept perceive it as a form of sport, the main aspects of which are conducted in an electronic format through organized gaming competitions in which players from all over the world compete for the ultimate prize [4].

ESports has been criticized by society and some academics for calling itself a sport. However, the recognition of eSports as a sport by some modern scholars is important, which is justified by the fact that it requires a set of skills of a competitive nature, it has an increasingly large organizational structure and is recognized by various institutions [5].

The importance of eSports in the field of sports sponsorship has increased in recent years. One of the reasons for this boom is that eSports now reach a huge part of the population, especially young people who participate in it and watch it through various social networks. According to data provided in the eSports document compiled by the Spanish Association of Video Games (AEVI, 2018), in 2018 the audience of eSports enthusiasts worldwide reached 165 million people, and by 2021, the number of audiences is predicted to exceed 250 million. In Spain, the figure is 2.6 million, with an estimated total audience of over 5.5 million. In 2018, more than 100 million people watched the final match of the League of Legends World Championship, which was broadcast in 19 different languages on more than 30 platforms and TV channels [6].

ESports is part of the communication strategies of brands. Communication with the youngest target audience of the population with the help of mass media (television, radio, press, etc.) is ineffective given the low penetration of «traditional media» at this age. According to EGM (Electrical Grid Monitoring) data, television is the least effective communication medium when planning campaigns aimed at children or young people, as these groups have stopped consuming content on television to enjoy it on other devices, prompting brands to look for territories related to these targets to run your advertising messages.

Given the large audience of engaged fans in eSports, operators and broadcasters are firmly committed to the proliferation of video game leagues. An estimated 134 million people worldwide watched (but did not participate in) eSports events in 2014 (SuperData, 2015). In the same year, Amazon acquired Twitch Tv, a video streaming service that broadcasts live video games on demand and is the number one platform for eSports content on the planet. In 2017, Movistar created Movistar eSport, a channel dedicated exclusively to eSports that broadcasts both national and international competitions, but closed in December 2018. Other operators, such as Atresmedia, broadcast content from the Professional Video Games League, in this case in a programmatic format (Neox Games). Public broadcaster RTVE launched its league at the end of 2017 [7].

Due to the significant distribution and publicity, marketing scientists cannot bypass the topics of eSports. From

a marketing perspective, eSports is a sports entertainment product with significant growth potential that requires management expertise related to events, merchandise, sponsorship, support, technology, human resources, social media, governance, legal, celebrity culture and welfare of athletes. As a result, the phenomenon of eSports has reached such a scale that it has even affected sports firms [8]. At the beginning of 2018, the Duet group created the first gym for eGamers in Duet Fit Glorias in Barcelona. Given the size of the eSports audience and the profile of their followers, brands have begun to show interest in sponsoring leagues, teams, and players.

The academic literature about this phenomenon is currently very scarce. The aspects of eSports focused on are mainly psychology [9], definitions, and an approach to what the sport refers to [10] issues about athletes and gamers' health and the marketing perspective [11].

However, given the few previous studies on computer game consumption, no attempt has yet been made to understand eSports sponsorship. An important issue in this area is the need to investigate the impact of eSports sponsorship on the health of the sponsoring brand. In an environment where the effectiveness of mass media-based communication strategies to reach the youngest segments of the population is being questioned, the return of new strategies such as eSports league sponsorship must be able to be measured. This work is an analysis of the fields of business, sports science and media studies and is based on the study of the definition and reasons for the consumption of eSports to determine effective sponsorship strategies for brands that should be leaders in this field.

5. Methods of research

Regarding the aim of research, let's formulate the following hypotheses:

H1 – eSports is extremely important for the modern virtual development of society, as a capacious platform for attracting new users to various types of goods and services and creating a loyal target audience.

H2 – there are significant differences in the importance of marketing approaches between traditional marketing strategies and eSports marketing strategies.

H3 – there are no significant differences between eSports enthusiasts and traditional sports enthusiasts in terms of the importance of the information they refer to and their effectiveness in choosing different goods and services.

H4 – to attract loyalty to goods, there are significant differences between sports and eSports fans in the sources and methods of brand promotion.

