

Marketing Sport through an esports Extension: Understanding the esports Market

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(including questions)

Esports is a rapidly growing segment of the sport industry. Esports consists of competitive and amateur video game competition coordinated by organizations and governing bodies, where players are ranked and typically affiliated with teams or organizations which may be sponsored (Hamari & Sjöblom, 2017). The esports market is attractive to traditional sport marketers. A 2017 industry report estimated that there were 191 million esports fans worldwide ("Esports," 2017). Major esports competitions have rapidly grown. The 2016 League of Legends (a popular esports game) world championship drew 60 million viewers, up from 32 million in 2013, and hosted 20,000 live spectators (Holden, Kaburakis, & Rodenberg, 2017). 2016 esports industry revenues jumped from \$493 million to \$660 million in 2017 (Cunningham et al., 2018). Esports is also attractive to marketers because of consumers' youth, as 54% of the esports market is between ages 21-35 (Newzoo, 2016). However, nuances and newness of esports popularity also present marketing challenges. Based on number of viewers (Newzoo, 2019) and total prize money (Esports Earnings, 2019), the most popular esports games are not sport video games (SVGs). With SVGs, gameplay is based on a traditional sport (e.g., soccer, basketball). Some popular esports games are SVGs (e.g., FIFA, NBA 2K), but the most popular esports games are not (e.g., League of Legends, Fortnite, Dota 2). Despite similarities between esports and sport, there are questions about the ability of sport practitioners to integrate the esports market through marketing strategies. In the U.S. only about 66% of esports fans say they also watch football (Nielsen, 2017). Because traditional sport organizations are already incorporating esports into marketing strategies, there is a need to understand the esports market.

Esports research to date has focused on topics such as determining if esports is a sport (Holden et al., 2017; Kane & Spradley, 2017), collegiate esports (Nite, Ige, & Washington, 2018; Schaeperkoetter et al., 2017), and consumer motivations for live and remote esports viewership (Hamari & Sjöblom, 2017; Lee & Schoenstedt, 2011). There is a lack of research on the esports market overall, which would be invaluable for sport organizations in incorporating esports marketing strategies. Notable sport entities, such as the National Basketball Association (NBA), are working to tap into the esports market to generate revenue and promote their parent brands via an extension. In 2018, the NBA launched the NBA 2K League, where NBA franchises operate esports teams that compete against one another in NBA 2K (a SVG). 21 NBA franchises drafted athletes/gamers to play in the 2019 season. Each NBA 2K team acts as a brand extension of their parent brand NBA franchise. Brand extensions occur when an existing (parent) brand creates a new product that occupies a new product category (Aaker, 1996).

The NBA 2K League is on the forefront of traditional sports engaging in esports marketing endeavors. Nevertheless, research is necessary to understand the esports market and identify market segments that are receptive to esports marketing efforts from traditional sport entities. Potential consumers can identify themselves many ways in relation to sport or esports. According to social identity theory, the knowledge that one belongs to a group affects an individual's self-concept and behaviors (Tajfel & Turner, 1979). Several forms of identification, such as team identification and sport identification, are well established forms of identification that influence attitudes and behaviors (Kwon, Trail, & Anderson, 2005; Trail, Robinson, Dick, & Gillentine, 2003). However, there may be other forms of identification that are equally important in determining how potential consumers evaluate an esports brand extension. The relationship between identities and consumer evaluation of an esports brand extension would improve understanding about the esports market overall, which would have practical and theoretical merit. Sport organizations could better target esports marketing efforts. Identifying new forms of social identification would also have theoretical implications for future esports research.

This research will examine relationships between individuals' identification (Team ID, Sport ID, SVG ID, Gamer ID, eSport ID, NBA 2K ID) and brand extension evaluation of a NBA franchise's NBA 2K League team. The purpose of this research is to better understand the target market of a traditional sport entity's esports extension by determining if identification levels influence evaluation of a new esports brand extension of a professional sport franchise.

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Method

Because little is known about the target markets for a sport brand extension into esports, a cross-sectional design using an online survey will be used to gather a large, diverse sample. As part of a larger data collection with an NBA 2K team, a 61-item survey will be distributed to a variety of participants. Specifically, a survey link will be sent to esports college clubs, posted to relevant Reddit groups (e.g., gaming, NBA, esports groups), emailed to a NBA franchise's database of consumers, and posted via various social media accounts, including an NBA 2K team, an NBA franchise, and the researchers' accounts. The survey instrument includes six forms of self-identification. Team identification and sport identification scales are adapted from past research (Trail et al., 2003). New forms of identification in the survey include: SVG Identification, NBA 2K Identification, Gamer Identification, and esports Identification. Single-item measures are used to measure these new forms of identification. Single-item measures are used for these forms of identification out of consideration for respondents' time, and because single item measures can be as effective as multi-item measures (Kwon & Trail, 2005; Sato, Jordan, & Funk, 2019). Brand extension evaluation of the esports team is measured using three items adapted from existing research (Barta & Homer, 2004; Hem, Iversen, & Olsen, 2014; Walsh & Williams, 2017). Descriptive statistics and correlations between identities and extension evaluation will be reported. Regression analysis will examine relationships between all identification forms and extension evaluation.

Results and Discussion

Results are in progress and will contribute to the limited body of esports knowledge. Discussion will explain which identities are related to favorable evaluation of an esports brand extension. This knowledge will aid sport marketers in segmenting the esports market for targeted esports marketing. Both practical and theoretical implications will be discussed.

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