



ESPORTS FAN SURVEY ANALYSIS

An Assessment of The In-Person Event Industry's Current and Future Viability

Presented September 2020





INTRODUCTION

To Our Clients and Partners in The Sports and Tourism Industries,

CSL International and its team members at the Esports Entry Advisory are pleased to share the following results from an online survey of esports fans around the world that focused on their interest in in-person esports events*. In partnership with Vast, a premium survey/giveaway website in the gaming industry, this survey process collected more than 3,400 in-depth responses from esports fans around the world and more than 1,300 responses from those in the United States.

In addition to reporting their age and city of residence, fans were asked to report the specific game titles they follow or participate in online, rate their interest in attending an in-person event, and indicate their willingness to pay for tickets, travel, and hotel rooms to attend an event, among other questions. The following pages provide a summary of findings from this survey effort and their implications for the sports and tourism industries, followed by the results gathered from the 1,300+ U.S. respondents.

This is the third informational memo presented by CSL and the EEA since the start of the pandemic. Our first document evaluated esports resiliency in light of live event restrictions at the outset of the pandemic. This was followed by our survey of event facilities and destination market organizations (DMO's) nationally. To receive copies of these analysis documents, please refer to the contact information at the end of this report.

We appreciate the assistance of these surveyed fans and the so many industry participates in the development of this research. We look forward to continuing our research and dialogue with the many stakeholders that impact and are impacted by the quickly evolving esports sector.

** - In-person events - live esports events with real-life audience in attendance. These events often take place in studios, convention centers, arenas, performing arts centers, and recently, specialized esports venues.*

SUMMARY OF FINDINGS

OBSERVATIONS AND IMPLICATIONS FOR THE SPORTS TOURISM INDUSTRY



MARKET DEMAND SUGGESTS THE ECONOMIC VALUE AND GROWTH POTENTIAL OF ESPORTS

More than half of the 1,500 fans surveyed indicated that they would pay at least \$41 for admission to an in-person esports event, travel at least an hour to attend an event, and consider paying for a hotel room while traveling to attend an event. For host facilities and destinations, these data may be surprising. Esports fan feedback suggests considerable spend potential and excitement to travel for multiple days to attend an in-person event.

Implications: Once the pandemic subsides, venue operators and event organizers must create experiences that make a compelling argument for fans to leave their homes and attend events.

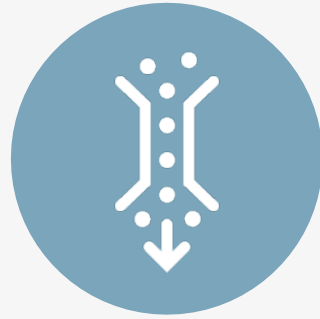


YOUNG, UP AND COMING WALLETS Young esports fans greatly value the prospect of attending an in-person esports event, which may likely have significant positive impacts on the industry's growth over the next three to five years. The drop-off in monetary valuation of esports events between the 24 and under and 25 and older age groups is significant. Those in the 18 to 24 age bracket are nearly 75 percent more likely than those between 25 and 34 to be highly interested in attending an in-person esports event. The younger group is also far less sensitive to ticket pricing than their older counterparts. Approximately half of the younger group is willing to pay at least \$61 to attend an event while older adults would generally prefer to pay between the \$21 to \$40 range.

Implications: The 24 and Unders' valuation of esports events and experiences is significantly higher than older generations, and opportunities exist to leverage the "emerging" fanbase to generate greater revenues and room nights in the in-person sector. Growth will likely be sustained as the in-person industry further matures and attending in-person events becomes more normalized.

SUMMARY OF FINDINGS

OBSERVATIONS AND IMPLICATIONS FOR THE SPORTS TOURISM INDUSTRY



BARRIERS PREVENTING IN-PERSON INDUSTRY FROM MEETING ITS POTENTIAL Most survey respondents indicated positive interest in attending an event, but only 17 percent indicated that they have actually been to an event. Although COVID-19 will negatively affect the number of events held throughout much of 2021, our research suggests an un-tapped potential to generate highly valuable and impact-generating in-person event attendance. In addition to safety concerns associated with the pandemic, surveyed fans also commonly cited 1) travel distance and 2) the cost of traveling to esports events as primary reasons for lack of interest in attending an in-person event.

Implications: Bringing esports events to the suburban or secondary market customer, either through creation of more touring events or development of infrastructure (esports arenas, cafes, etc.), will be important to continue the significant momentum reflected in the esports sector over the past several years.



WIDESPREAD POPULARITY Interest and willingness to spend money on an in-person esports event is not limited to a single region in the United States. Instead, esports popularity is widely disbursed throughout various-regions of the country, with particularly popular nodes highlighted as part of our survey outreach in states such as New York, Ohio, Virginia, Georgia, and New Jersey.

Implications: Larger markets will likely continue to host the largest in-person esports events, but opportunity exists to further develop the industry in a variety of other regions throughout the country. More detailed data regarding the geographic location of these respondents is readily available upon request.

SUMMARY OF FINDINGS

OBSERVATIONS AND IMPLICATIONS FOR THE SPORTS TOURISM INDUSTRY



GROWTH IN ESPORTS INTEREST DURING PANDEMIC Nearly half of all respondents surveyed reported that their interest in esports has increased since March, with a clear majority of those 24 or younger indicating increased interest. This mirrors viewership and engagement increases across esports broadcast platforms during that timespan and suggests pent up demand for esports events during the pandemic. These factors may indicate a larger potential attendee base for future in-person events once conditions for in-person events are again declared safe.

Implications: It will be important to closely monitor esports fans' comfort levels after the development of a vaccine and develop proactive approaches to increase in-person attendance through creative experience generation at venues throughout the country.



GENERATIONAL DIFFERENCES IN PREFERRED TITLES Older fans (25 and up) tend to follow more established video game titles and express more casual interest in attending/paying for an event experience. Younger fans expressed significantly more enthusiasm for paying for tickets and traveling to events, and their interest is largely tied to recently developed esports circuits for newer titles such as Call of Duty (Warzone), Rainbow Six: Siege, and Valorant.

Implications: As younger fans continue to show support for the release of new titles and accompanying esports leagues, publishers have responded by intentionally designing titles that are more spectator-friendly and are heavily promoting competitive leagues/circuits prior to the release of these titles. As publishers continue to increase these support mechanisms for the esports ecosystem, the in-person event industry's aggressive year over year growth will continue.



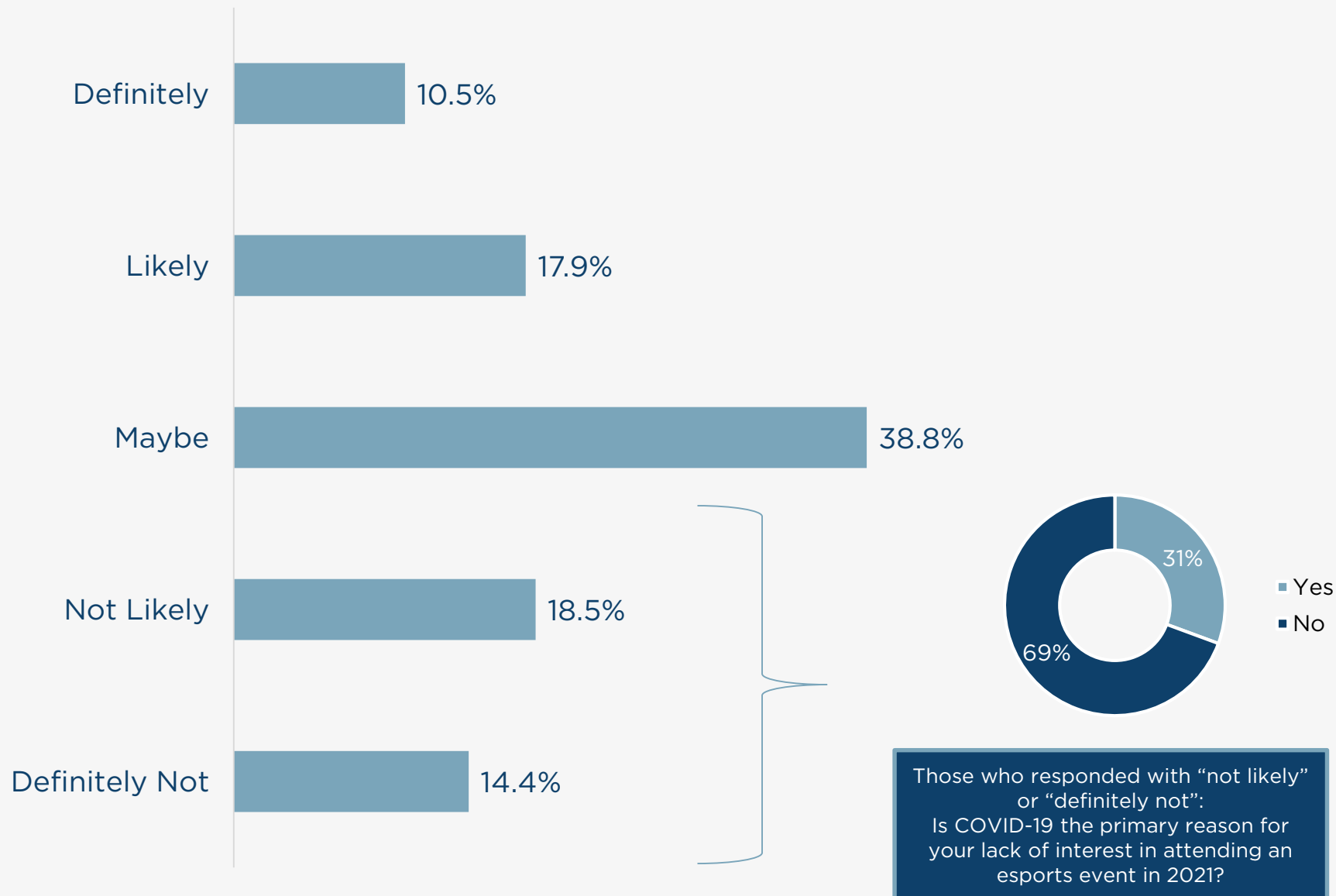
DEMAND FOR IN-PERSON EVENTS

The following pages present analyses that highlight fan interest in attending esports events, as well as an encouraging willingness to spend money on tickets, travel long distances, and pay for hotel rooms to attend in-person events events.

DEMAND FOR IN-PERSON EVENTS

Q: How likely are you to attend an in-person esports event in 2021, assuming required safety measures are implemented?

