

# e-Sports outstrips mainstream sports

By <u>Vincent Maher</u>

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#### "Majority of media buying will switch to programmatic buying."

While big data, content marketing and the cloud are up there in his trends for 2015 too, Vincent Maher, chief innovation officer at Kagiso Media, has also highlighted the growth of e-Sports (competitive online gaming), programmatic media buying and a tapering off of the mobile apps market as trends not to miss.

Maher was appointed chief innovation officer at Kagiso Media in the latter part of 2014. He has worked in the online media industry since 1996 at mobile operators, start-ups, print media and universities. During the past decade he has focussed on product development in the social media and mobile apps space in emerging markets, including at Vodacom and Mxit. In 2010 Maher co-founded Motribe.

This is what he particularly wanted to highlight for 2015:

## 1. Growth of e-Sports

Online gaming is now recognised internationally as an e-Sport due to its ratings, viewership and prize money. This is a fascinating trend as various stats in the last couple of years show that viewership of e-Sports is doubling year-on-year, with over 70 million people now counted as viewers, according to new research released in 2014 by Super Data Research and NewZoo, <u>reports Ongamers</u>.

Maher predicts that in 2015, e-Sports will overtake mainstream sports audiences on television. Popular contests include games such as Dota 2, StarCraft, League of Legends, and World of Warcraft.

"The prize pool for the international Dota tournament was \$10 million," says Maher. "They have become real online and offline spectator sports. And a lot of the emerging genres of games fit into the sports category. What makes it a sport is that the environment is static, there is a predefined map - like football or rugby."

As broadband becomes more mainstream, it has become a spectator sport online, but also, Maher says, a stadium sport. In June 2014, a former world cup football arena in Cologne, Germany, hosted an ESL1 tournament. "Audiences are becoming physical audiences, digital audiences are growing and broadcasters are starting to broadcast the games as sport on TV."

Ongamers.com reports that the massive growth in online gaming as an e-Sport provides the opportunity for advertisers to

connect with affluent males, although female gaming numbers are increasing, as players and spectators.

## 2. Programmatic buying

Maher believes that the majority of media buying will switch to programmatic buying. "The media buyers and media strategists are disintermediated, which now means that digital advertising is bought through dynamic platforms and you are not dependent on having a large audience any more to sell advertising. But the thing that fundamentally changes, is that there is an additional commercial category or piece of that transaction - the data aspect to the financial transaction where the source of the demographic tagging gets a piece of the transaction, too.

"You have a website, someone comes on your website and you tag them. You publish your data into the advertising engine and someone else books an ad using your data, but the ad is delivered on another media site, but as you tagged that user, you also get a piece of the revenue."

It has been brewing with the ad networks for a long time, but is becoming the predominant trend in media buying, he says.

#### 3. Mobile apps market plateaus

The apps market on mobile is going to start plateauing in terms of volume of adoption, Maher says, as the novelty wears off in the apps space. "We are starting to see increasing reports of people limiting the number of apps they download - either the level of variety is tailing off, or people are forming habits around the apps they use and are not that experimental any more."

The barrier for entry for new apps is also getting harder as an app developer and there is increased reliance on digital advertising to grow app audience sizes, Maher says.

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	<i>Vincent Maher was interviewed by Louise Burgers, specialist editor of Biz Trends 2015.</i> ABOUT VINCENT MAHER

Vincent Maher is the chief innovation officer at Kagiso Media. Read more on his blog at vincentmaher.com, follow himon Twitter at @vincent maher or connect on LinkedIn.

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