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eSport ecosystem, the Italian market and the EXEED case study

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ABSTRACT
The aim of this work is to analyze and explain the eSports market, in particular the emerging Italian one. The Italian market is undergoing a rapid and constant growth and has become - in recent years - a billionaire industry in.
Following a descriptive phase of the characteristics of the market, an analysis focused on the Italian market is presented. The work is therefore organized in three chapters:

- The first one introduces the theme of the birth and development of this industry
- The second concerns the eSports environment: it deals with all interested parties in the world of eSports (stakeholders), both on the supply side (for example Streaming teams and platforms) and on the demand side. In addition, there are two additional sections: an overview of global market revenues and another on the important role that this market is taking in the entertainment system.
- The third and final part examines eSports in Italy: among the topics analyzed are the revenues and investments of the Italian market.
  A section is dedicated to a survey aimed at understanding the perception Italians have about eSports. Finally, there is an overview of the main Italian Team eSports.
  Last but not least, the case study "EXEED", one of the main Italian companies in the sector, is the subject of the final analysis of the work.

CHAPTER I: WHAT ESPORTS REALLY ARE!

According to the guide drawn up by AESVI[1], "eSports, also known as competitive gaming, are a form of electronic competition organized through and thanks to video games. The prefix ‘e' stands for electronic and emphasizes the digital character of this new phenomenon".[1] Although emphasis has been given to the prefix precisely for this reason, the debate on the extent of the eSports phenomenon has lasted a long time. Can they really be considered a sport or not?

To better clarify this issue, one could start from the definition of 'sport': citing that established by the Council of Europe, in the "White Paper on Sport" of 2007"[2] , is *"any form of physical activity which, by means of organised or non-organised participation, has as its objective the expression or improvement of the physical and mental condition, the development of social relations or the achievement of results in competitions of all levels";* following with that date from the encyclopedia Treccani is *"activity intended to develop physical abilities and at the same time psychic, and the complex of exercises and manifestations, especially competitive, in which this activity is carried out [..] either by competitive spirit [...] or, from the outset, for fun[..] "*[3].
Therefore, considering the development aspect of psychical abilities and competitive activities, eSports can be considered a sport.

Nevertheless, while taking into account this observation, they are unable to associate electronic sports with a true form of sport, especially considering the absence of physical activity, but if you take into account the Italian situation, this "dispute" could be overlooked since checkers and chess are also defined as sports (both with a special national federation), even though they are based on mental processes more than physical effort.

The question was finally 'resolved' by a communiqué from the IOC whereby *"competitive e-sports can be considered a sporting activity, and the players involved prepare and train with an intensity that can be compared to that of athletes of traditional disciplines"*[4].

In addition to the difference from sports in the traditional sense, it is necessary to highlight the difference between eSports and 'gaming'. The term ‘gaming’ refers to the activity carried out

[1] Associazione editori sviluppatori videogiochi italiani

by those who play through consoles, computers, mobile phones or other media to video games. Gaming is distinguished in:

a. **non-competitive**, that is a gaming for entertainment. This category includes most of the streamers, namely players who, through their live game, create content for their community. But that does not make them athletes.
b. **competitive**, in this case the main intention of a gamer is to excel in a specific game. To do this they practice, learning new strategies and perfecting coordination with others (in case- of multi-players). These are trained as professional athletes and are supported by a team through coaches, nutritionists, psychologists and game analysts. This category therefore includes eSports.

1.1 ORIGIN AND DEVELOPMENT

The history of how the eSports ecosystem was born and developed is not unique: in fact, there is no clear "starting point".

Among the various reports (such as that of Tyler Louis Snavely [5]) and articles (such as that of Lawrence Phillips[6] and the British eSports Association [7]) there are, however, some fundamental phases, namely:

1) the seventies

   According to many, on October 19, 1972 at Stanford University there was the first official game competition - in particular the game "Spacewar", developed in 1962.

2) the 1980s

   Many associates the beginning of the movement with the spread of arcade games, which are games that needed a coin-operated machine, installed in public places such as restaurants, bars and games rooms. Most are pinball, electromechanical games, ransom games and among the most famous game titles are Pac - Man[2] (1980), Asteroids[3] (1979) and Centipede[4] (1981). The search for the best performance was the point of attraction of these games, which consisted of challenges between a computer and a player.

   In 1981, "Asteroids" was adapted to home consoles by Atari[5], bringing video games into private homes. The gamers increased so much that, in the same year, more than two thousand people participated in the international tournament Asteroids.

   In the wake of Atari, Nintendo also launched the Nintendo Entertainment System[6] in 1983. This led, slowly, to an increase in competitions.

   Also dating back to this decade was the birth of the first national team of video games in the United States, formed by the best players of arcade games and home consoles. The team's founder, Walter Day, who collected the highest scores in various video games in his books, created the Twin Galaxies database. Perhaps it was the first time that attempts were made to market the talent of gamers.

[2] designed by Toru Iwatani and produced by Namco in 1980 in the arcade format room; in the west was released under license by Midway Games. https://en.wikipedia.org/wiki/Pac-Man

[3] Designed by Lyle Rains, designed and programmed by Ed Logg and made by Atari in 1979, the game involves driving a spaceship with which to hit and destroy asteroids and flying saucers without colliding and without being hit by the fire of flying saucers https://en.wikipedia.org/wiki/Asteroids_(video_game)

[4] arcade video game genre shooter published by Atari, Inc. in 1981. It is one of the few video games designed by a woman, Dona Bailey, and programmed with Ed Logg. The player must defend himself from a centipede and other garden arthropods. https://en.wikipedia.org/wiki/Centipede_(video_game)

[5] US company producing video games and gaming hardware, founded in 1972 by Nolan Bushnell and Ted Dabney https://en.wikipedia.org/wiki/Atari

[6] also NES, known in Japan as Family Computer or Famicom, is an 8-bit video game console produced by Nintendo between 1983 and 1995 https://en.wikipedia.org/wiki/Nintendo_Entertainment_System

3) Early 1990s

In 1991, Capcom[7] released "Street Fighter II"[8] for the Super Nintendo Entertainment System[9], the first game to pay attention to design elements and introduce player competition. In addition, with this game, the complexity of the rules and actions available to the player were increased (such as the ability for gamers to choose from various characters, each with its own strengths, weaknesses and abilities). They were taking more control over the scenarios.

In this period, eSports linked their popularity to local and regional competitions, the quality of which was not yet high enough to support the birth of a professional sports league.