LIKELIHOOD OF ATTENDING AN IN-PERSON ESPORTS EVENT IN 2021



UNDERSERVED IN-PERSON EVENT AUDIENCE

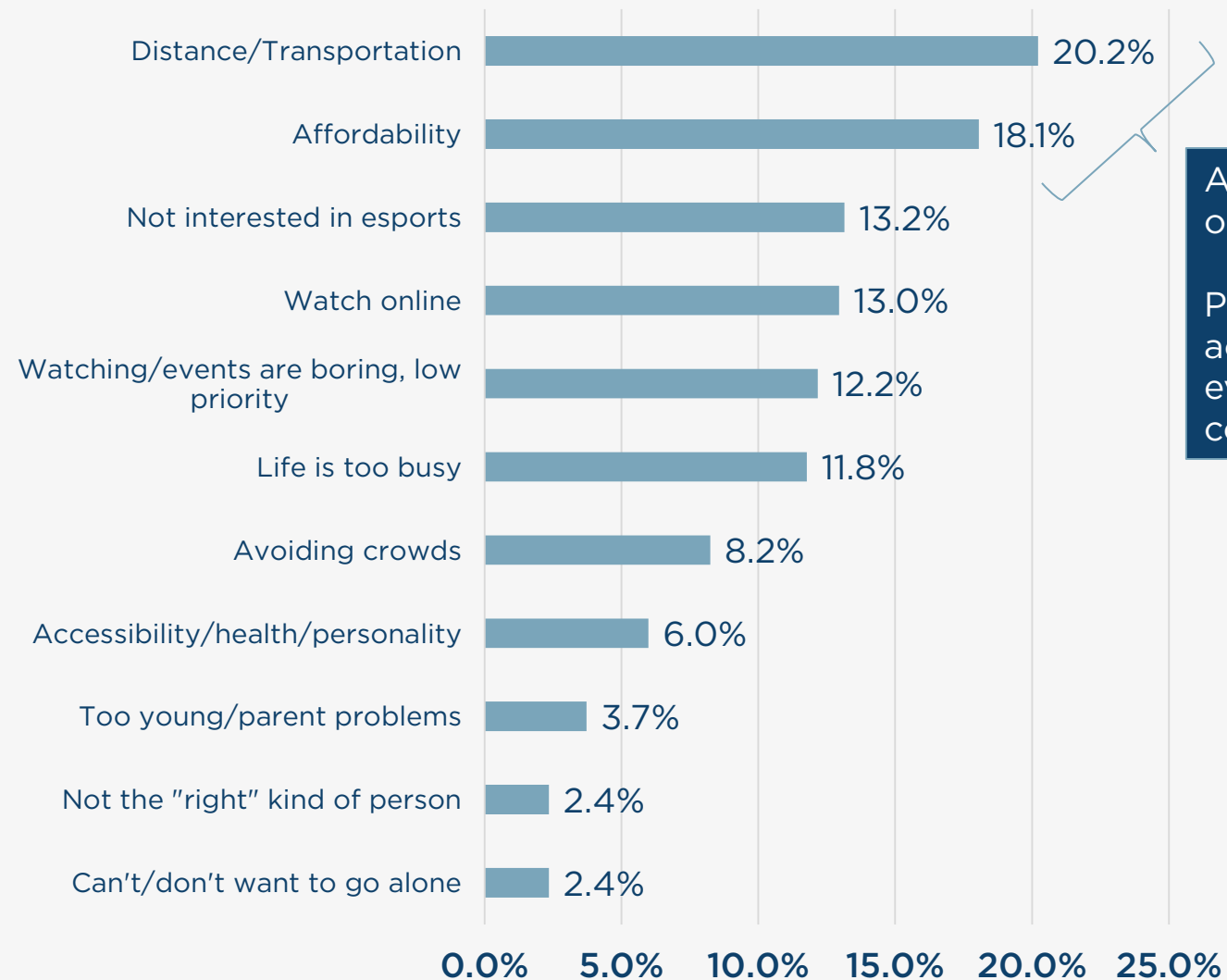
- Less than 18 percent of those surveyed have attended an event, but 11 percent indicated they would "definitely" attend an event in 2021, 18 percent said they are "likely" to, and 39 percent would "possibly" attend.
- This signals a "gap" in interest vs. actuality. The interest is apparent, and opportunity likely exists to attract more spectators to in-person esports events through additional event development or facility development nationally.
- Of those who were not interested in an in-person experience, approximately 31 percent cited the COVID-19 pandemic as the primary detractor. Other reasons given are presented on the following page.

DEMAND FOR IN-PERSON EVENTS

Q: What is the reason for your lack of interest in attending an in-person esports event in 2021?

REASONS FOR LACK OF INTEREST IN ATTENDING AN ESPORTS EVENT

(Answers given by those who would “not likely” or “definitely not” attend an esports event in 2020 or 2021; excludes those who indicated COVID-19 as primary reason for disinterest.)



Affordability issues were often travel-related.
Possible solution: More accessibility to esports events in smaller communities.

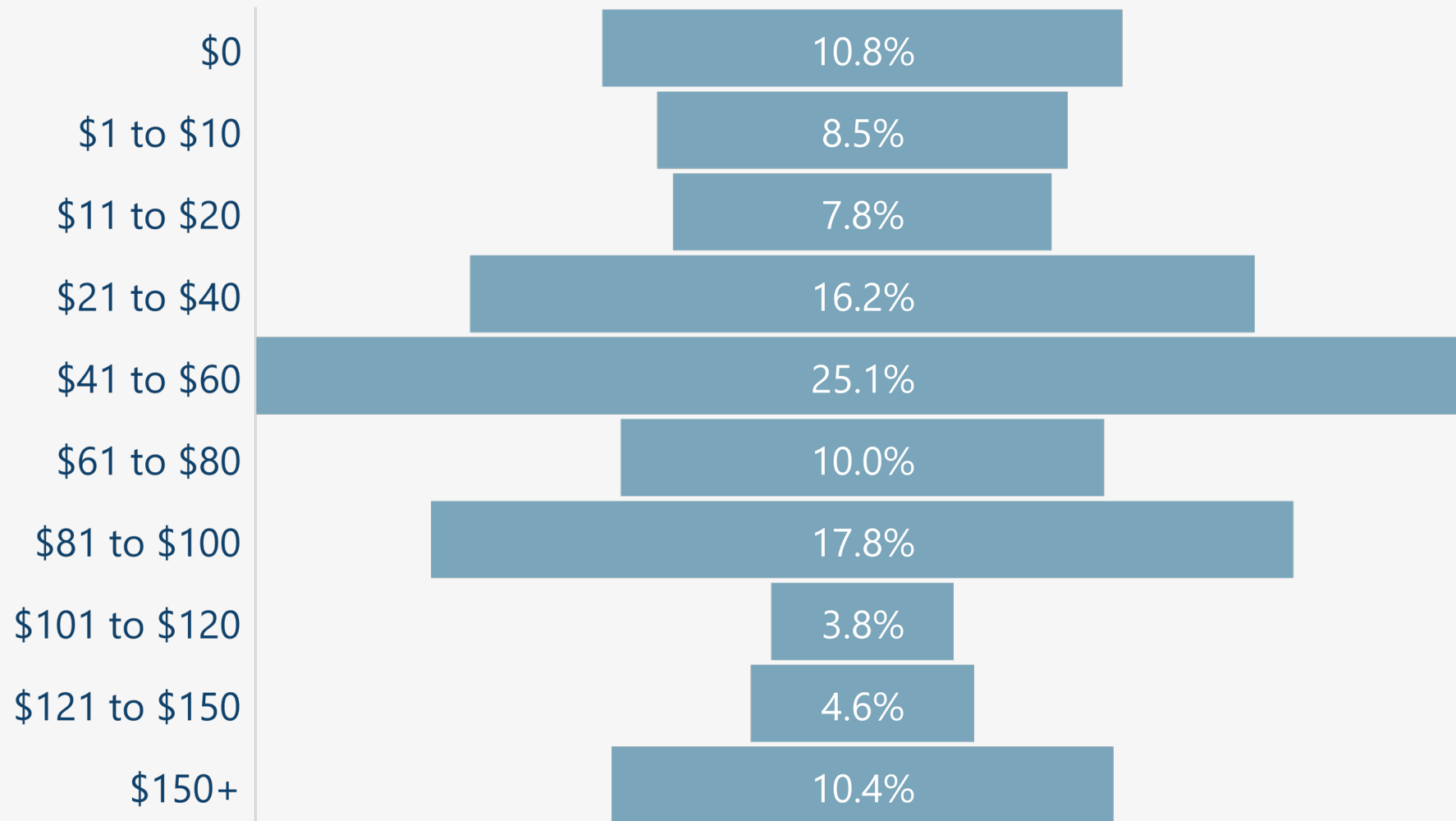
IN-PERSON EVENT HURDLES

- Over 38 percent cited distance, transportation, and/or affordability as the primary issues.
- Affordability often related to travel costs, possibly suggesting that more widely accessible esports events and/or facilities throughout the country to would address this issue.
- **This notion of a more geographically distributed in-person event industry will be a deciding factor for future growth over the next five or so years.**

DEMAND FOR IN-PERSON EVENTS

Q: What is the maximum amount of money you would pay for a ticket to an in-person esports event of your choosing?

MAX TICKET PRICE WILLING TO PAY TO ATTEND ESPORTS EVENT IN-PERSON



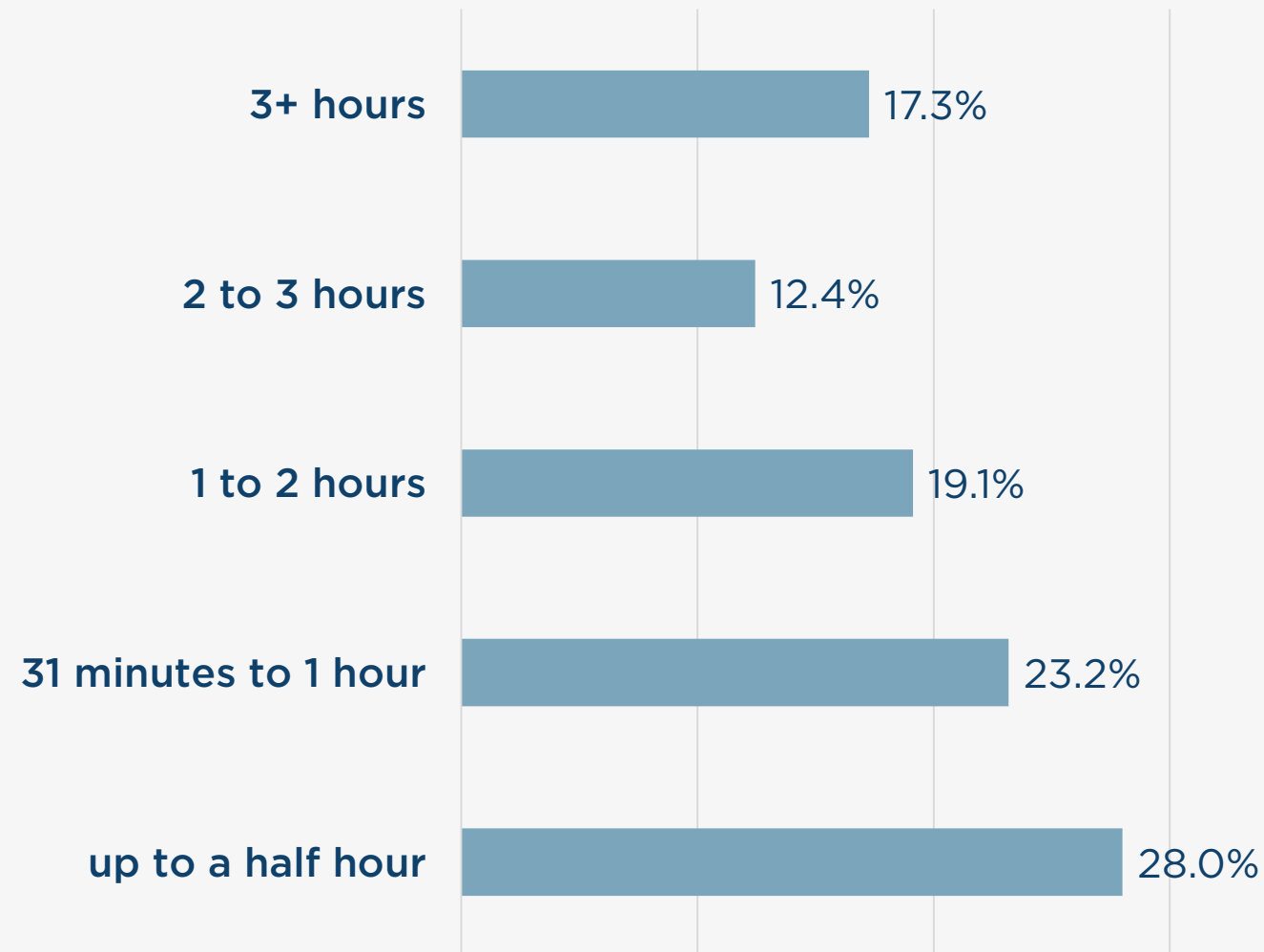
FANS WITH OPEN WALLETS

- Many critics of the in-person esports industry claim that it is difficult to generate revenue because of a young fanbase that is averse to premium ticket prices.
- At the same time, the evolution of the gaming industry has shown that esports players/followers are willing to spend substantial amounts of money to purchase in-game content, upgrades, and skins.
- As shown, just over a quarter of those surveyed would be willing to pay between \$41 and \$60 for tickets, and just over half of those surveyed would pay between \$40 and \$100 for tickets. **Esports fans are willing to pay prices that are comparable to major concert acts.**
- Of course, it is still important to consider the quality of play (pro v. amateur), the specific game title involved, and other factors. These prices are reflective of the “ideal” in-person event experience, highlighting the need for venues and organizers to create a compelling argument to attend.

