

The Rise of Gaming and eSports



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Introduction

The worldwide lockdown, a direct effect of the ongoing COVID-19 pandemic, has forced people to stay home. During this time, people have found new ways to cope, with gaming becoming a more popular hobby. The increase in the number of gamers has allowed brands to find opportunity in this market niche.

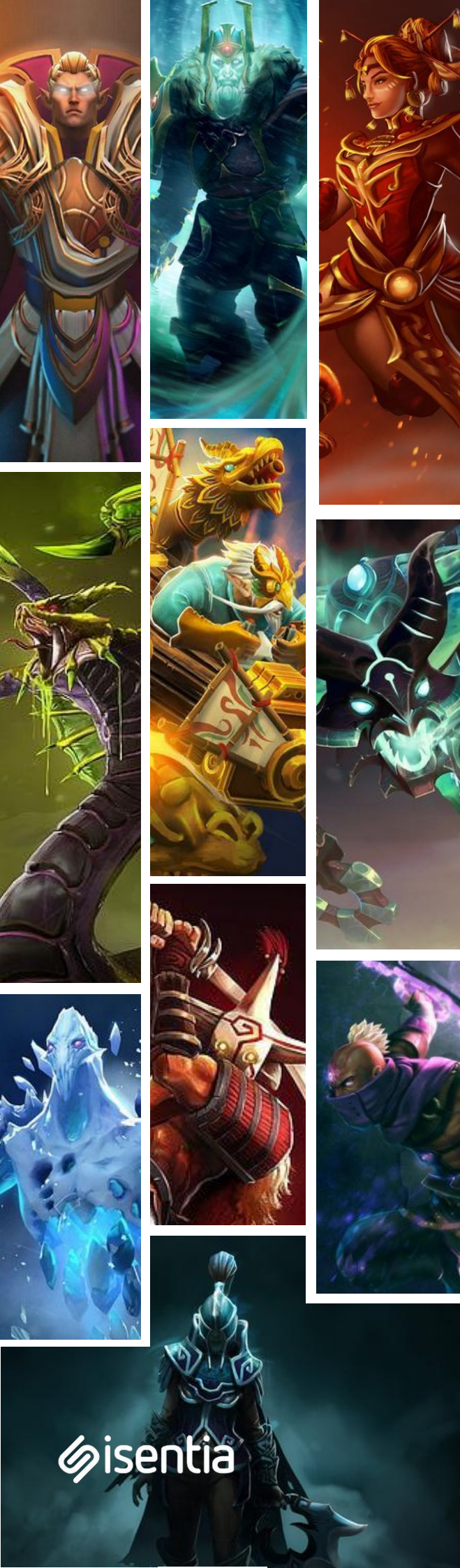
Like most events, gaming-related events are either cancelled, postponed indefinitely, or streamed online. Online streaming of gaming events has seen an increase of engagement within the growing community. Brands are reaching out to audiences in the ever-changing environment, and the gaming industry has delivered significant results for several brands.

The gaming industry has also supported initiatives to mitigate the effects of COVID-19 on a global scale, such as declaring charitable pledges, donating surplus computational power, and establishing solidarity response funds. Advocacies such as the #PlayAloneTogether was launched by the World Health Organization (WHO) in partnership with at least 18 game developers to practice social distancing.

This report was developed using Isentia's vast datasets, focusing on:

- The increase in demand for games during the COVID-19 pandemic
- Brand partnerships in games
- COVID-19 changes and advocacies in games
- Mobile gaming key trends.

Brand Partnerships in Games



Similar to most advertisements and partnerships in physical events, video games have evolved from purely being a form of entertainment to a potential marketing channel. Brand partnerships between businesses and game titles are a way to promote each other, creating a win-win situation for both parties. Most promotions in video games and eSports take the following forms:

- Collaboration with celebrities
- Brand logo placements in-game
- Event partnerships
- In-game item exclusives partnered with a real-life product collaboration line.

This year, there are partnerships have expanded to other entertainment sectors, such as the music industry, the film industry, and even the fast-food industry.

Brand Partnerships in Games

i. Brand Collaboration

Several major brands have taken the leap of faith to partner with significant eSports organisers, including the Mastercard partnership with Riot Games' League of Legends (LOL). Game spectators can see the logos in the game, while players do not. Mastercard has been a partner of League of Legends since 2018.