4) the end of the 1990s

This is the phase in which the modernization of the system started, thanks to the technological improvements and the creation of new genres of games. In addition, both software and hardware improvements led to video games simulating real-world events. Although the culture of competitive gaming had begun consolidating since the 80s, only with the end of the century competitive gaming took off. This was obviously supported by the new possibilities introduced by the Internet, which allowed players from different locations to connect - via consoles and computers - but simultaneously in a single virtual arena. In 1996 iD software10 created the series "The Quake"11 which used local or Internet connections to enable players to game.

Another important novelty was the introduction of a voice channel and a microphone, which allowed teams to communicate and made the game even more interactive.

In 1997 in Atlanta "Red Annihilation"[12] was first introduced. It is considered by many as the first real eSports competition seen by spectators (physical and virtual).

In the same year, the entrepreneur Angel Monez founded the "CPL - Cyber athlete Professional League"[13], which organized tournaments similar to the existing competitions in the nineties.

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[7] Japanese company dedicated to the development and publication of video games founded by Kenzo Tsujimoto in 1980 based in Osaka https://en.wikipedia.org/wiki/Capcom

[8] a competitive fighting game developed by Capcom and originally released for arcade systems in 1991. https://en.wikipedia.org/wiki/Street_Fighter_II:_The_World_Warrior

[9] often abbreviated to Super Nintendo or SNES, known in Japan as Super Famicom and in South Korea as Super Comboy, is a 16-bit video game console produced by Nintendo between 1990 and 2003 https://en.wikipedia.org/wiki/Super_Nintendo_Entertainment_System

[10] video game manufacturer located in Mesquite, Texas; has developed, over the years, innovative technologies in the field of personal computer games, as well as having popularized first person shooters with titles such as Wolfenstein 3D, Doom and Quake. https://en.wikipedia.org/wiki/Id_Software

[11] first person shooter video game series https://en.wikipedia.org/wiki/Quake_(series)

[12] https://en.wikipedia.org/wiki/Red_Annihilation

[13] https://en.wikipedia.org/wiki/Cyberathlete_Professional_League

These changes have led to the consolidation of the concept of eSports. It is thought that the term was used for the first time in 1999 by Mat Bettington, with the foundation of the Online Gamers Association (OGA), when he compared eSports to traditional sports [8].
In 1999, the new Unreal Tournament[14] and Counter-Strike[15] came out , which would soon become the most famous eSports games in the world.

5) The new millennium

The introduction of online services (such as Xbox Live), broadband internet, video content and new online services are the novelties of the new millennium.
The new assumptions of the market have generated the need for more professional teams. In this light, some of the largest and well-known eSports teams were formed including Fnatic[16] , Team Dignitas[17], Optic Gaming[18] , SK Telecom T1[19] and TSM[20]. In response to this many tournament providers (such as ESL[21]) and events (such as DreamHack[22]) have emerged.

Currently, mainly through video games and online games, eSports competitions are growing exponentially, as well as the interest from sponsors, the prize pools of competitions and the standards of play and infrastructure around competitive gaming.

[14] first title in a series parallel to that of Unreal, produced by Epic Games and focused on multiplayer gaming on the net - https://en.wikipedia.org/wiki/Unreal_Tournament
[15] multiplayer shooter video game, born from the idea of two university students who in 1998 developed the first version modifying the source code of Half-Life and published it in the form of a free mod https://en.wikipedia.org/wiki/Counter-Strike_(video_game)
[16] https://en.wikipedia.org/wiki/Fnatic
[17] https://en.wikipedia.org/wiki/Dignitas_(esports)
[18] https://en.wikipedia.org/wiki/OpTic_Gaming_Los_Angeles
[19] https://en.wikipedia.org/wiki/T1_(esports)
[20] https://en.wikipedia.org/wiki/Team_SoloMid
[21] https://en.wikipedia.org/wiki/ESL_(company)
[22] https://en.wikipedia.org/wiki/DreamHack

CHAPTER II: ESPORTS ENVIRONMENT

The process of digitalization is entering more and more into the daily life of most of the world's population and is affecting more and more sectors, even the most traditional ones: from manufacturing to banking - financial, through to cultural heritage. Even sport in the traditional sense is following this process, using technological support for various purposes (such as improving physical performance or for greater involvement of its fans).

The difference between the sectors mentioned above and that of eSports lies in the fact that the latter has already developed in a digital context.

Therefore, in view of a completely digital world, it can be interesting to understand what are - currently - investments and revenues, who are the people involved and the potential of this sector.

2.1 ESPORTS STAKEHOLDERS

In economics stakeholders are defined as *"all individuals or organizations actively involved in an economic initiative (project, company), whose interest is negatively or positively influenced by the result of execution, or by the trend, the initiative and whose action or reaction in turn influences the phases or completion of a project or the fate of an organization".*[23]

These parts, according to the role they assume, can represent the market demand part (who "consumes") and/or the supply part (who "sells/produces").

2.1.1 SUPPLY SIDE

Although the IOC considers eSports to be a sport, the two have differences, as highlighted by the Roundhill Team [9]:

1. eSports are a digital native phenomenon.
2. The "game" is intellectual property that belongs to a company.
3. Streaming is an alternative for talented players to competitive gaming.
4. The fan base does not have the same geographical origin

From these differences it is possible to draw a mind map of all the people involved.

Starting from the GAME (or rather the "GAME TITLE"), in the initial phase, is related to two figures (difference number 2):

- <u>developer</u>: creates game titles
- <u>publisher</u>: publishes the game title and often also owns intellectual property, so they can also organize competitions (such as Riot Games[24], Valve[25] or Activision Blizzard[26]).

Once published, the GAMERS are fundamental in the dissemination of the title, i.e. who plays the title; these can be professionals, semi-professionals or amateur. In addition, they can be configured as:

- <u>streamers:</u> broadcast their gaming sessions through the various streaming channels and grow a real fanbase (explanation of the difference number 3)

[23] http://www.treccani.it/enciclopedia/stakeholder/

[24] US video game development company founded in 2006. mainly known for developing the online video game League of Legends, which according to Forbes in 2012 became the most used game in both continents in terms of hours played - https://en.wikipedia.org/wiki/Riot_Games

[25] US company that deals with the development and distribution of hardware and software products. Founded in 1996 by Gabe Newell and Mike Harrington, it is known for Counter-Strike: Global Offensive and Dota 2 and being the developer of Steam https://en.wikipedia.org/wiki/Valve_Corporation

[26] US manufacturer and distributor of video games, born from the merger between Activision and Blizzard Entertainment, announced in 2007 and completed in 2008. is known for Call of Duty and Candy Crush Saga - https://en.wikipedia.org/wiki/Activision_Blizzard

- pro gamers/pro players (professional gamers): the transition from amateur to professional is difficult, but not impossible. For example, you can embark on the path of professionalism through participation in online tournaments open to all, organized daily or weekly on different platforms (such as ESL, Faceit, MLG). Players who get good positions and/or results, can be noticed by teams or talent scouts.