6. Research results

The effects of the two experimental factors (regulatory focus and social norm) as well as their interaction on attitude and intention to buy new branding skills were analysed using ANOVAs.

This method is a statistical method of analysing results that depend on qualitative characteristics. Each factor can be a discrete or continuous random change, which is distinguished at small constant levels (gradations, intervals). If the number of measurements (samples, data) at all levels of each of the factors is the same, then the variance analysis means uniform, otherwise – uneven.

The basis of variance analysis is the following principle (a fact from mathematical statistics): if independent factors A, B, \dots act together on a random variable, then the total variance is equal to the sum of variances caused by the action of individual factors:

The frequency of buying was entered as a covariate into the analyses.

Thus, the assessment of criterion F , which reflects the ratio of the variance estimate between groups (MS_B) to the variance estimate in the middle of the group (MS_W), makes it possible to assess the impact of brand touches on its image among eSports participants.

As expected, the results showed that the more often the participants received new contacts with the brand, the more positive their attitude towards this product was $F(1.95)=22.06$ when levelling the value $p<0.01$, sample effect coefficient $b=0.25$, and the practical value of the result $\eta^2=0.19$ testify to the significant scale of this influence.

Results also showed the main effect of regulatory focus, $F(1.95)=4.43$, $p=0.038$, $\eta^2=0.05$, whereby participants who were induced with promotion focus had more positive attitudes towards branding skills ($M=4.49$) than participants who were induced with prevention focus ($M=4.05$). Additionally, there was a significant main effect of social norm, $F(1.95)=8.04$, $p=0.06$, $\eta^2=0.08$, showing more positive attitudes in the injunctive norm condition ($M=4.58$) than in the descriptive norm condition ($M=3.96$).

Importantly, results also showed a significant interaction between regulatory focus and social norm, $F(1.95)=3.96$, $p=0.049$, $\eta^2=0.04$. As expected, the influence of descriptive norms on attitudes was higher under promotion focus ($M=4.40$) than under prevention focus ($M=3.52$; $F(1.48)=8.22$, $p=0.006$, $\eta^2=0.02$). In contrast, the effect of injunctive norms did not depend on regulatory focus, $F(1.46)=0.02$, $p=0.96$, $\eta^2<0.01$.

Results for intentions to buy new branding skills resembled those for attitudes. The more frequently participants bought new branding skills, the more willing they were to buy fair trade coffee in the future, $F(1.95)=57.75$, $p<0.001$, $b=0.43$, $\eta^2=0.38$. There was a significant main effect of regulatory focus, $F(1.95)=6.53$, $p=0.01$, $\eta^2=0.06$, showing higher intentions for promotion focus ($M=3.99$) than prevention focus ($M=3.40$). The main effect of social norms did not reach significance, $F(1.95)=2.63$, $p=0.10$, $\eta^2<0.01$, indicating that for intentions the difference between the influence of the two types of norms was not as pronounced as it was for attitudes.

Finally, results showed the expected significant interaction between social norm and regulatory focus, $F(1.95)=3.86$, $p=0.05$, $\eta^2=0.04$. In line with expectations, the influence of descriptive norms on intentions was greater under promotion focus ($M=4.04$) than under prevention focus ($M=2.98$; $F(1.48)=11.12$, $p=0.002$, $\eta^2=0.02$).

Following the results for attitudes, the effect of injunctive norm did not significantly differ under promotion versus prevention focus, $F(1.46)=0.12$, $p=0.729$, $\eta^2<0.01$.

To promote eSports as a «real» sport, the summit held by the International Olympic Committee (IOC) in October 2017 recognized the growing popularity of eSports (Fig. 1). After all, the eSports players involved prepare and train with an intensity that can be compared to athletes in traditional sports. As a result of long discussions on this topic, the Asian Olympic Council allowed eight eSports games to make

their official debut for medals at the 2022 Asian Games in Hangzhou, China [12].