Mastercard logo on League of Legends' Summoners Rift

eSports presents an opportunity for brands to promote themselves, and LOL isn't new to this arena. Another major brand which collaborated with LOL, made headlines due to its unlikely collaboration. Luxury brand Louis Vuitton teamed up with Riot Games for the unexpected partnership, with League of Legends releasing 'skins', which are terms for game character costumes. In addition, Louis Vuitton released a real-life clothing line counterpart.

After the first hour of the collection's release, Louis Vuitton sold out the merchandise.



Louis Vuitton x League of Legends collaboration

Mobile games have also received their fair share of brand collaboration. Tencent's Chinese multiplayer mobile game Honor of Kings has teamed up with makeup giant MAC Cosmetics for a makeup line inspired by the game's characters. The makeup line includes powders, eyeshadows, and lipsticks with each having central themes based on the Honor of Kings characters and their in-game personalities.



Honor of Kings in partnership with MAC Cosmetics

Brand Partnerships in Games

Console games are slowly getting into this space, with brands using video games to gain buzz while observing COVID-19 social distancing protocols. Console game Animal Crossing: New Horizons on the Nintendo Switch partnered with fast-food chain KFC to promote COVID-safe dining protocols in their restaurants. Meanwhile, KFC Philippines launched an 'island' on Animal Crossing and gave away coupons for a free bucket of fried chicken. This generated buzz on social media, particularly on Twitter, where people tweeted their interest and their compliments on the campaign, which gained buzz about the 'island' all over the world.

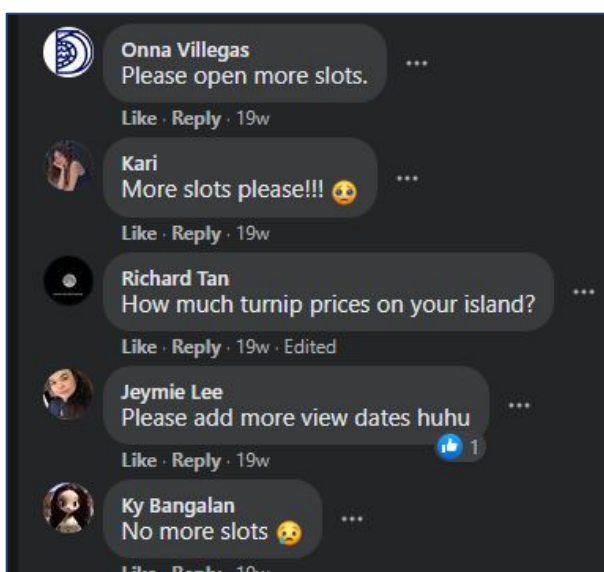


Brand Partnerships in Games

Tourist locations, such as the Philippines' Ayala Museum, used the console game *Animal Crossing: New Horizons* to open a virtual location via the game. They made a move to promote both this year's International Museum Day and to encourage social distancing by not going out, and visiting their virtual Museum instead. To celebrate this, the Museum gave away codes for players to redeem traditional Filipino-themed outfits for their in-game characters to use. The campaign was deemed to be a huge success, with audiences requesting an extension to the limited-time event.



The Ayala Museum Island on *Animal Crossing: New Horizons*



Virtual Simulations and Event Adjustments

While most public events, such as this year's Tokyo Olympics, were postponed or cancelled altogether, the same can be said for gaming and eSports. Most of the physical events were either cancelled or moved online, which prompted smaller competitions within regions such as in Asia, Oceania, North America, and Europe.

World tournaments such as Counter-Strike: Global Offensive ESL Tournament was moved online via streaming platform Twitch and was also live-streamed on video-sharing platform YouTube. However, other events, such as DOTA 2's The International 2020 were postponed indefinitely.

Physical sporting events, such as Supercars, have hosted virtual races with drivers playing in simulated tournaments. Meanwhile, The Australian Open has released its official game for several gaming platforms, and brands have placed themselves in the same way they would appear in actual live matches.



Counter Strike: Global Offensive streaming on Twitch



Vision from the Virtual Supercars Race



The Australian Open video game streamed on Facebook Live

Games with COVID-19 themes

Corona Wash and Vax

KOBU Agency has developed a new game called Corona Wash and Vax, which is accessible on PC and mobile platforms through web browsers. The objective of the game is to get rid of the virus by tapping on any approaching virus icons and keeping your in-game human healthy. There are additional features, like wearing masks for extra defence and avoiding the temptation to hoard toilet paper. The game aims to support COVID-safe living with the hashtag #playagainstcorona as part of an online campaign.

More often than not, games take the players' minds off reality into an augmented world. However, KOBU Agency has bucked that trend, instead trying raise spirits and relieve the anxiety of being in confinement with a game that focuses on keeping the virus away.



The Corona Wash and Vax promotional photo by the Kobu Agency

Augmented Reality (AR) and COVID-19

Pokemon GO and other Augmented Reality games

Smash-hit Augmented Reality (AR) games such as Minecraft World and Pokemon GO, which usually require players to go outdoors and explore their community have adapted to COVID-safe standards. Pokemon GO has allowed players to participate in in-game activities without stepping out of their homes, and added features including an improved social system for players to keep in touch with their friends. In-game items called Remote Raid Passes and Incense, which allow players to participate in in-game activities which normally require them to go for a walk outside.



From L-R: Pokemon Go interface, Minecraft World Interface

Other AR games, such as Minecraft World, have also made the necessary measures, by temporarily removing features which require players to go outside. Minecraft World's gameplay consists of players going out to see the elements of the game in augmented reality, such as buildings and creatures usually found in the game. With the changes implemented, players are given compensation by making adjustments, enabling players to remain indoors, similar to Pokemon Go's case.



Buzz Cluster for Pokemon GO

Mobile Gaming

Gaming has changed from purely being a form of entertainment to a potential marketing and advertising channel, regardless if the games are played on gaming consoles, computers, and now mobile phones and portable tablets.

By the end of 2019, close to half the gaming industry's revenue is generated by mobile gaming. Despite the growing playing population, it is notoriously challenging to convince portable game players to shell out money for their gaming experience. However, those who do spend on their mobile games have contributed to millions of dollars' worth of revenue.

Mobile gaming players make up the majority of gamer populations in 2020 due to the accessibility games and the continuous development and investment into mobile games.

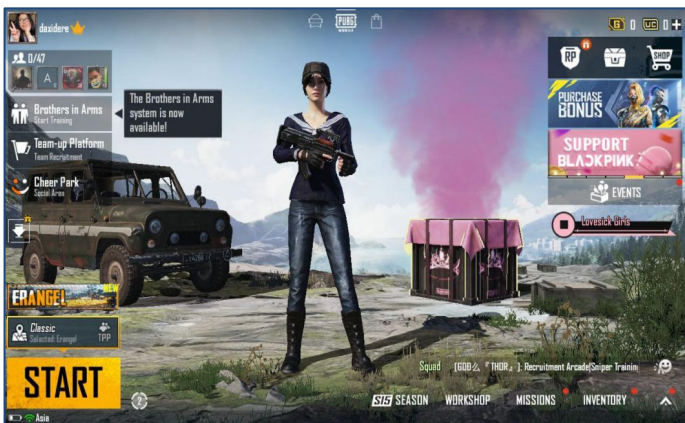
In the context of the COVID-19 pandemic, mobile gaming has increased by 57%, and ad revenues surged by 59%, showing that mobile gaming is still growing in current conditions.



Key Trends in Mobile Gaming

Integrating Celebrities into Games

South Korean pop girl band Blackpink recently partnered with PlayerUnknown's Battlegrounds (PUBG) Mobile to promote their new album. At the same time, the game sells in-game items. The game interface shows the game lobby featuring a crate with the band's album artwork and also enables players to play the band's newest single 'Lovesick Girls' while players wait in matchmaking. The promotion is planned to last a month, alongside other album promotions on other platforms.

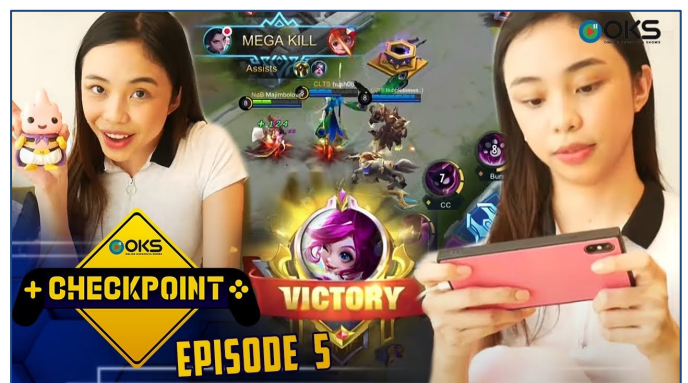


PUBG Mobile interface with Blackpink promotions

In the meantime, Indonesian girl group JKT48 has used another mobile game, Mobile Legends Bang Bang (MLBB) to widen their audience reach. The girl group has formed a competitive gaming team called Valkyrie 48 to increase interactions with fans and new audiences by live-streaming their games. Other celebrities have also live-streamed their games to increase buzz, making them more 'relatable' to audiences.



JKT48'S Valkyrie 48 team for Mobile Legends: Bang Bang



Thumbnail of Celebrity Maymay Entrata streaming MLBB

Other Key Trends in Mobile Gaming

Although mobile is the most popular gaming platform, its players are least likely to spend money on their games as a consequence of many game titles on mobile being 'free to play.' Free players become paying players mainly because they enjoy their gaming experience or as support for their game developers.

In-game advertising is a monetisation strategy which game developers use to boost their game's revenue, as mobile game advertising can generate mobile ad revenue.

Paying gamers may also be engaged to keep on spending through several tempting rewards, which offer 'limited,' 'exclusive,' and even 'rare' content. Other games have loyalty programs with added perks to encourage players to spend more real money for in-game benefits and exclusives.



Game prompting players to watch ads to continue playing.



In-game advertising sample



In-game purchasing page of mobile game Tales of Wind (Laplace M in South East Asia)

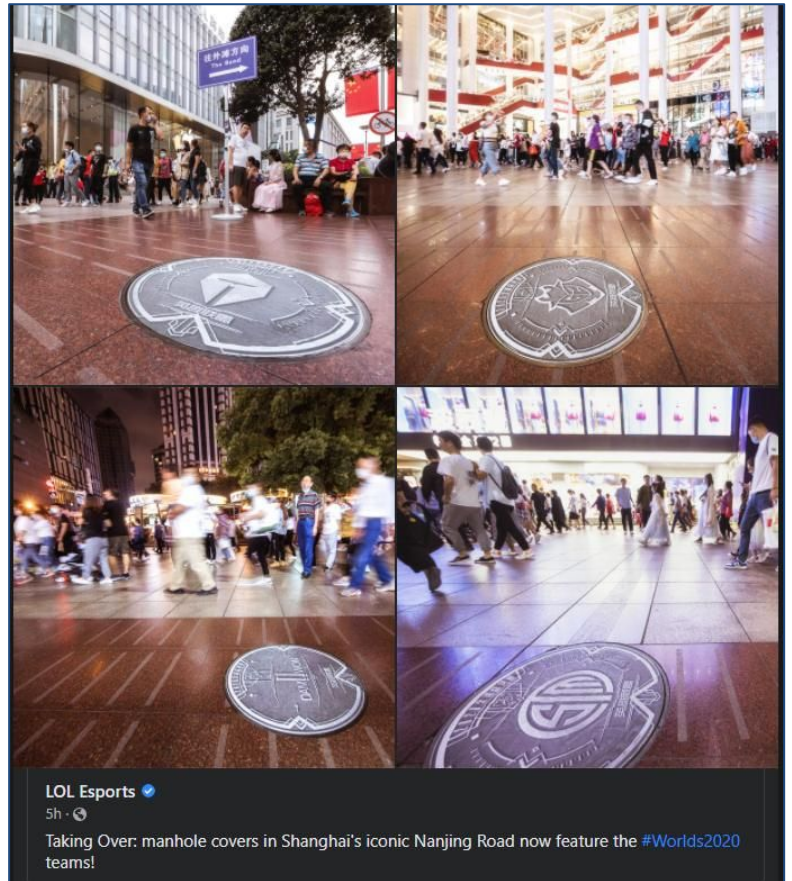
Other Key Trends in Gaming and eSports

As more people rely on gaming to pass the time, the demand for consoles has also increased, while production has slowed down due to quarantine. Despite the limited availability of consoles, increased product demand, and brand partnerships have been faring well.

Aside from in-game partnerships, there was growth in consumer spending, increased advertisements and marketing campaigns, as well as a significant increase in game streaming consumption in the region.

Most game partnerships occur in games which have more child-friendly gameplay, as brands prefer to be associated with less violent game titles, regardless of the gaming platform.

Brands are expected to partner with a game which fits their brand's identity and should ensure the target audiences for both the brand and the game partner are within the same demographics.



LOL Esports Facebook page posting promotions of the 2020 Worlds on manholes in Shanghai, China



Buzz on League of Legends' Worlds 2020



Conclusion

There are several ways a brand may present itself to audiences. With or without the pandemic, promotions may be implemented through various channels, including video games and eSports. The COVID-19 pandemic has given brands more opportunity to make themselves visible in a fast-evolving situation. The rise of gaming and eSports has been boosted, with more players than ever, and brands are adapting to new strategies to keep up and make themselves known.



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