There are new sectors to support and enhance the growth (both in terms of awareness and gaming skills) of streamers and gamers, once they become professionals. In this this report they will be presented in three macro areas:

❖ **TEAM**

There are organizations (run by an owner/owner or founder) for which gamers compete in official tournaments; moreover, streamers can also be part of the teams, but contribute to its notoriety through the creation of non-competitive contents. According to the objective pursued, they often qualify as media companies. The more structured teams, usually, follow the growth of the gamer in more aspects and to do so, contain more profiles such as:

- Team manager: manages a specific section of the team (dedicated to a game title) and usually also deals with the search and selection of new talents.
- Coach: manages the sports part, organizes training and suggests to players where and how to improve. Can also be an Analyst.
- Analyst: collects data and stats about opponents and supports the coach in perfecting game strategies. Can also be Coach.
- Sport Psychologist: supports mental training, as important as physical training, for better performance.

❖ **COMPETITION**

It is one of the moments of major media exposure for pro gamers. Among the profiles that deal with the organization and the success of the event, there are:

- Event organizers: organize and promote tournaments and video game competitions. It can be both publishers (tournaments of their titles) and leagues (set of events or tournaments, in which teams compete for a general title).
- Event manager/project manager: organizes and manages a single event; is in close contact with its team and external partners (venue, catering, etc.) to ensure the proper functioning.

- Referee: monitors compliance with the rules and resolves any disputes of the competition
- Host: presenter; introduces teams and players, interacts with the audience and, sometimes, interviews on stage some of the participants.
- Shout caster (or caster): commentator, can be of two types:
  1. "Play-by-play caster", which describes live and punctually each game action
  2. "Colour caster", which gives additional information or data after a noteworthy action.

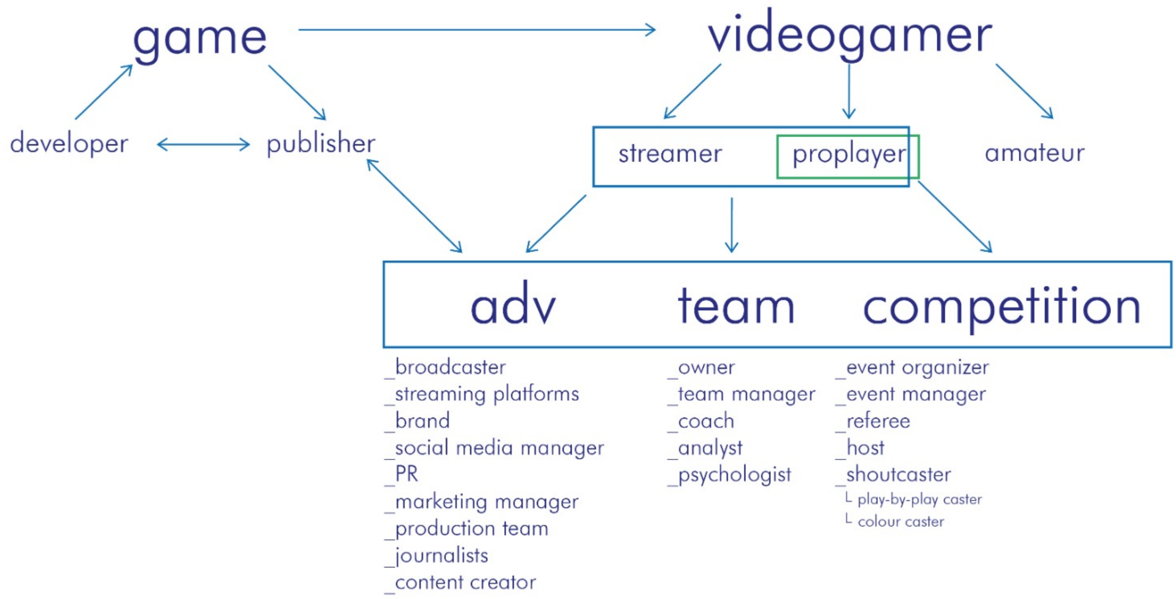
  Casters, unlike the host, work from a dedicated booth; also. must be experienced both on the title they comment on, and on the teams and players participating.

❖ **ADVERTISING**

- Broadcaster: broadcast every official competition through the traditional TV (examples are ESPN in the USA or DMAX in Italy)
- Streaming Platforms: organizations that offer, manage and develop online media platforms and fan streaming (Twitch, YouTube Gaming, Mixer, Caffeine, MLG).
- Brand: can sponsor leagues, gamers, teams or transmission platforms through different marketing strategies (examples are Intel, Red Bull, Samsung, Coca-Cola, Audi).
- Social media manager/community manager: manages the social profiles of a company or a specific section of a team.
- PR: collaborates with journalists and influencers for media coverage
- Marketing manager: manages advertising or partnership activities
- Production team: dealing with the graphic components related to advertising and live transmission of events
- Specialized journalist: in Italy, unfortunately, they are few, but it is a growing field.
- Content Creator: creates content for itself and for any partner.

Since many professions do not yet have a precise definition, it is possible that a single person can play several roles at the same time: for example, a tournament organizer can fund the organization of a competition through partnerships or by broadcasting the contents of a tournament.
The figures mentioned so far, are mutually reliant on each other. However, if one thinks in terms of final content they can be considered as a sort of "supply" side of the ecosystem.

Through the following mind map it is possible to identify the individual links that each figure has with all the others.



2.1.1.1 ESPORT TEAMS

eSports teams have taken on different connotations in the world; nevertheless there are two main cultures or application models: the western one (which includes the United States and Europe) and the eastern one (with the founder of Korea).

For the **Western culture**, according to Wagner [8], the history of competitive games is linked to online games, such as "Doom"[27] (1993), and to the period when the "Clans", teams of online players, began to compete in online tournaments. In the late nineties, in the United States, competition began to proliferate especially following the birth of the CPL (Cyberathlete Professional League). In 1999, game development company Valve released "Counter-Strike", which quickly replaced Quake and has since remained the central element in Western eSports events.

Eastern culture has developed in Korea since the mid-1990s. There was a rapid growth in broadband infrastructure, which had not been supported by adequate television programming, thus, to make up for this lack, online games competitions were broadcast.

The Koreans, in contrast, preferred the "multi-user online role-playing games" (MMORPG), such as "Lineage"[28] published in 1998 by the Korean game development company NCSoft[29].

Since the late nineties the Korean gaming market has been dominated by "Starcraft"[30] (continuation of "Warcraft" in 1994), released in 1998 by the Californian company Blizzard Entertainment[31], particularly suitable for competitive gaming.

Another important factor in the dissemination of culture eSports has been the creation of ad hoc television channels for the transmission of events of computer games.

Despite the increase in global eSports events, such as the World Cyber Games, in order to unite the culture of Western and Eastern eSports, the two corporate ecosystems remain largely separate and seem to develop almost independently.

Within Western culture itself it is inevitable not to notice a certain fragmentation. The European market is a very different from other large markets such as North America.

The presence of several countries and cultures is a determining factor of this "division".

[27] created by id Software and published in 1993 for PC, and later for several consoles; is considered one of the most influential examples of the first person shooter genre - https://en.wikipedia.org/wiki/Doom_(1993_video_game)

[28] https://en.wikipedia.org/wiki/Lineage_(video_game)

[29] Ncsoft Corporation or simply Ncsoft is a South Korean company producing MMORPG video games - https://en.wikipedia.org/wiki/NCSoft

[30] sci-fi themed video game series created by Blizzard Entertainment. The game was released in 1998 with the first chapter of Starcraft, followed by an expansion. Several novels have also been written about the universe created by this series. -https://en.wikipedia.org/wiki/StarCraft

[31] American video game manufacturer (California). It was founded in 1991 as Silicon & Synapse by Allen Adham, Michael Morhaime (CEO since July 2008) and Frank Pearce -https://en.wikipedia.org/wiki/Blizzard_Entertainment

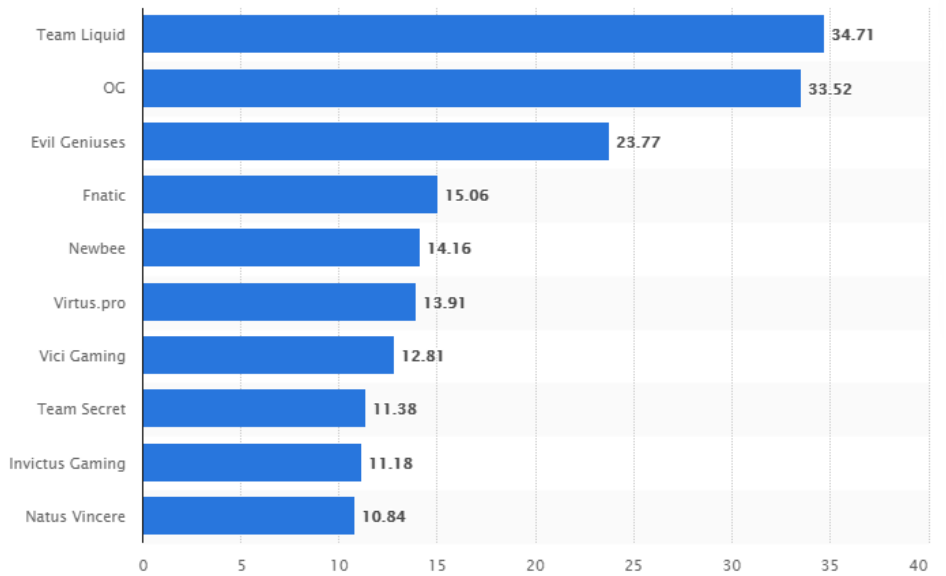
Leaving aside the cultural issue, the real difference between the Korean and the American approach is the role of the individual player:

- Koreans are focused on the competitive aspect: they rely on strong gamers in each section.
- Americans focus on the concept of show business: they compete internationally but focus more on content than performance.

On the world scene, considering the ranking of Statista that classifies the top teams based on the prize money won (until March 2020), among the main ones there are:

- Team Liquid[32]
- Evil Geniuses[33]
- Fnatic[34]
- Natus Vincere[35]

The teams just mentioned are also in the Top 10 of the CS: GO world ranking by ESL [10].



Source: Statista, "Leading eSports professional teams worldwide as of March 2020, by total prize money won (in million $)"

[32] https://www.teamliquid.com/
[33] https://evilgeniuses.gg/
[34] https://www.fnatic.com/
[35] https://navi.gg/en/

2.1.1.2 STREAMING PLATFORMS

In recent years, streaming platforms are becoming a real touchpoint with a generation that has almost totally abandoned traditional media to the detriment of the network (Gen Z and Millennials). The combination - and in some cases the replacement - of the most innovative means is also leading to a change in entertainment formats, thus giving space to the emergence of eSports. Many eSports organizations use streaming channels to increase the number of their fans, interact with them, and aim to attract potential sponsors.

According to the AESVI Guide [1], the most famous platforms are:

- TWITCH: launched in 2011 as an evolution of Justin.tv. Originally focused mainly on gaming content, now includes broadcasts of various kinds. Acquired by Amazon in 2014, it is now considered the most popular gaming platform. [36]
- YOUTUBE: founded in 2005 and acquired in 2006 by Google, it is one of the most visited sites in the world. One feature is the ability to pause and start where you prefer. In 2015, YouTube streaming was created, a stand-alone website and an app dedicated to the gaming world on Google's streaming platform; but it was closed in 2019.
- FACEBOOK GAMING: launched in 2019 as FB.gg, has already had a significant impact on the eSports market. Broadcast sessions on Facebook Gaming may also appear on the boards of users always based on their preferences. [37]
- MIXER: formerly known as Beam, it was acquired by Microsoft in 2016. The low latency (time between streamer transmission and the time users receive it) of the platform is a strong point, which creates greater interaction with viewers. [38]
- CAFFEINE: founded by two former Apple designers, is the youngest on the market and focuses on the social aspect and ease of use. It implements both features like Mixer (low latency for users) and Facebook Gaming (selection of content on preferences). [39]

Even traditional TV is adapting to the contents eSports: in Korea, the first live broadcast on cable TV was in 1999; in the West, the most significant example is the US channel ESPN. In Italy, DMAX launched the "House of eSports" program in which the theme was explored. Mediaset instead broadcast on Italia 2 the finals of the FIFA eNations Cup and the final of the FIFA eWorld Cup 2019 live from the O2 Arena in London. Another important provider is Ginx eSports TV, international and multilingual channel, owned by Sky, entirely dedicated to eSports and available in 50 countries.

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[36] https://www.twitch.tv/; https://it.wikipedia.org/wiki/Twitch.tv
[37] https://www.facebook.com/gaming/
[38] https://mixer.com/
[39] https://www.caffeine.tv/

2.1.2 DEMAND SIDE

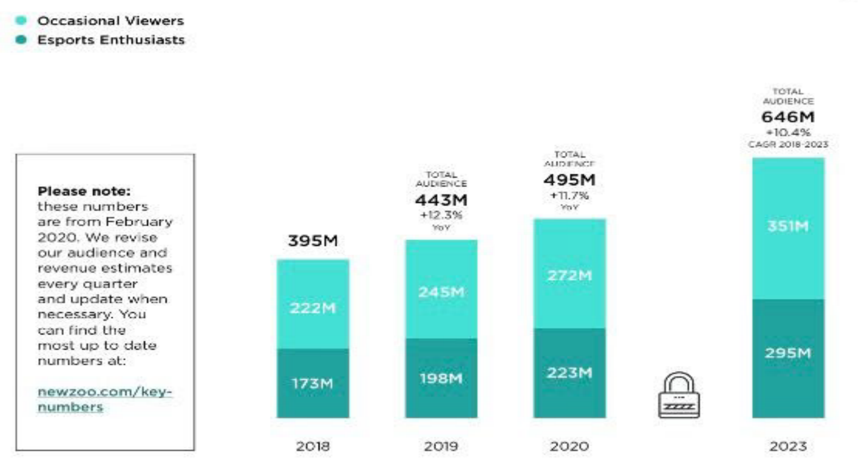
Referring to the mind map, it is necessary to mention "the last piece of the puzzle". All the activities carried out by the various figures mentioned above are aimed at increasing the number of users that make up the demand side of this market.

In order to identify the strategies that the other people involved in the ecosystem put in place to "capture their attention", first of all it is important to understand well the characteristics of the group to which they refer.

Although there is no common terminology for all, here the one used by Newzoo[40] (also used by IESF[41]) within "Global eSports Market Report 2020"[10] is taken to consideration. It defines 4 categories:

1. **eSports Enthusiasts:** they watch content more than once a month.
2. **Occasional Viewers:** watch content less than once a month.
3. **eSports Audience:** all those who watch the eSports regardless of frequency (so fans and occasional viewers together)
4. **eSports Awareness:** people who have heard of eSports, including non-participants.

According to the Newzoo report [10], in 2020 the global audience level (eSports Audience) will grow to 495 million; in addition, in the same year, 2 billion people will be aware of eSports around the world, with an increase of 1,8 billion people compared to 2019. According to estimates, the leader of this growing market will still be China, which will contribute more to this number, with 530.4 million people attentive to eSports.

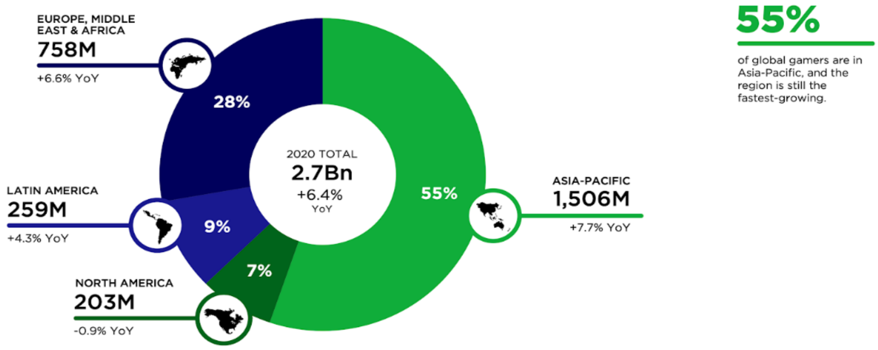


SOURCE: Newzoo, Report 2020 Global eSports Market

The data in terms of audience and awareness is also supported by the progress of IT infrastructure and urban planning. An expected increase is predicted in emerging markets such as Latin America,

[40] The world's most trusted and quoted source for games market insights and analyticshttps://newzoo.com/about/
[41] International eSports Federation - https://ie-sf.org/

the Middle East and Africa and Southeast Asia. At a global level, the popularity of mobile games is also a growth factor.

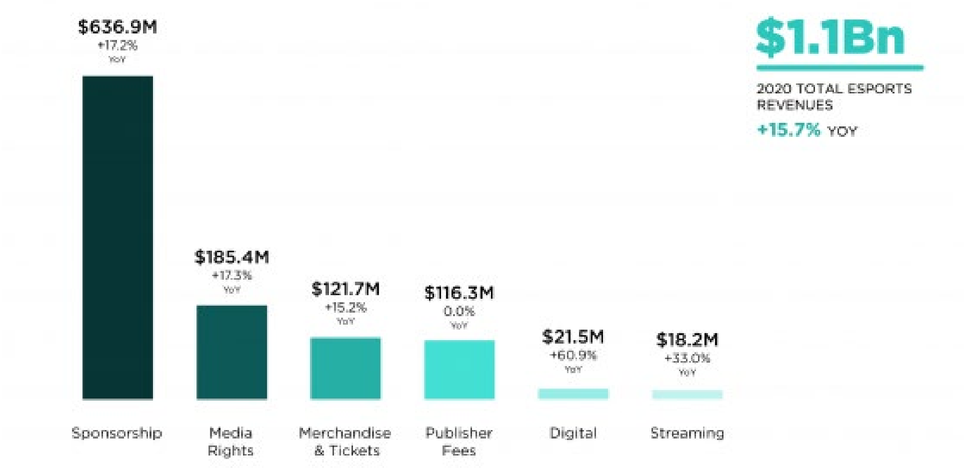


Source: Newzoo, 2020 global Gamers per region with year-on-year growth rates

2.2 A BILLIONAIRE MARKET

According to Newzoo in the “Global eSports Market Report 2020” [11], next year (2021), esports will be able to generate revenues of 1.1 billion dollars globally, of which:

- about \$822.4 million (74.8%) is given by sponsorship (\$636.9M) and media rights (\$185.4M), both increasing by about 17% compared to the previous year.
- \$121.7 million will be spent on tickets and merchandising
- \$116.3 million will come from publishers' investments.



source: Newzoo, “2020 eSports revenue stream”, report: “Global eSports Market Report 2020”

In terms of <u>sponsorship</u>, brands can choose between two modes:

- <u>endemic:</u> include those whose products or services are directly associated with the esports activities, as Corsair and Intel.
- <u>non-endemic</u>: those offering products and services that are not directly related to production or execution; and these constitute an enormous opportunity, especially in the diffusion of the movement. Examples are McDonald’s, Adidas, Red Bull.

As for the <u>media rights</u> and their monetization, according to the report of Newzoo "Understanding Media Rights in esports" [12], can be done in several ways:

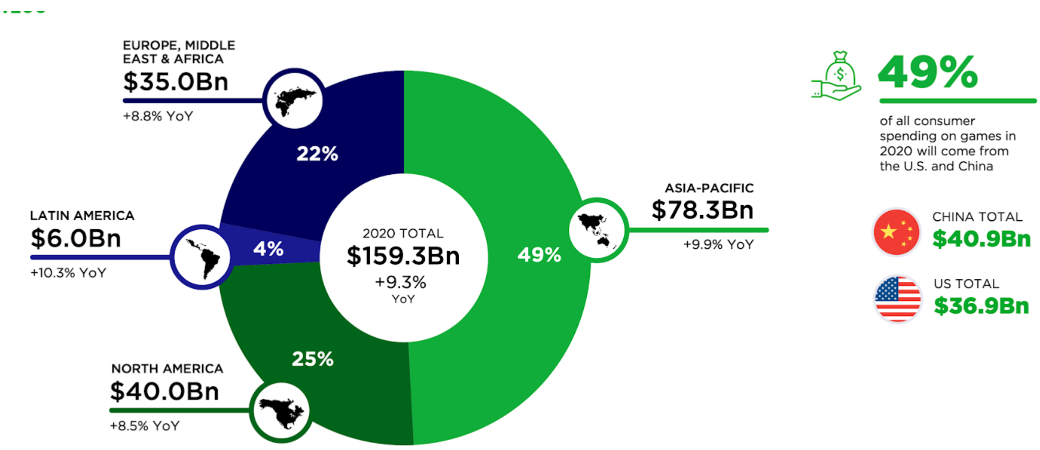
- providing premium content with a pass for all accesses (such as the Twitch and Blizzard initiative)
- providing "shoulder" content (such as those provided during live broadcasting or via video promos)
- providing highlights, replicas, etc.

As already specified in the paragraph about the human resources of the esports ecosystem, in the "supply" side, the publisher in addition to publishing the title, can also be an organizer of competitions. The independent organizers are able to host the events, which corresponds to a revenue of 116.3 million dollars (excluding investments or expenses for their events, as part of their marketing).

The digital revenue, which corresponds to $21.5 million, is generated by the sale of gaming items, currently limited to the revenues that teams earn.

Finally, the revenue generated by streaming includes what is generated by professional players or streamers on their own channels or on the team channels.

Still considering the report of Newzoo [10], China will remain the largest market in 2020, with revenues of $385.1 million. North America will be the second with $252.5 million, followed by Western Europe with $201.2 million in 2020.



Source: Newzoo, 2020 “Global Games Market Per Region with Year-on-Year Growth Rates”

2.3 ESPORTS: THE NEW FRONTIER OF ENTERTAINMENT

The international health emergency (covid-19) brought about the necessity to reorganize, wherever possible, any type of activity from real to virtual. Taking as an example of entertainment the sporting events, by their nature, have not had a chance to adapt; nevertheless, it has been found in the esports an alternative to continue to entertain and generate emotions. Soccer, Formula 1, Basketball and Moto GP are some examples of sports that have "adapted" to virtual reality and in doing so have discovered new potential. Giovanni Calgaro stressed that the initiative, carried out by Formula 1 is *"a new way to bring fans closer, entertain them and above all interact with them, make them become active parts of the show staged. A thing that very rarely occurs in traditional sporting events [...]"* [42].

One of the main potentials of this virtual world, and the reason why more and more spectators are attracted to it, is precisely the possibility of interacting with the protagonists of competitions (or with the streamers) and, consequently, the sensation of being "an integral part".

Another element not to be underestimated is the target most interested in esports, namely Generation Z: it includes all the boys born between 1995 and 2010[43] , which show, among their main characteristics, a strong dependence on mobile phones and other devices, preferred to television because they allow access to diversified content in zero time [44].

Any type of business is conforming to the data input from this target and its characteristics: being potential (future) customers, many are just exploiting and investing in advertising on this type of entertainment (competitive and not) by injecting large amounts of capital that are enabling the ecosystem to develop more and more impressively.

[42] https://esports.gazzetta.it/senza-categoria/15-04-2020/gli-esports-al-tempo-del-coronavirus-quando-lintrattenimento-e-digitale-57505
[43] https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies#
[44] https://www.digitalpulse.pwc.com.au/creative-authentic-mobile-gen-z/

CHAPTER III: ESPORTS IN ITALY - CASE STUDY “EXEED”

3.1 Italian market

According to the IIDEA report "Video games in Italy in 2019 - data on the market and consumers"[13] , "The turnover of the sector in 2019, including physical and digital hardware and software, is 1 billion and 787 million, with an increase of +1.7% compared to 2018". Globally, in 2020, Italy ranks ninth in the ranking created by Newzoo of the top 10 markets based on revenues.

	Market	Revenue	Players	Payers
1	China	$40.9B	683M	
2	United States	$36.9B	182M	
3	Japan	$18.7B	64.4M	
4	South Korea	$6.56B	30.8M	
5	Germany	$5.97B	43.8M	
6	United Kingdom	$5.51B	35.4M	
7	France	$3.99B	34.9M	
8	Canada	$3.05B	20.8M	
9	Italy	$2.66B	34.9M	
10	Spain	$2.66B	26.1M	

Source: Newzoo, “Top 10 markets, ranked by total revenue 2020”

As stated in the IIDEA Report[13], there are 1.2 million people who make up the Italian fanbase, i.e. those who see the eSports several times a week, with an increase compared to the previous year of 20%; while the so-called "avid fans"350,000, an increase of 35%.

In general, the Italian movement, although present, has less impact and is less perceived than in other countries (for example those that precede Italy in the ranking of Newzoo mentioned above).

3.1.1 “IS THE GROWTH OF THE SECTOR REALLY PERCEIVED?” – SURVEY

Considering the growth rates of the sector, also highlighted by the document prepared by the consulting firm PWC entitled "Entertainment & Media Outlook in Italy 2019 - 2023"[14] which states that *"eSports will continue to grow at the CAGR of 51.6% until 2023",* I decided to conduct a survey to see if the rise of this market is actually perceived.

Through a survey, carried out using "forms" of Google, regarding a sample of 200 people, who were invited to answer 4 general questions and, subsequently, to other 3 more specific (reserved only for those who have answered "yes" to the fourth question):

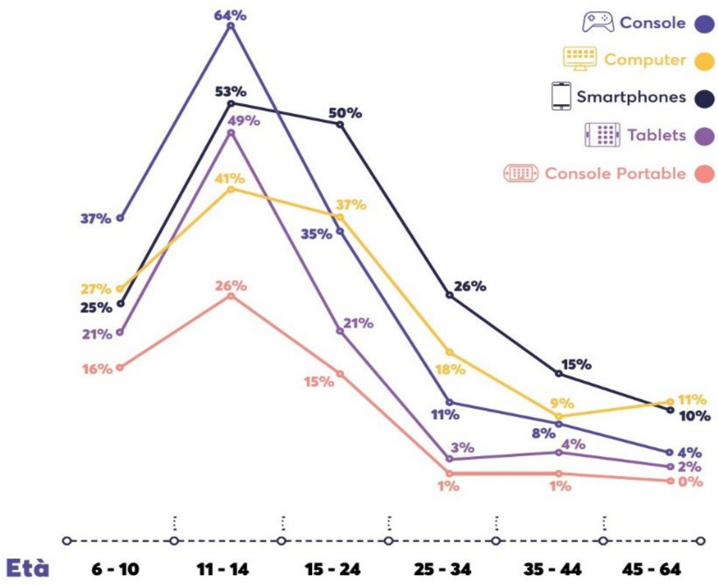
1) **sex** - with option "male" or "female”
2) **age** - with the following options: "13-15", "16-19", "20-25", "26-30", ">30"
3) **employment** - with option "student", "employee", "other"
4) **"do you know what eSports are?"** - with option "yes", "no", "I’ve heard about it, but I don’t know exactly"
5) **"how did you discover them?"** - with option "friends", "internet", "personal interest", "other (open question)"
6) **"Do you follow any of them?"** (open answer)
7) **"which platform do you use to follow competitions?"** (open question)

It should be noted that, since this research is aimed at studying the Italian eSports market, the sample in question is entirely of Italian citizens. Of the entire sample of 200 people, 56% are female (112/200) while 44% are male (88/200).

Five ranges of age groups were defined: "13-15", "16-19", "20-25", "26-30" and "> 30". At the time of drawing up the survey, no more specific categories were considered for ages over thirty, and therefore were generically indicated with ‘>30'.

The choice is dictated by the fact that, according to the report of Goldman Sachs "the world of games eSports - From Wild West to Mainstream"[15] , in this market 79% of the audience is under the age of 35.

In addition, considering the report of IIDEA [13] about the devices used to play according to age, the percentages of gamers decreases from the range 35-44.



Source: "I videogiochi in Italia nel 2019: dispositivi utilizzati per giocare in base all'età"

Despite the previous IIDEA report in which people of the category '6 years' were also interviewed, the minimum age of respondents in this survey is 13 years for two reasons:

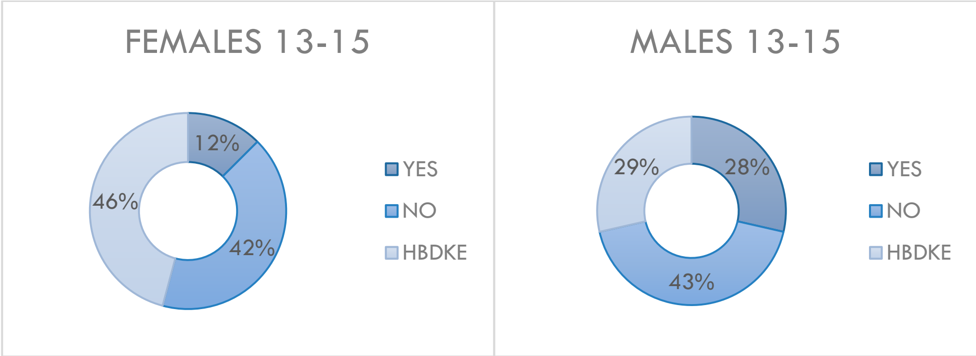
1. firstly, because the data for bands 13 are difficult to obtain;
2. secondly, in the AESVI "Report on eSports in Italy 2019"[16], the minimum age is 16.

The difference between the two minimum ages is that while in the report of IIDEA[13] are considered the gamers, in that of AESVI[16] are considered those who follow the eSport, which are more in line with the segment included in this study.

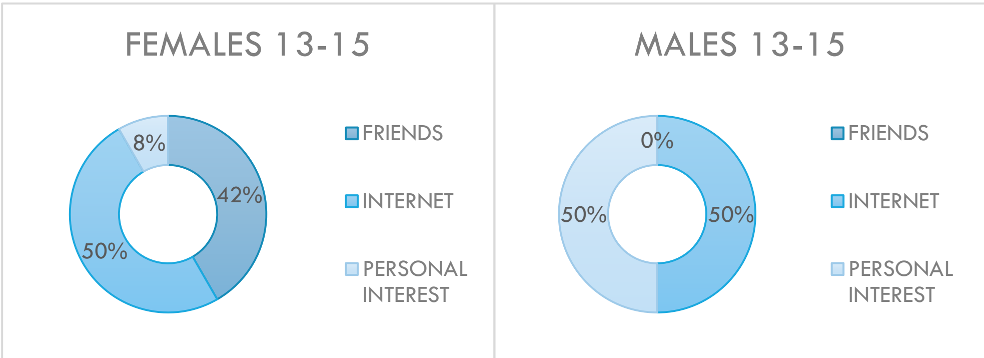
Let's go to the analysis of the individual ranges:

- RANGE 13-15

  It includes, in total, 31 people (7 males and 24 females). They are all, of course, students and to the question "Do you know what eSports are?" They answered as follows: 2 males answered "yes", 3 "no" and 2 "I heard about it, but I don't know exactly" (HBDKE); 3 females then answered "yes", 10 "no" and 11 "I heard about it, but I don't know exactly" (HBDKE).

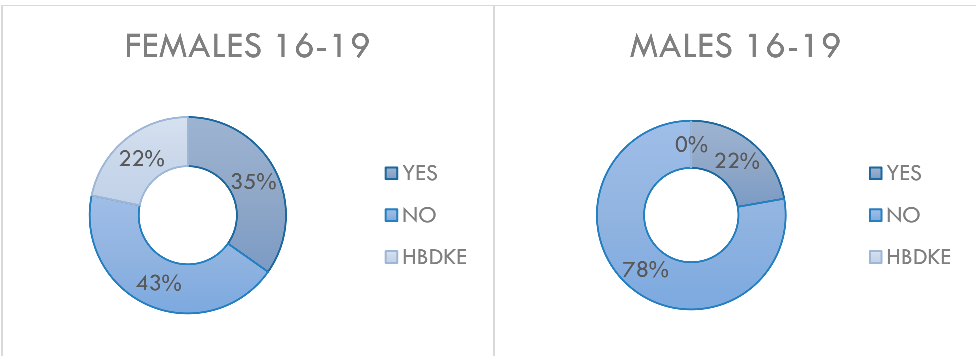


Only 14 people (12 girls and 2 boys) answered the question "how did you discovered them?" as follows:

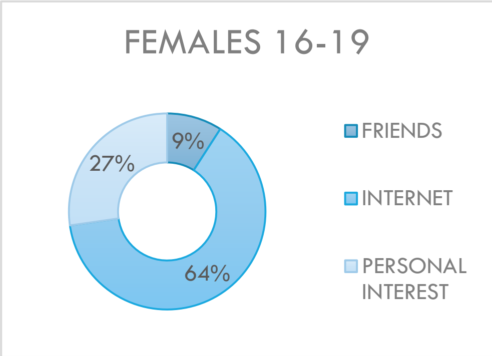


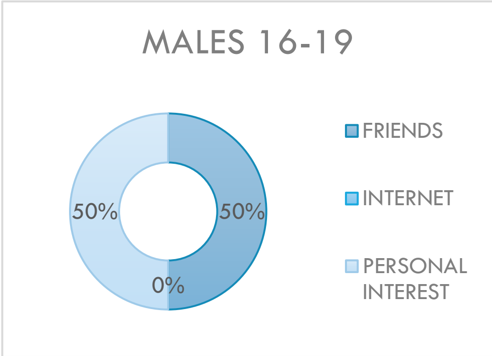
In addition, only 3 women replied about the video games: in particular they indicated Fortnite, LOL and Fifa and only one person indicated the platform (Twitch).

- RANGE 16- 19
  For this band, there is a total of 32 people (9 males and 23 females). They are all students again and for the question "Do you know what eSports are?" , the following answers were obtained: 2 males replied "yes" and 7 "no" and none "I have heard of it, but I do not know exactly" (HBDKE); while 8 females replied "yes", 10 "no" and 5 "I have heard of it, but I do not know exactly" (HBDKE).



Only 14 people (11 girls and 3 boys) answered the question "how did you discover them?"

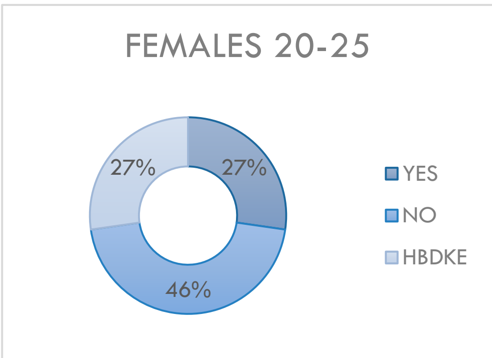


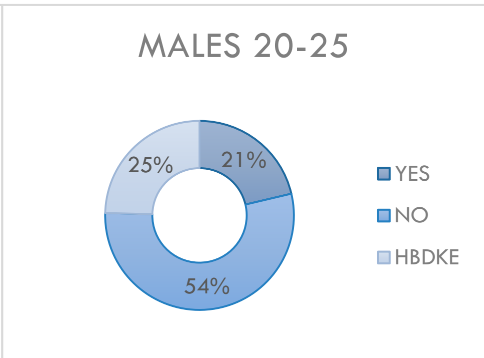


In addition, four female participants pointed to video games: in particular, they pointed to LOL, Rainbow Six Siege (and the respective professional league). In addition, was emphasized a character, namely Fnatic Power. Only a male, however, reported Fortnite, GTA and Fifa.
While, in total, only three people indicated the platform, namely Twitch.

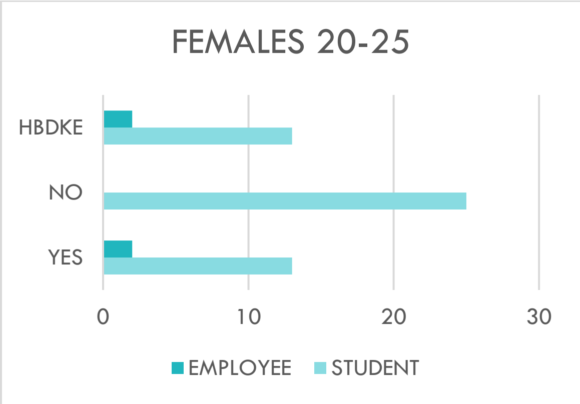
- RANGE 20-25

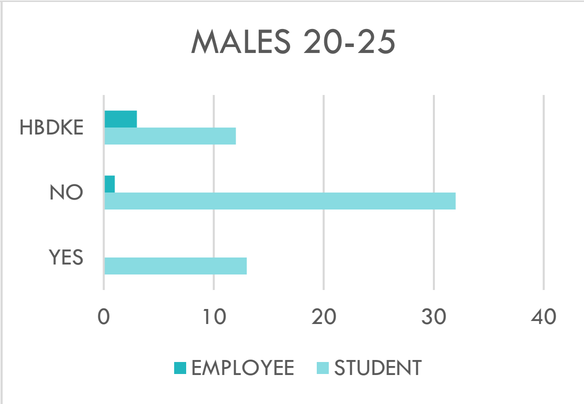
For this band, 117 people (61 males and 56 females) took part in the survey. