

E-sports: The biggest thing you have never heard of

By  Danette Breitenbach

11 Oct 2016

The e-sports market is a millennial rich market that in South Africa is still relatively untapped by brands, so it offers a unique opportunity of reaching this ever-elusive segment.

If you still think gamers are 14-year-old nerds sitting in dark corners, think again. Gamers are US\$100bn market, with 1.7 billion gamers worldwide of which 71% are over 18, falling into the millennials segment.

In South Africa over 70% - or 1.84 million - of gamers are millennials, that is 18 to 30-year-olds with a high bandwidth usage, a smartphone, streaming content, watching what they want when they want on what device they choose.



©welcorria via [123RF](#)

Within gaming the e-sports is massive and growing, both in terms of online and in attendance. In the United States (US) only the NFL has a bigger fan base and that gap is closing fast. The global e-sports audience increased from 71.5 million people in 2013 to 226 million people a mere two years later in 2015. By the end of next year e-sports will boast \$1.9bn in revenue with gamers playing for prize money of up to \$2m in tournaments.

To get an idea of just how big this market is, just look at Twitch, a live-streaming video platform that focus on video gaming, including play throughs of video games, broadcasts of e-sports competitions, creative content, and more recently, music broadcasts. It is a subsidiary of Amazon.com.

In 2015 the platform had over 1.5 million broadcasters and 100 million visitors per month and with the fourth most dwell time on the planet, it is comparable to the likes of Google, Netflix and Apple TV. It is bigger than YouTube!

E-sports offers brands the opportunity to target this segment through a focused platform at a low investment, Gareth Woods, an e-sports host, told delegates at the inaugural E-sports Branding Summit. The first of its kind on the continent, it took place on the opening day of Rage in the Ticketpro Dome north of Johannesburg.

“As a brand you can gain affinity in this segment by unlocking the gaming community’s passion, but you have to be consistent and authentic,” he says.

While there is a plethora of ways for brands to get involved, he advises that if the brands are not inherently linked to gaming, they should focus on the audience.

“Brands that have nothing to do or link them to e-sports, such as Coca-Cola come in on the fan level. The brand targeted the fans by hosting 18 fan parks to watch the e-sports championships in Korea (at a weird and inconvenient time). While it is a digital sport, they went for what they knew they do well - hosting live events,” he explains.

Red Bull is another brand that is working well in this sector with gaming battlegrounds. They also opened a high-performance laboratory in Santa Monica, CA to see what it takes to be the world’s best gamer. Brands currently active in this space that have nothing at all to do with gaming include Nissan and American Express.

The lesson is to choose one point of engagement - the fans or the teams or the event - not all of them,” says Woods.

South Africa really is in a unique position says Woods. “With e-sports so much more evolved overseas, we are able to learn from them, take what works and make it our own. The question is, are we going to make it ours and own the market or are we going to allow an overseas company to come here and plant their flag?”

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

- First of its kind MAOC Fund to raise R10.2bn to transform creative industry - 13 May 2024
- Under Armour, challenger brand, shows up, launches icon brand house in Sandton City - 29 Apr 2024
- Sabre EMEA 2024 Awards: Razor PR, Retroviral top SA agencies - 18 Apr 2024
- McKinsey restructures, 3% of workforce to go - 15 Apr 2024
- SpendTrend 2024: Resilient South Africans adapt to challenging economic conditions - 9 Apr 2024

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>