DEMAND FOR IN-PERSON EVENTS

Q: How far would you be willing to travel to attend an in-person esports event?

DISTANCE WILLING TO TRAVEL TO AN ESPORTS EVENT



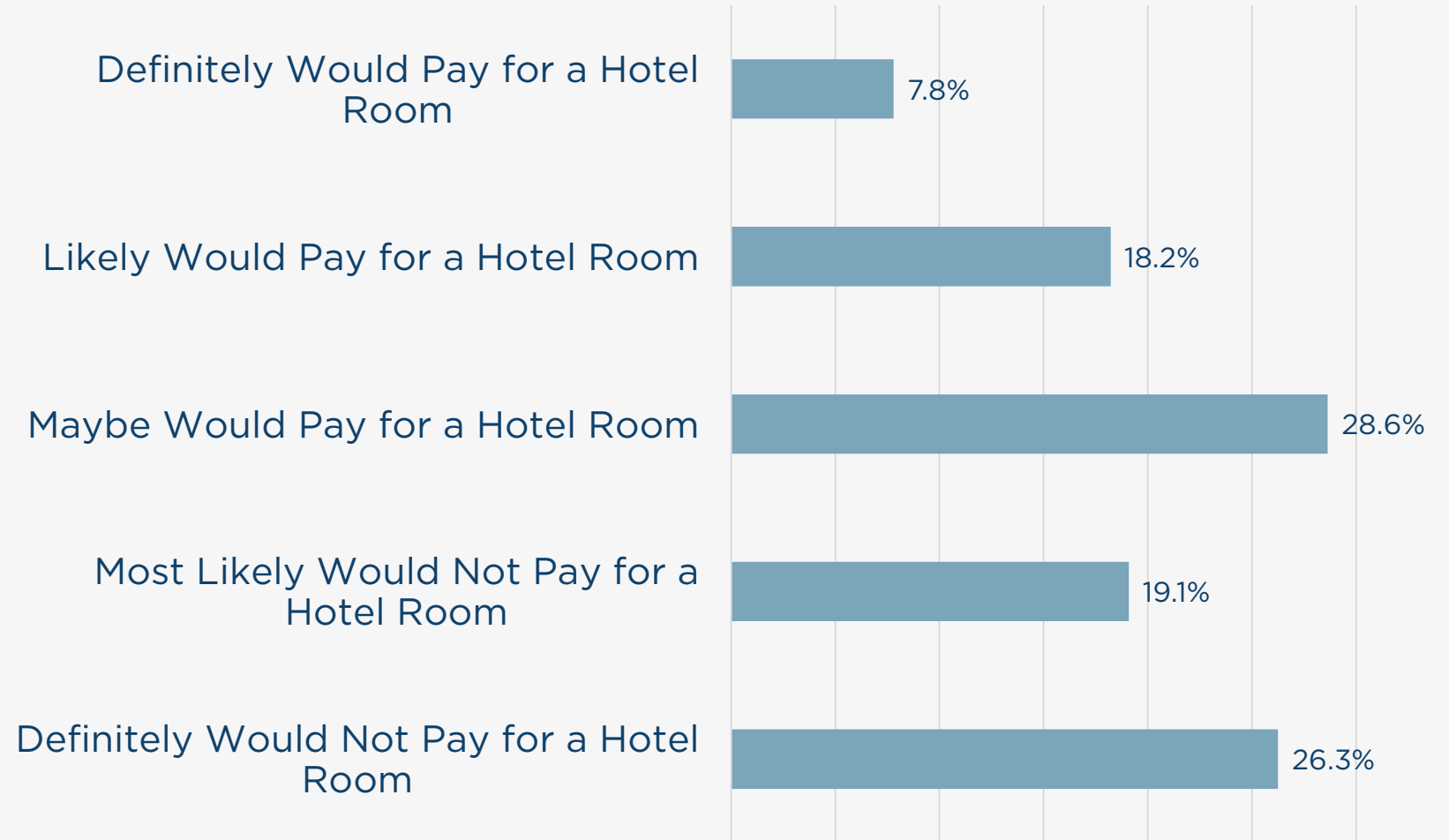
THE INCREASINGLY COMMON ESPORTS ROADTRIP

- Any live entertainment industry must rely on an attendee base that is willing to drive long distances. A concert, for instance, should typically draw a portion of its attendees from two hours away.
- Nearly 30 percent of respondents would be willing to drive/travel two or more hours to attend an event of their choosing, and an additional 19 percent would be willing to drive up to two hours.
- This has positive implications for the sports tourism industries and supports the notion that esports will become an increasingly viable event segment for destination marketing organizations and sports commissions to attract and develop.

DEMAND FOR IN-PERSON EVENTS

Q: What is the likelihood that you would pay to stay in a hotel room overnight as part of a trip to attend an in-person esports event?

What is the likelihood that you would pay for a hotel room to stay overnight while attending an event?



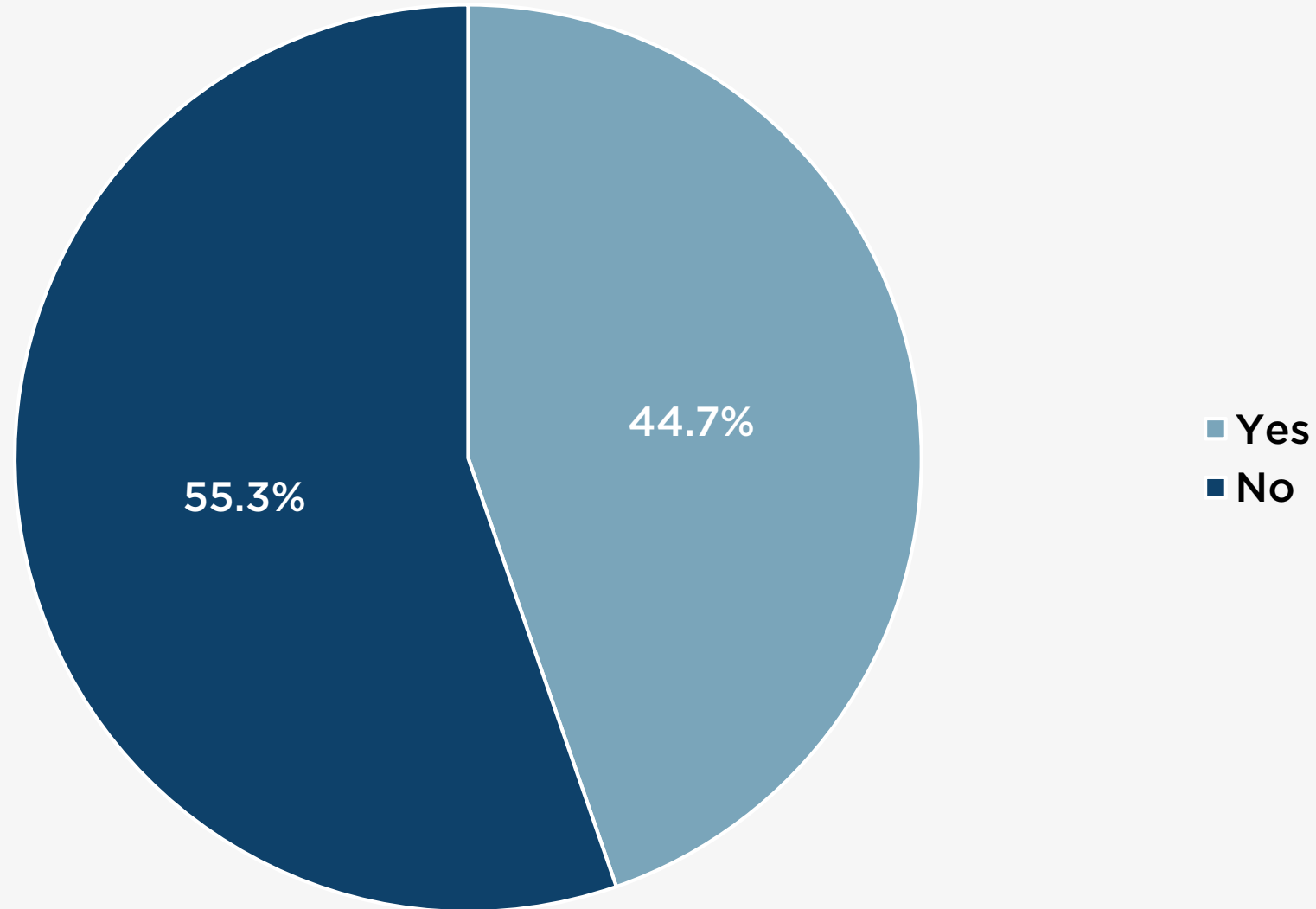
MAJORITY WOULD CONSIDER PAYING FOR A HOTEL

- The esports and traditional entertainment industries differ with regard to one key aspect: whereas concerts typically take place on one night and mostly attract single-day trippers, esports tournaments can take place over two to three days to accommodate multiple rounds of competitive play.
- To be of value from a host destination’s perspective, it is important that attendees be willing to spend money on hotel rooms.
- Twenty-six percent would “likely” or “definitely” pay for a hotel room, while another 29 percent would “possibly” pay for a hotel room.
- **If 55 percent of fans would at least consider paying for a hotel room, this compares somewhat surprisingly with mid-sized regional conventions, wherein between 50 to 80 percent of attendees typically stay in hotel rooms.**

DEMAND FOR IN-PERSON EVENTS

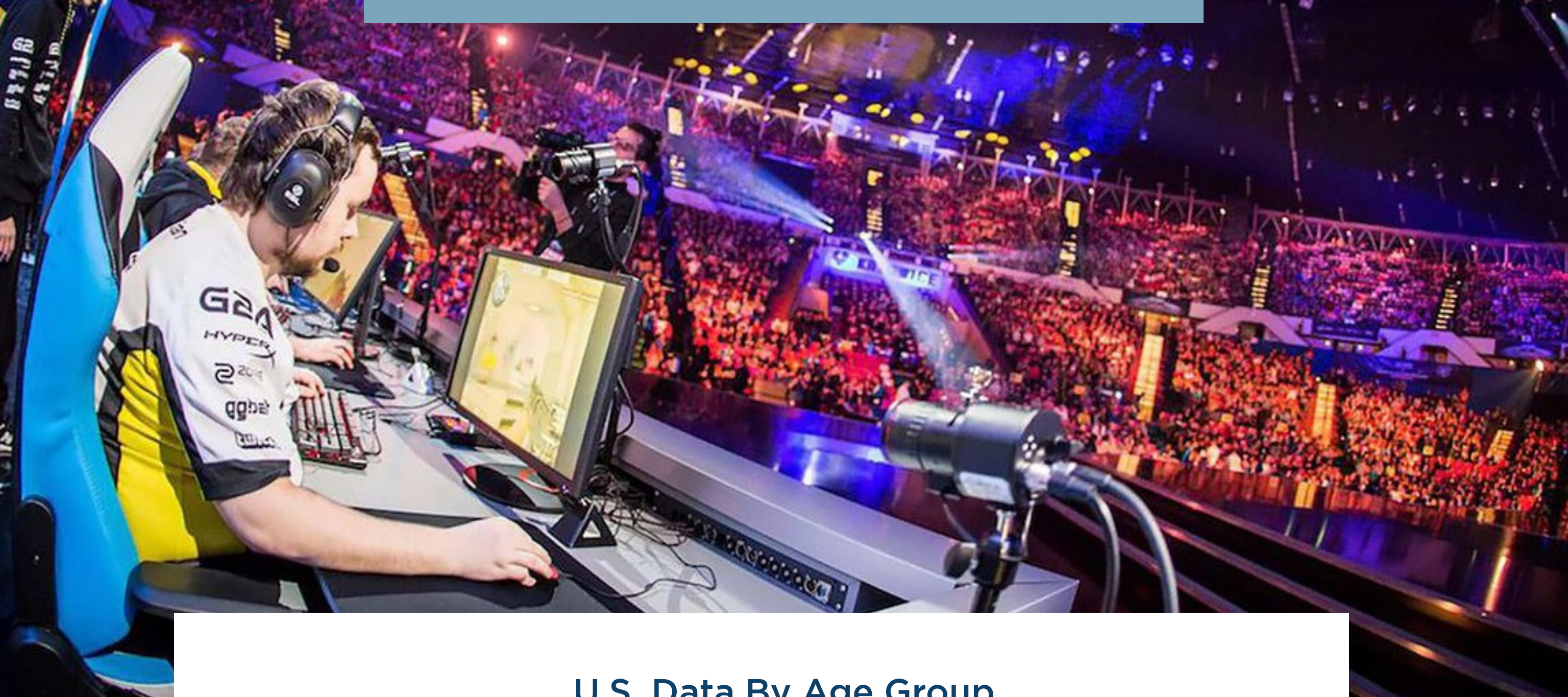
Q: With other forms of live entertainment facing cancellations and postponements, have you become more interested in esports since the beginning of the COVID-19 pandemic?

HAS YOUR INTEREST IN ESPORTS INCREASED SINCE THE START OF THE PANDEMIC?



GROWTH IN FANBASE SINCE MARCH

- Approximately 45 percent of fans surveyed indicated that their interest in esports has increased since the start of the pandemic in March.
- This mirrors viewership data monitored in the late spring and summer, showing substantial increases across all esports viewing platforms such as Twitch, YouTube Gaming, Facebook Gaming, as well as team-owned media channels and social media outlets.
- **This may indicate a larger and more engaged attendee base for in-person events once live entertainment events can be safely hosted again.**



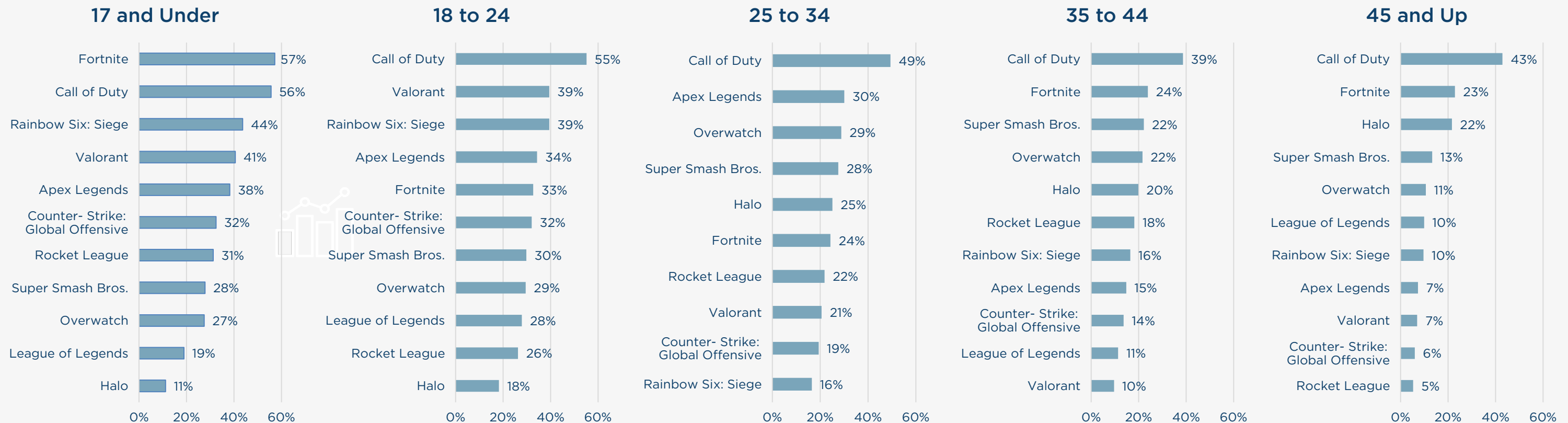
U.S. Data By Age Group

To better understand the varying esports behaviors and preferences between the multiple generations that follow or participate in esports, we have prepared several analyses broken down by age group. These are presented on the following pages.

IN-PERSON ESPORTS EVENT DEMAND BY AGE GROUP

The charts below summarize esports title participation/following by age group. Several broad observations can be made:

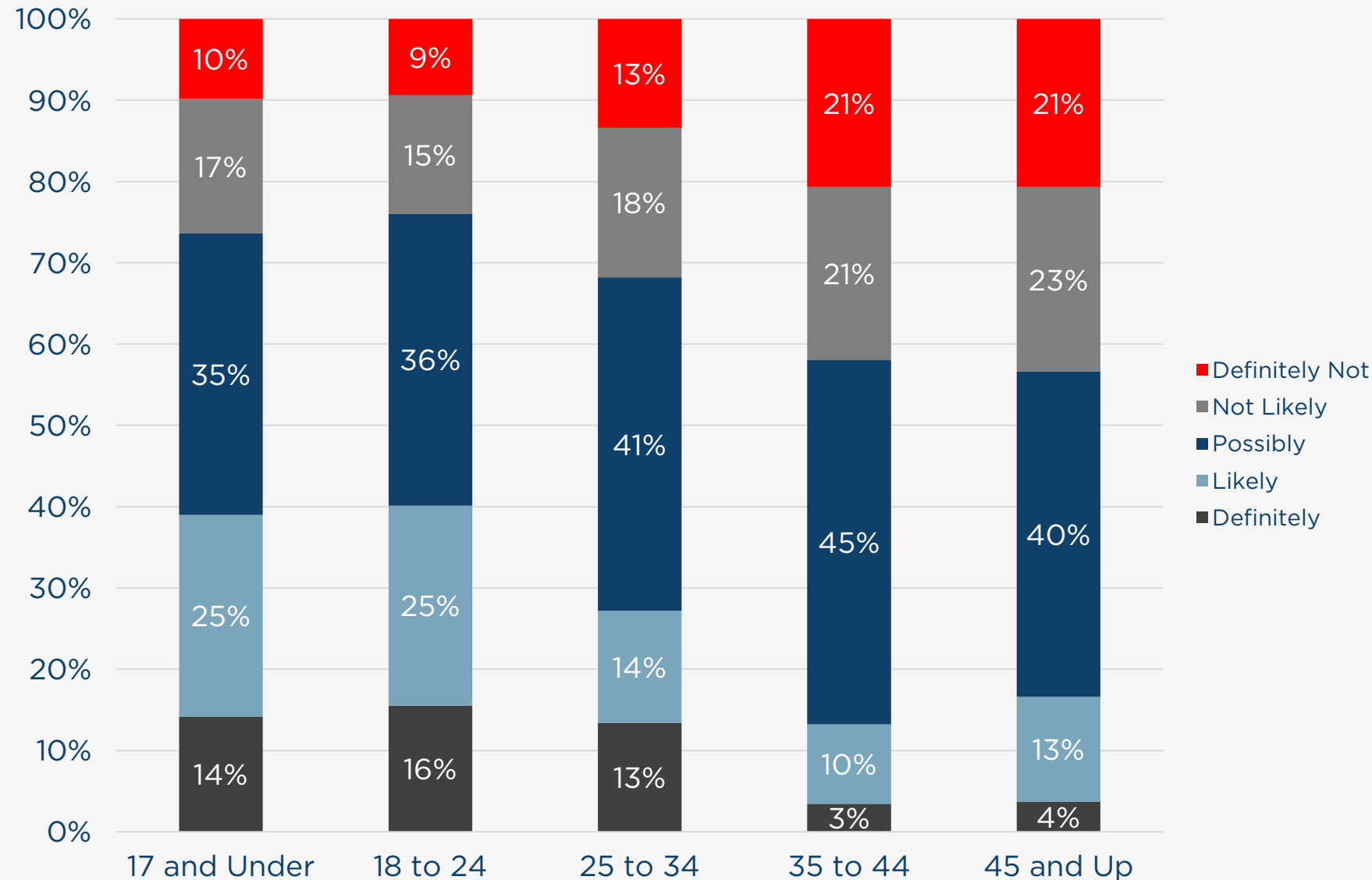
- Call of Duty represents the title with by far the broadest appeal in the survey group, representing the top title followed by each age group other than 17 and Under (which favors Fortnite).
- Younger fans prefer Fortnite, Rainbow Six: Siege, and Valorant, while older fans expressed more interest in older titles such as Overwatch, Super Smash Bros., and Halo. These data have important implications for event organizers, venue owners, and host destinations when considering strategies for attracting specific age groups to an event.



IN-PERSON ESPORTS EVENT DEMAND BY AGE GROUP

Q: How likely are you to attend an in-person esports event in 2021, assuming required safety measures are implemented?

LIKELIHOOD OF ATTENDING AN EVENT IN 2021



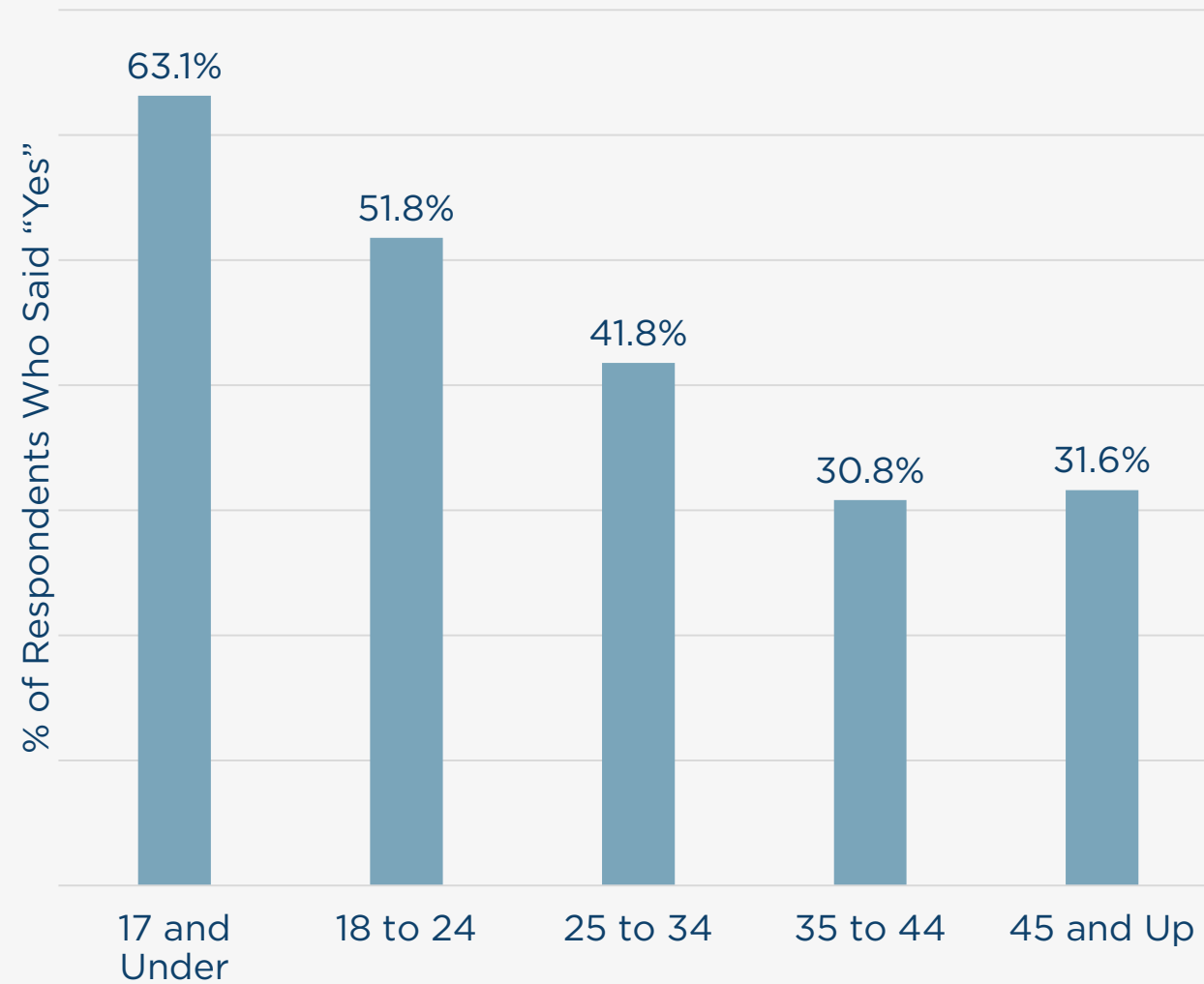
APPROACHING A GENERATIONAL SHIFT IN IN-PERSON ESPORTS ENGAGEMENT

- A significant majority of the 17 and Under and 18 to 24 age groups indicate positive interest in attending an event, with around 40 percent of both groups suggesting they would either “definitely” or “likely” attend an in-person event.
- The drop-off in interest for those older than 24 is substantial, with “definitely” and “likely” responses dropping from 40 percent to 27 percent for the 25 to 34 age group, and 13 percent for the 35 to 44 age group.
- **Younger fans more greatly value in-person esports events., signaling potentially significant growth in future years.**
- **Considering the in-person venue/experience preferences of these younger customers will be key for the segment’s growth.**

IN-PERSON ESPORTS EVENT DEMAND BY AGE GROUP

Q: With other forms of live entertainment facing cancellations and postponements, have you become more interested in esports since the beginning of the COVID-19 pandemic?

"MY INTEREST IN ESPORTS HAS INCREASED SINCE THE START OF THE PANDEMIC."



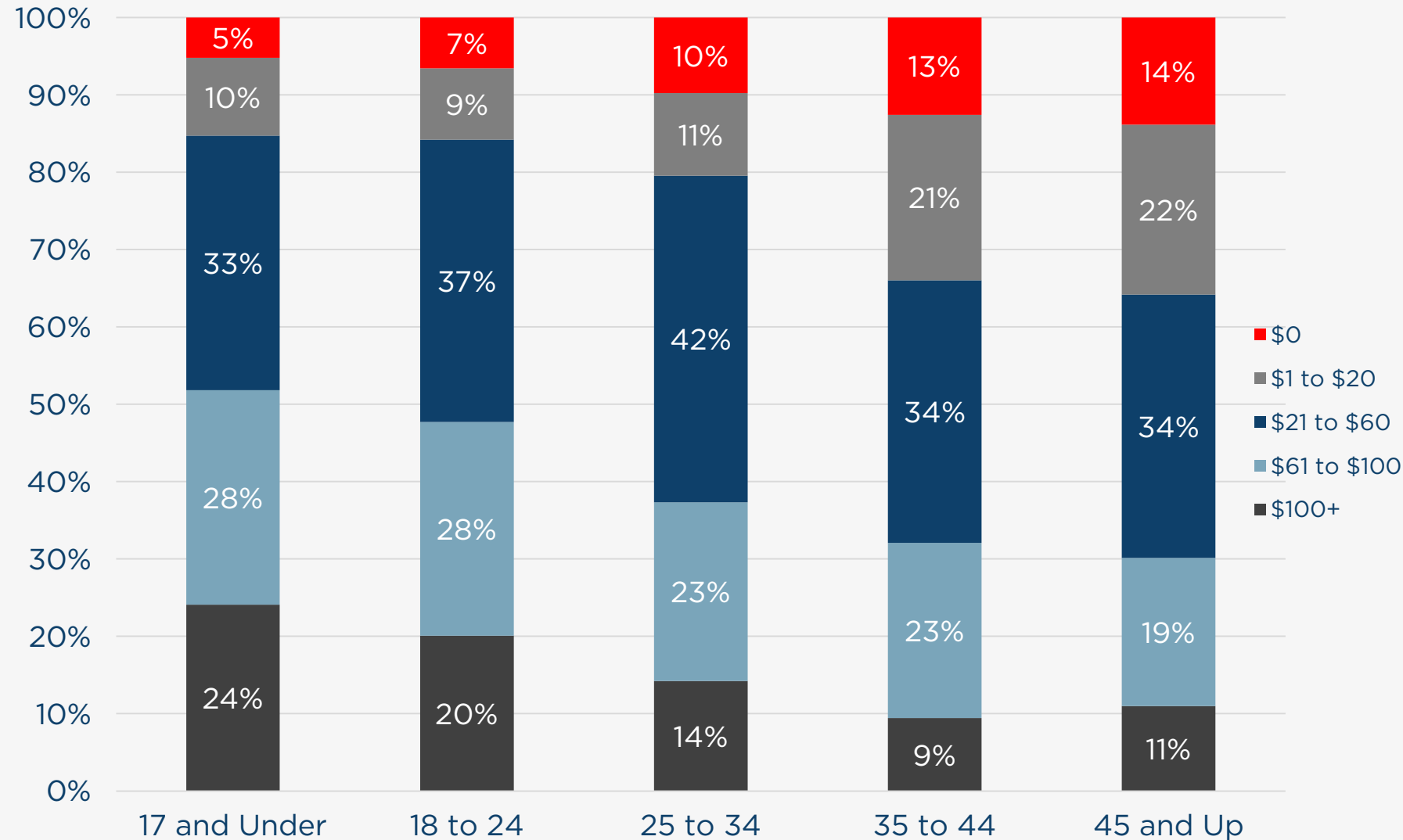
LASTING FANBASE GROWTH?

- Younger fans' interest in esports has increased significantly relative to other age groups during the pandemic, with a majority of the 17 and Under and 18 to 24 age groups reporting increased interest.
- For esports' primary fanbase (those 24 and under), interest in the sport is only growing, again signifying significant future demand in both online and in-person esports events.
- It could be reasoned, however, that these younger fans do not have the same time constraints as older counterparts (full-time jobs, spouses, children, etc.) It will be important to monitor esports engagement as these age groups grow older.

IN-PERSON ESPORTS EVENT DEMAND BY AGE GROUP

Q: What is the maximum amount of money you would pay for a ticket to an in-person esports event of your choosing?

MAX \$ WILLING TO PAY FOR AN IN-PERSON ESPORTS EVENT TICKET BY AGE GROUP



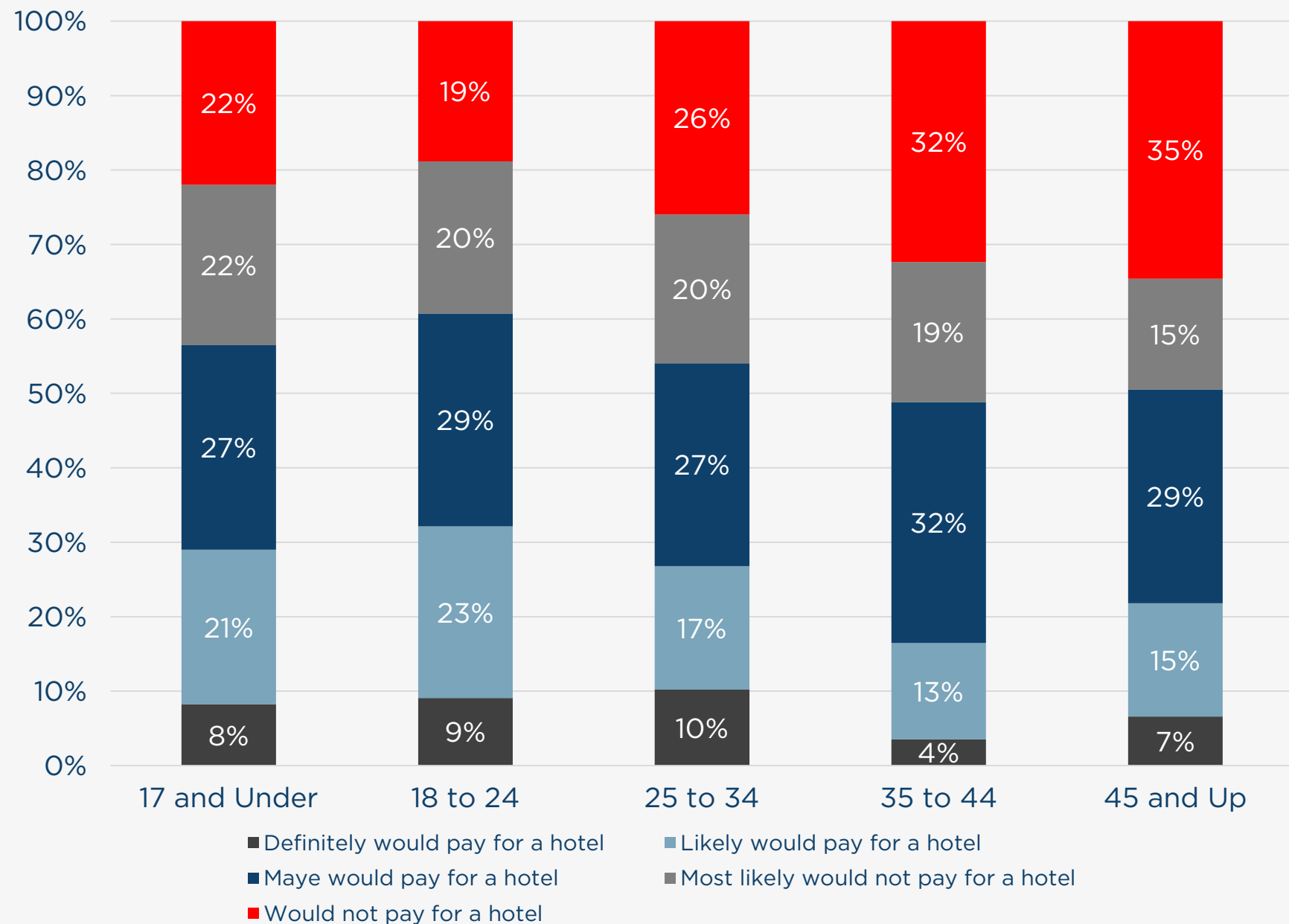
THE FUTURE VALUATION OF IN-PERSON ESPORTS LOOKS BRIGHT

- Younger fans again demonstrate their greater value of esports, with 52 percent of fans 17 and Under and 48 percent of fans between 18 and 24 indicating they'd be willing to pay at least \$61 for an in-person event ticket. Many of these fans are likely representative of parental spending, however. The older groups are much more likely to be representative of independent adults.
- There is a substantial increase in price sensitivity beginning with the 25 to 34 age group, with only 37 percent indicating they would pay \$61 or more.
- At least 64 percent of respondents in each age group indicated that they would pay at least \$21 to attend an in-person esports event.
- As younger fans grow older and gain more expendable income as independent adults, it could be reasoned that the in-person event sector will have increasing viability. The "staying power" of esports interest will have to be closely observed as these fans grow older.

IN-PERSON ESPORTS EVENT DEMAND BY AGE GROUP

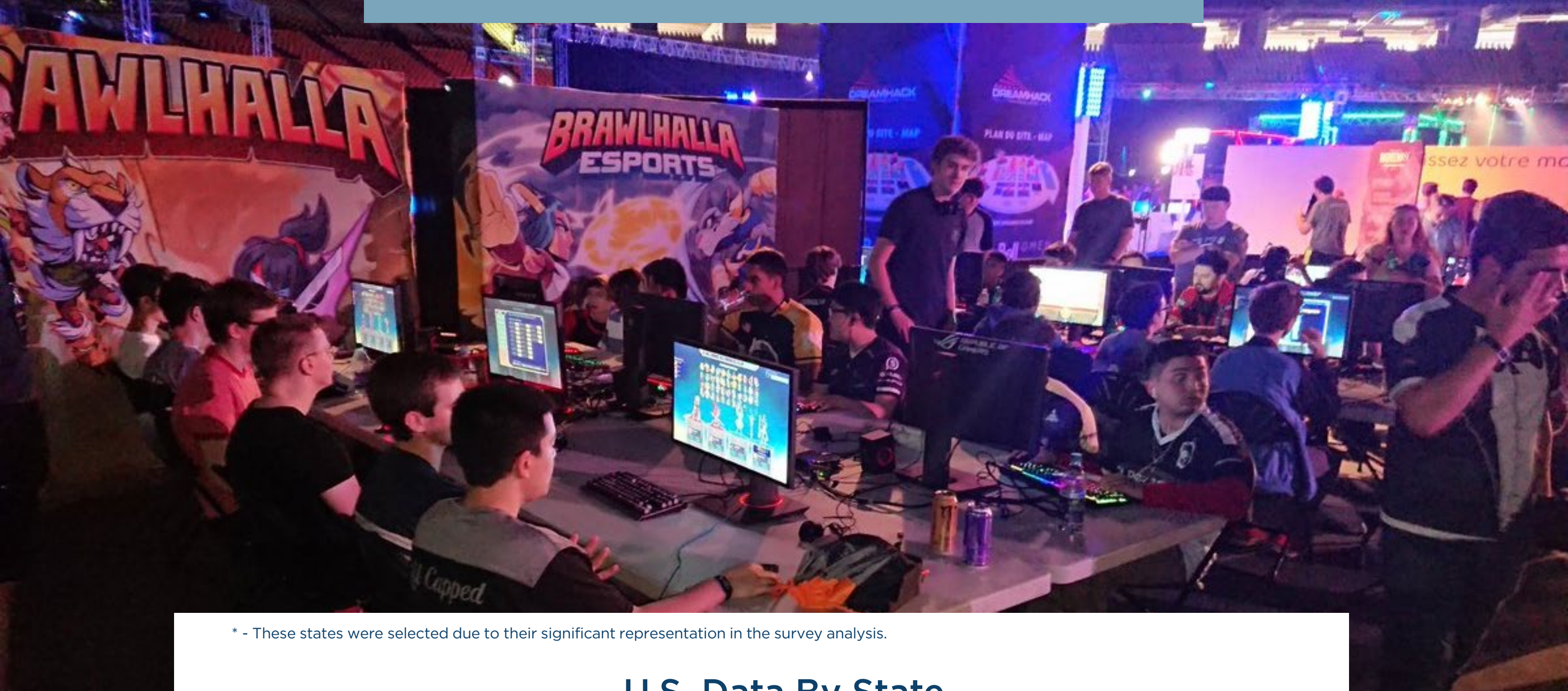
Q: What is the likelihood that you would pay to stay in a hotel room overnight as part of a trip to attend an in-person esports event?

LIKELIHOOD OF PAYING TO STAY OVERNIGHT AT A HOTEL



MOST AGE GROUPS CONFIRM THAT ESPORTS IS A WORTHWHILE REASON TO TRAVEL

- Approximately 50 percent of each age group would at least “maybe” pay for a hotel room when attending an event, with the 18 to 24 age group indicating the highest likelihood at 60 percent.
- Nearly a third (32 percent) of the 18 to 24 group would “likely” or “definitely” pay for a hotel room when attending an esports event.
- Approximately a third of those aged 35 and older indicated that they would definitely not pay for a hotel room.
- This again demonstrates the generational difference in the perceived value of attending in-person esports events. Younger fans are much more likely to view esports events as a worthwhile reason to travel for multiple days than their older counterparts.



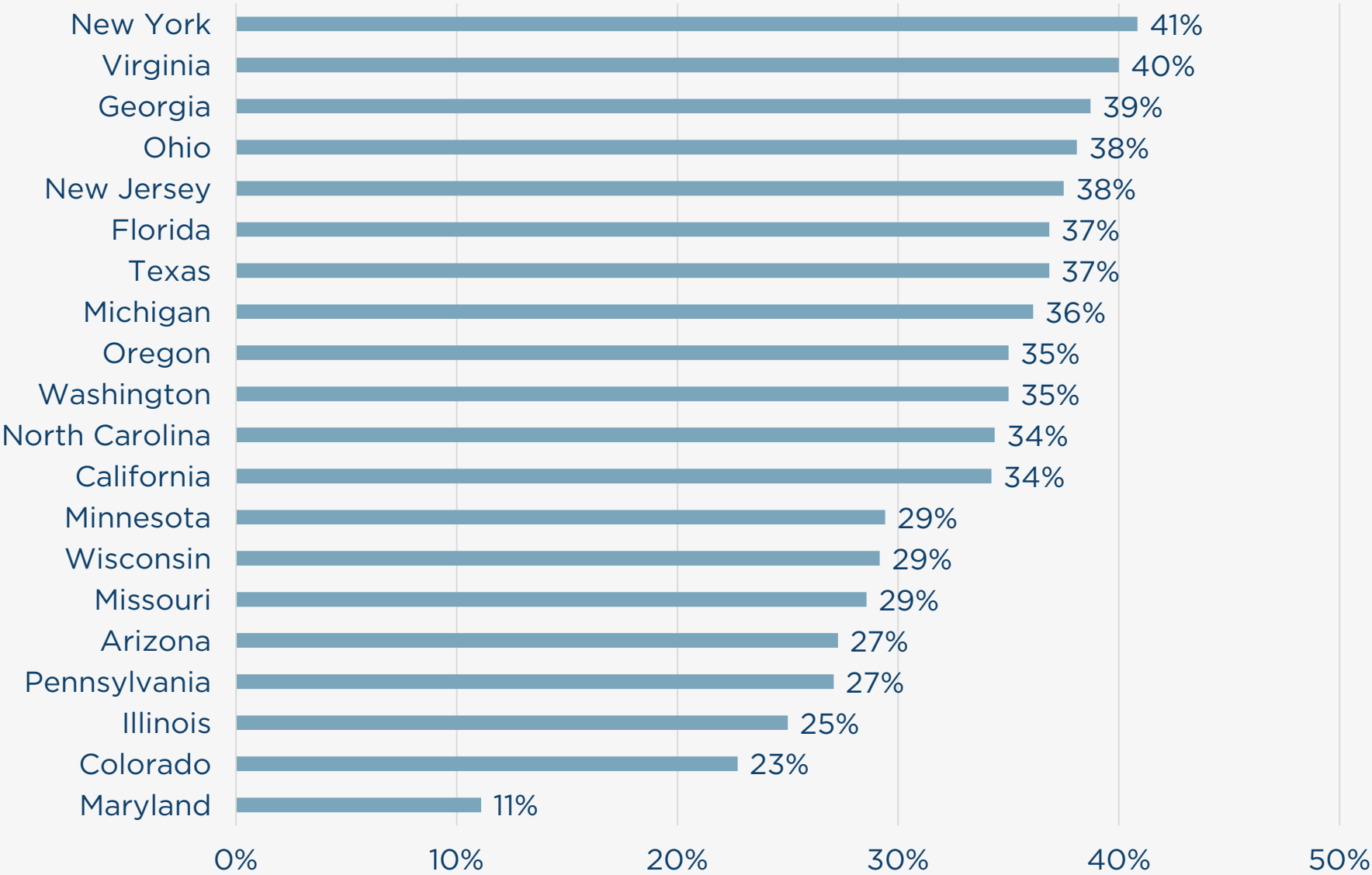
* - These states were selected due to their significant representation in the survey analysis.

U.S. Data By State

Concerts, sports games, and other entertainment events rely substantially on the population within a drivable distance to fill seats and spend money on tickets, food, and drinks. As such, it is critical to consider the extent to which fans value in-person esports events by geographic area. The following pages summarize interest in esports in 20* different states throughout the U.S.

IN-PERSON ESPORTS EVENT DEMAND BY STATE

20-STATE COMPARISON:
% OF RESPONDENTS WITH "HIGH" OR "VERY HIGH"
INTEREST IN ATTENDING AN ESPORTS EVENT

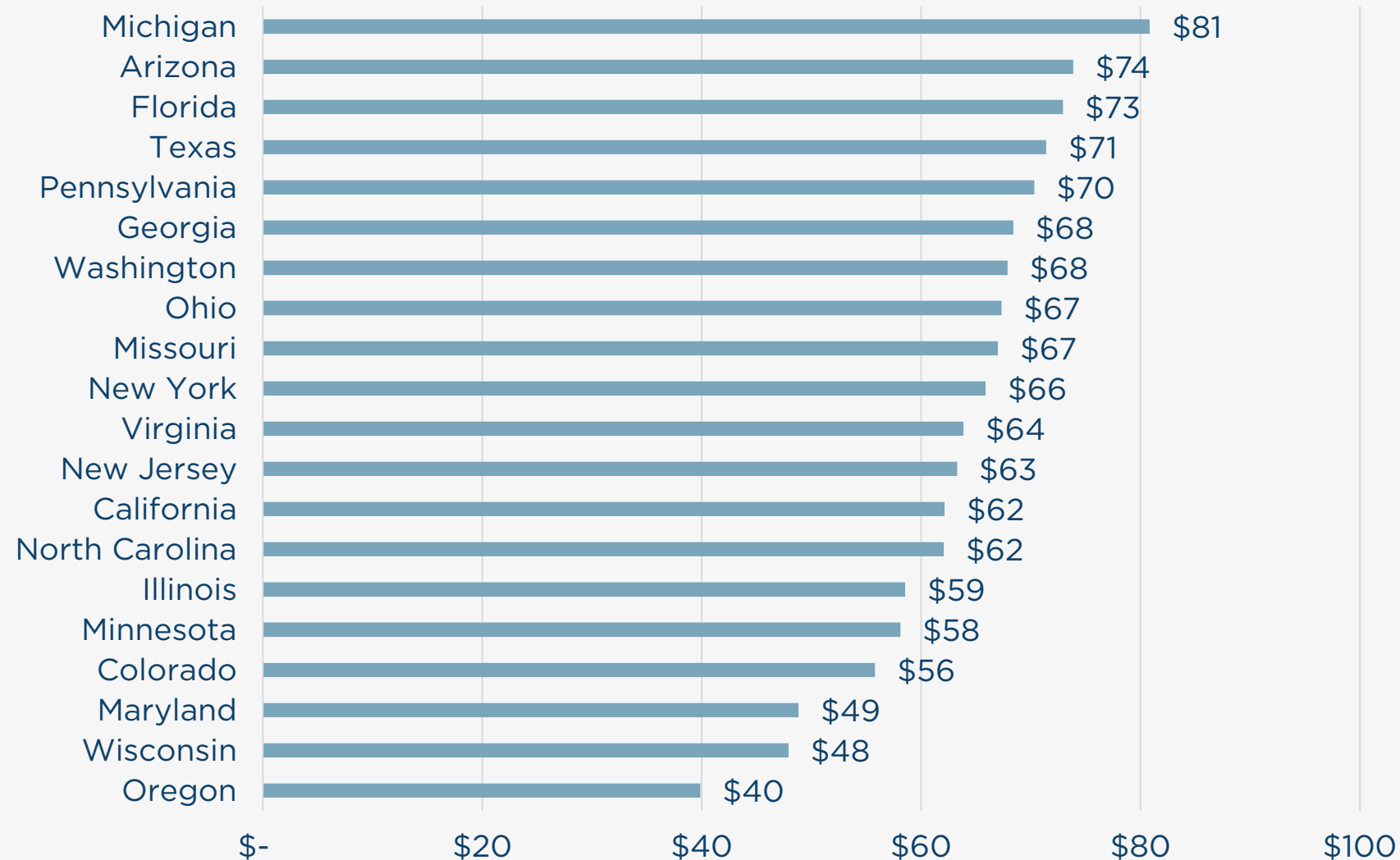


IN-PERSON ESPORTS EVENT INTEREST IS WIDESPREAD

- Survey results do not suggest particular esports popularity in broad regions of the country. Rather, interest seems to be dispersed throughout a variety of states.
- Measured interest in the populous New York and New Jersey areas do suggest a lucrative in-person market along the East Coast.
- Midwest states with some in-person event interest include Ohio, Michigan, Minnesota, Wisconsin, and Missouri.
- Event organizers, venues, and destination marketing organizations (DMO's) in many of these markets are already very active in the esports space but opportunity may exist for some to better address identified demand.

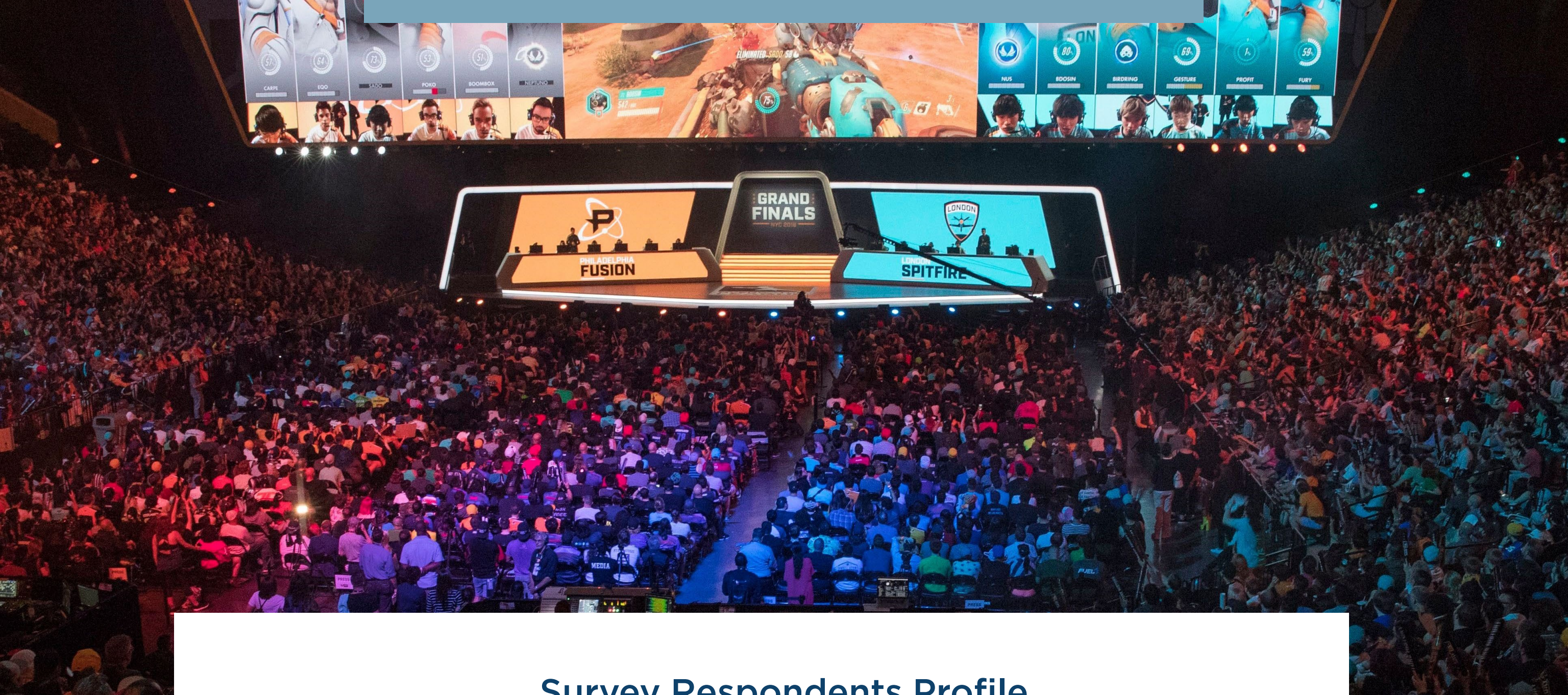
IN-PERSON ESPORTS EVENT DEMAND BY STATE

20-STATE COMPARISON: AVERAGE MAX TICKET PRICE THAT GAMERS WOULD PAY TO ATTEND AN EVENT



BIG SPENDERS IN A VARIETY OF MARKETS

- Michigan fans averaged \$81 max ticket price, with a significant number of fans indicating they would pay more than \$150 for an event.
- Other states with fans reporting a max ticket spend of \$70 or more include Arizona, Florida, Texas, and Pennsylvania.
- States with the most aversion to high ticket prices include Maryland, Wisconsin, and Oregon.
- Larger survey sample sizes would likely be needed from each state to truly assess the financial implications of in-person esports events, but these preliminary data demonstrate that fans throughout the country are willing to pay prices that range from ticket prices for collegiate sports games or smaller concerts (\$40) to those of some arena-filling entertainment events and professional sports games (\$80).

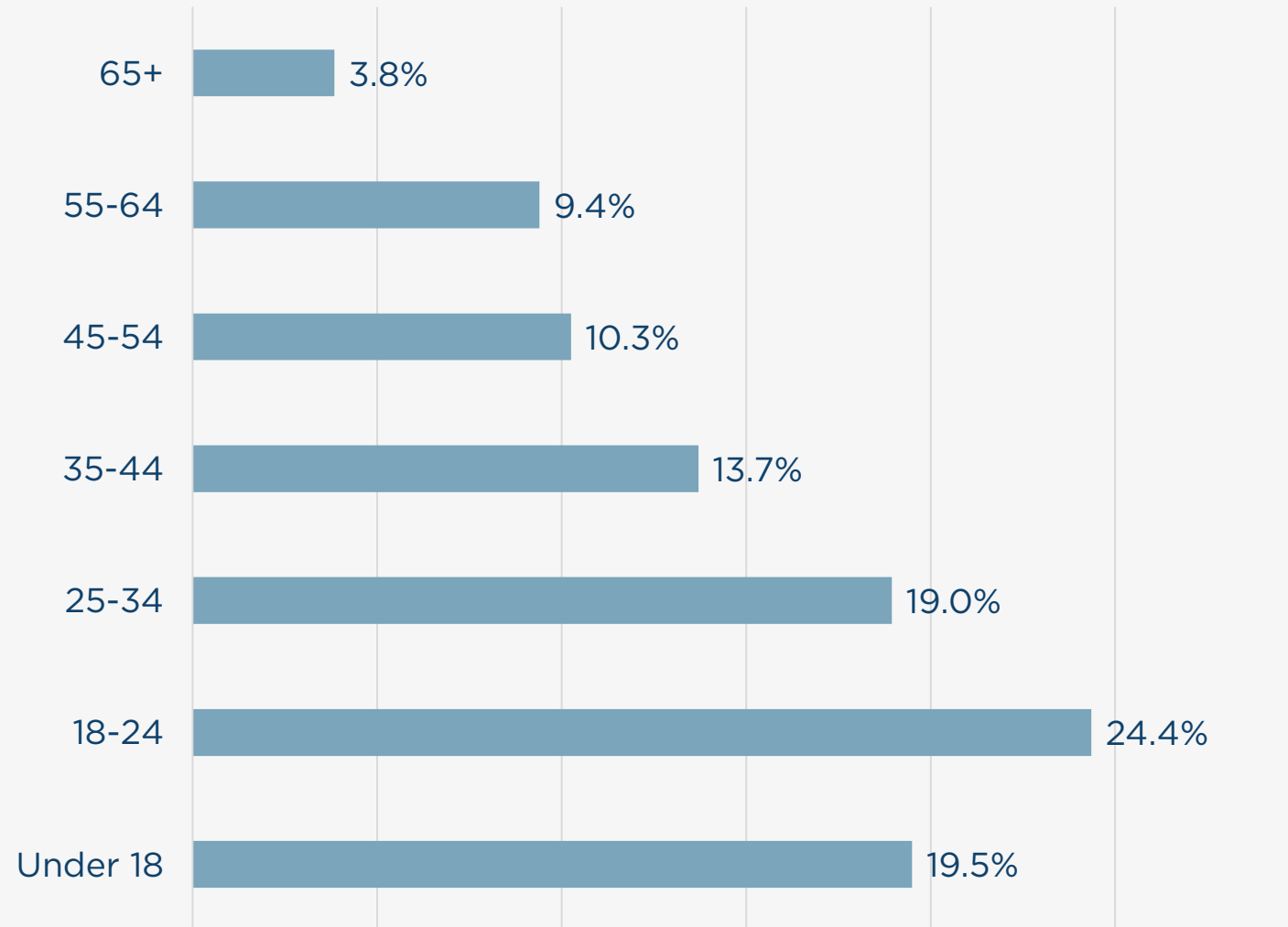


Survey Respondents Profile

The following pages provide an overview of the age groups, states, and game titles played/followed by all 1,300+ respondents represented in our analysis.

SURVEY RESPONDENT PROFILE

BY AGE GROUP

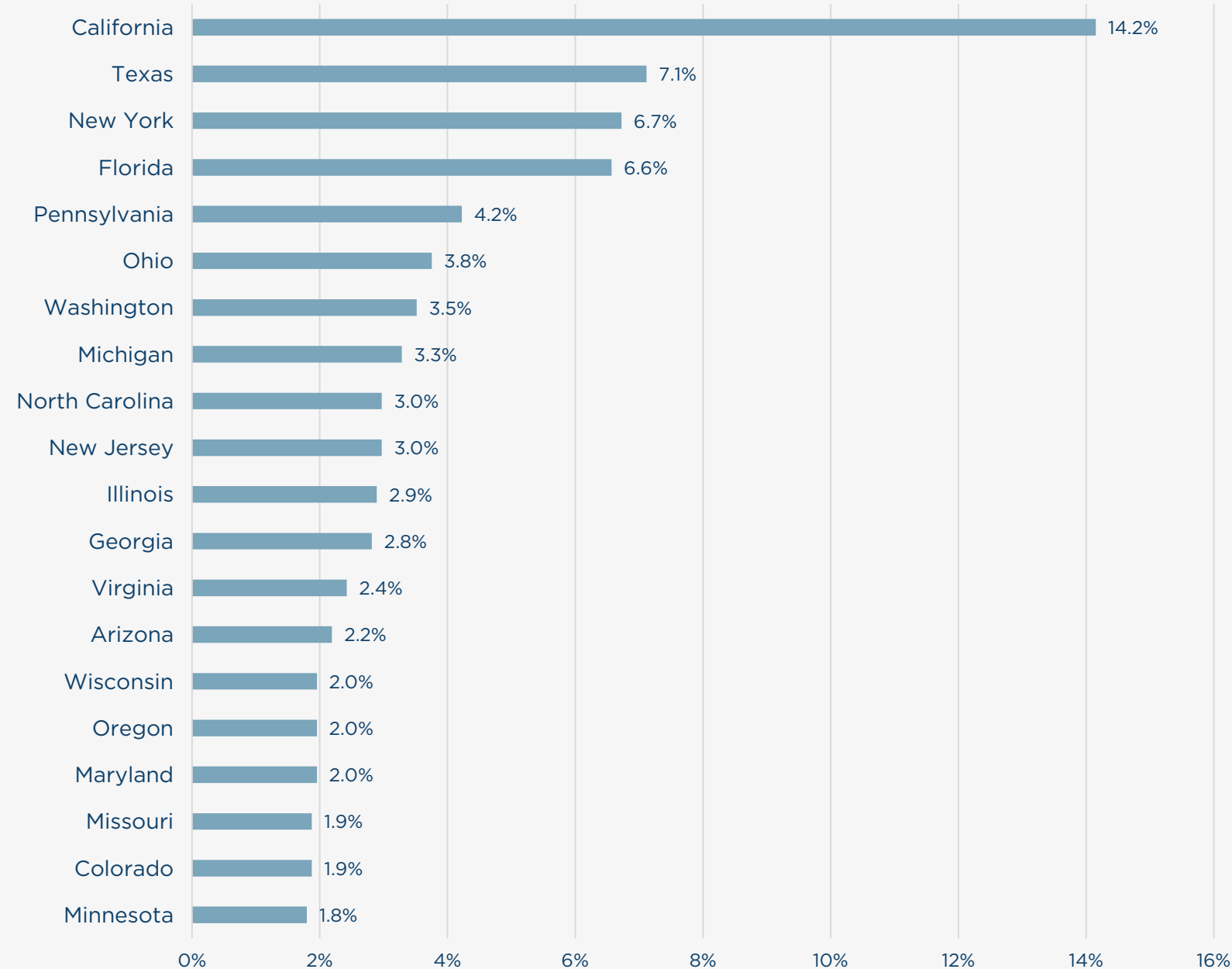


YOUNGER AUDIENCE

- Esports fans skew younger, with 18-24 year-olds the most represented age group, followed by those under 18, and those between 25 and 34.
- Somewhat surprisingly, over 24 percent of respondents are 45 or older.

SURVEY RESPONDENT PROFILE

BY STATE OF RESIDENCE (TOP 20 MOST REPRESENTED)

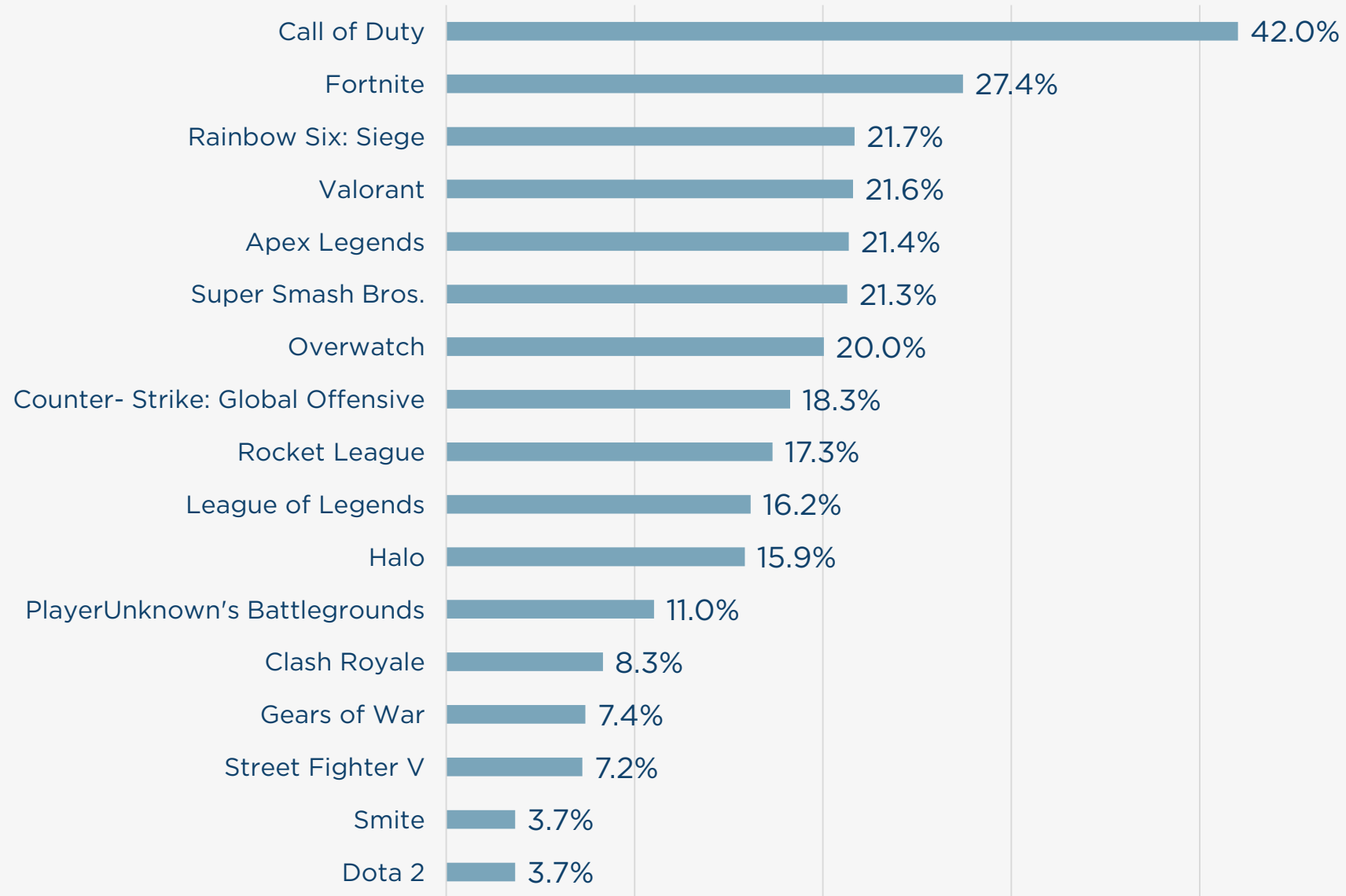


SURVEY SAMPLE IS REPRESENTATIVE OF U.S. POPULATION

- California, Texas, New York, and Florida are the most represented states, accounting for nearly 35 percent of all survey responses.
- Other highly represented states include Ohio, Washington, Michigan, North Carolina, and New Jersey.
- Only the top 20 states are included, but at least two responses were collected from each of the 50 states and the District of Columbia.

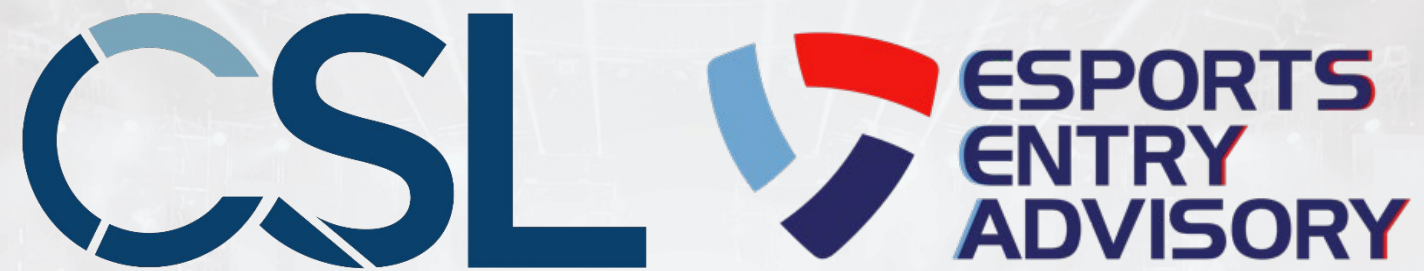
SURVEY RESPONDENT PROFILE

GAMES PLAYED/FOLLOWED



POPULAR ESPORTS TITLES

- More popular titles are more likely to draw larger attendance and generate demand for higher ticket prices.
- A significant share of the gamer population play or follow Call of Duty, while other popular titles noted by respondents include Fortnite, Rainbow Six: Siege, Valorant, Apex Legends, Super Smash Bros., and Overwatch.
- Popular, long-running esports titles that had proportionally smaller engagement rates in this survey exercise include Counter-Strike, League of Legends, and Rocket League.
- Titles with lesser esports participation/followings include Clash Royale, Gears of War, Street Fighter V, Smite, and Dota 2.
- For event venues, destination marketing organizations, and other event hosting stakeholders, it will be important to consider these data in combination with the data throughout this document.



This is the third in a series of research initiatives conducted by CSL International and the EEA to provide updates on the status of the esports event industry. Additional research summaries will be forthcoming. Please contact CSL International for copies of previous research memos:

Tyler Othen
(612) 294-2004
Tothen@cslintl.com

CSL Website:
cslintl.com

EEA Website:
eea.gg

ABOUT US

CSL INTERNATIONAL



CSL, the consulting and advisory division of Legends, has provided esports futures analyses and entry strategy plans for markets such as Washington, D.C., San Antonio, Los Angeles, South Bend, Atlantic City, and other destinations throughout the country. In total CSL, has conducted over 1,000 planning projects focused on the tourism assets, facilities, policies, resources and other features needed to attract visitors and events to a market. CSL's reputation is built on meeting client needs by delivering quality services that have credibility in the marketplace. Led by industry veteran John Kaatz and Esports Lead Tyler Othen, the firm is able to provide these services by drawing on the years of experience of a large professional staff—one of the largest and most experienced in the convention and sports consulting industry.

CSL Website:

cslintl.com

ABOUT US

ESPORTS ENTRY ADVISORY



The Esports Entry Advisory is a strategic partnership formed by three highly experienced consulting firms in the esports space: CSL International, A-Game Esports, and Simply New. The Esports Entry Advisory assists venue developers, destination marketing organizations, sports commissions, facility managers, and other sports and entertainment industry stakeholders by providing tailored market analyses, return on investment, facility development guidance and technology consulting, among other advisory services.

EEA Website:

eea.gg