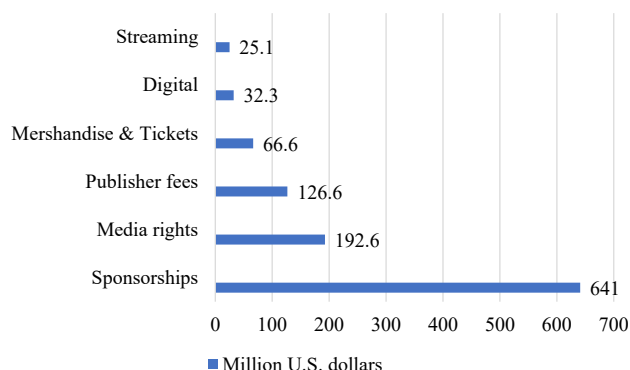


Fig. 1. ESport market revenue worldwide in 2021, by segments [12]

The largest share of eSports market revenue came from sponsorship and advertising in 2021. In total, the global eSports market revenue from sponsorship and advertising amounted to 641 million USD in 2021, 192 million USD (Fig. 2).

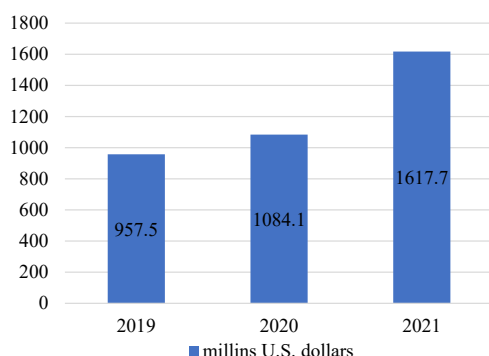


Fig. 2. ESport market revenue worldwide from 2019 to 2021 [13]

Professional gamers, or «pro gamers», are often associated with gaming teams and/or broader gaming associations. They are equated in popularity with world-famous athletes in traditional sports. The eight largest eSports clubs in the United States – Team Liquid, Cloud9, 100 Thieves, Fa Ze Clan, Echo Fox, Team Solo Mid, and Immortals – have raised more than 360 million USD in investment during this period. According to the New zoo Global Esports Market Report, the monetization of global eSports in 2020 is 1.6 billion USD, which is 50 % more than in 2019 [13]. The largest eSports markets, in terms of popularity and revenue, are Asia and North America (Fig. 3).

Advertisers react differently when they learn that the core of eSports viewers is a 450 million fan base, including not only teenagers but also solvent adults. For American and European brands, this is a strong signal that this is an audience that already has specific consumer habits, including the habit of paying for digital content. Many Western eSports enthusiasts have subscriptions to Netflix or Apple Music, and they regularly send donations (donations) to their favourite streamers on Twitch, YouTube, or other platforms [14]. This makes it possible to integrate a new service or product into the habits of such an audience.

Audience loyalty to eSports partner brands is one of the reasons for such rapid market growth. According to

the analytical agency Nielsen Sports [15], more than half of the eSports audience is loyal to brands that invest in eSports, and are willing to choose among others their products. Hence the high rates of return on investment: for one dollar invested, sponsor brands receive three dollars in the form of media value, i. e. the aggregate indicator, which includes tangible and intangible sponsorship assets.

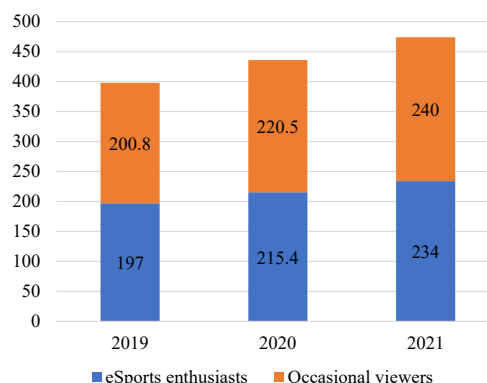


Fig. 3. ESport audience size worldwide from 2019 to 2021 by type of viewers [14]

Another reason for the growing popularity of eSports marketing is the «long game». The relative youth of the audience allows brands to form a pool of loyal customers in advance, even before the peak of purchasing power in this audience. In a few years, they will become even more active and solvent and they will already have formed loyalty to the brand. But it is very important to show that the brand listens to their needs. For example, a separate brand of computers and accessories (up to special gaming chairs) OMEN has been created, created especially for eSportsmen and gamers-enthusiasts – those who play for the result.

It is interesting to note that eSports fans are more focused on the athlete's face than the generation of football, baseball, and basketball fans who care about «form». Social networks make them even more accessible to idols, and detailed broadcasts and analyses of matches allow fans to repeat the tricks seen. Popular brands are interested in this target audience and are actively using eSports marketing to promote their products among young people.

eSports have introduced a phenomenon such as streaming, which creates new opportunities for the development of marketing. Today, streaming has become a separate area of the blogosphere with its stars and multimillion-dollar contracts, and content-based services are actively competing with each other. For example, the highlight of the summer was the transition of the world's most popular gaming streamer Ninja from Twitch (a subsidiary of Amazon) to Mixer (Microsoft). According to insider information, Mixer lured the blogger with a six-year contract for 900 million USD. His first stream on Mixer gathered 93,000 people – a record for the service. Ninja itself is an absolute record holder in the number of viewers: up to 650,000 people watch its broadcasts at the same time [16].

«For advertisers, it's a simple and easy-to-understand tool for interacting with their audience: new, out-of-date formats and open statistics with the number of unique viewers, their retention, engagement, and response times. The cost of one advertising contact is consistently lower than traditional formats – contextual advertising, TV, radio, banners, BTL», – says streamer [17].

For computer manufacturers, partnering with eSports championships is also a great «testing ground» for new products. It is possible to say that the development of eSports forces equipment manufacturers to compete with each other and stimulates the development of the market as a whole.

Today, eSports offers business integration scenarios that are virtually unlimited in terms of creativity and budget: from one-time streaming broadcasts and sponsorships of cyber tournaments to unique authoring integrations within specific computer games and books in the cyber industry a whole class of activities for a specific brand. Big banks issue their cards for gamers, IT companies announce vacancies in video game reviews for highly specialized positions, medical organizations are seriously discussing the possibility of treating patients with brain disorders with the help of game mechanics, and educational startups are introducing gamification to improve information absorption.

Partnership and sponsorship in eSports can be divided into two categories: cooperation with endemic brands and cooperation with non-endemic brands. Endemic brands are perceived in eSports quite organically. These are categories of products related to gaming – laptops, computer mice, headphones, gadgets, and more.

But brands from other fields (non-endemic) are already confidently present in eSports. For example, Team Liquid has become a partner of the Tokidoki lifestyle brand. Together, they release a line of clothing and accessories with the team's mascot (mascot character) [18]. Other major sponsors/partners include Coca-Cola, BMW, Nike, IMAX, and Spotify. An example of such cooperation in Ukraine is the collaboration between the Hell Raisers eSports club and the Mazda car brand. And these are not isolated cases.

It is worth mentioning that assistants, specialists, and marketing directors play an extremely important role in the field of eSports. They perform the functions of establishing relationships with the target audience, planning a strategy to strengthen the competitive position of the organization, conducting research in focus groups, and determining the marketing strategy of loyal involvement of the target audience and investors.

Research has shown that the use of marketing strategy in eSports for brands of any scale corresponds to the stages of marketing strategy in traditional sports, in particular:

1. Defining the target audience.
2. Search for channels of communication with the target audience.
3. Collaboration with celebrities.
4. Team sponsorship.
5. Holding an event with a white label.

Let's briefly review each of these areas of marketing strategy.

Defining the target audience involves finding out the segment of observers who can potentially be our clients. The problem with defining your audience, in this case, is that eSports are a kind of generic term that does not specifically refer to a specific audience. If you are not very well versed in the industry, you will be inclined to think that «eSports fans» are a good demographic group for the target audience. But this is not the case. After all, fans of different professional sports have different preferences and habits. The situation is similar with eSports: someone who likes to watch World of Warcraft is not necessarily a Rocket League fan. Therefore, the best way to deter-

mine your marketing strategy in eSports is to find a game or tournament that has synergies with your product. For example, Mobil1, a manufacturer of synthetic motor oil, did so when it sponsored the Rocket League Championship.

Search for channels of relationship with the target audience. This is another major marketing strategy. After defining the target audience, the question arises: where and how can you contact them? Of course, digital marketing and social media marketing make this task much easier. In particular, Twitch and YouTube are popular platforms for eSports fans. Let's recommend that it is possible to test different means of communication and choose the best one for your brand.

Collaboration with influential people and eSports stars is especially productive. A special feature of such cooperation is that it does not require significant financial costs. Therefore, it can allow both well-known popular brands and microbrands.

Team sponsorship is a great way to attract a loyal audience for a brand. ESports is developing at an extremely fast pace. Many niches in it are not yet filled. It always releases new games (and current games may suddenly lose popularity). The most popular teams today may disappear after the game of their choice goes out of fashion. Every day new teams are created here and new games are programmed. Therefore, your brand can be a sponsor for a team of different levels.

Organizing and hosting an event with a white label (creating a new event) is a great tool to draw the attention of the target audience to your brand. Small private events can be a catalyst for attracting a new brand in eSports. It is possible to arrange a new event with a local sports club, or join existing events. The cost of such advertising varies from minimal contributions to significant investments. But the result does not depend on it. The main emphasis should be on the interest of the target audience.

Thus, it can now be argued that eSports is in a state of active development, and there is no doubt that it will continue to grow. Part of the reason for this is how accessible it is to players, fans, and brands. Virtually any avid gamer can join the team and become a star without the obstacles that professional athletes have. And eSports stars are much closer to fans, while influential people on stage create loyalty through their streams and videos. And, as we have seen, the dynamic nature of eSports, which is still in its infancy, leaves a lot of room for brands of almost any size to enter the game.

7. SWOT analysis of research results

Strengths. The strengths of this study are that we found a significant variance relationship between eSports sponsorship and audience engagement with the sponsoring brand. This allows companies to assess the extent of their involvement in sponsoring eSports games and opportunities to attract new users to the brand. It is also undeniable that the eSports audience is constantly growing, which is important for spreading a positive brand image.

Weaknesses. The weaknesses of the study are that it is difficult to assess the degree of involvement of brands that produce non-endemic goods/services. After all, the audience involved in eSports may not understand their meaning. This can cause excessive costs for companies. Therefore, it is worth evaluating the attitude of the target

audience to various types of products and the possibility of its promotion through eSports before investing in this area of marketing.

Opportunities. The prospects for further research are that continuing research in this area allows assessing the level of return on invested resources. This can only be done after evaluating the effectiveness of advertising companies and the brand through eSports. Analysis of the growth of brand loyalty as a result of sponsorship in eSports can be evaluated by the scale of growth in product sales during tournaments and international competitions. It is predicted that those brands that increase their loyalty to the audience will have better sales figures.

Threats. The threats of this study relate to the heterogeneity of goods and services offered by sponsoring companies. Individual manufacturers can have a significant positive effect from this type of marketing activity. Others may not have this effect at all. Therefore, from a marketing point of view, it is always important to conduct a preliminary experimental study of the effect of sponsorship in eSports and its influence on the loyalty of participants.

8. Conclusions

1. Based on the analysed data, the functioning of the eSports system can be considered a positive economic component of the organizational and legal structure of the state. ESports are not only a new sport, popular among modern youth but also a large media market. Its volume, according to various estimates, is 1–1.5 billion USD. At the same time, experts note that the eSports market is growing by 20–30 % annually, and will fully manifest itself in 5–10 years. Advertising and marketing in the industry have great prospects because eSports are a great area for promoting various products. Today's experts single out several countries that occupy leading positions in the world in terms of dissemination and promotion of eSports. Leaders in the industry include South Korea, China, the United States, and Western Europe. Relevant ratings are also compiled according to the amount of financial income to this industry in each country separately. According to statistics on the growth of revenues received by states and all countries involved in the competition, including players, the revenue of the gaming industry is now 180.1 billion USD. At the same time, the main consequence of the development of eSports as a source of income for the state budget is the level of commercialization of this industry.

2. Thus, according to independent think tanks, the gaming industry, namely the eSports segment, will continue to grow rapidly and steadily in both the short and long term. And this applies to both the growth of revenues of companies participating in the market, and increasing the audience of users. In terms of investment and development of new marketing strategies, it is now one of the most promising markets in the world.

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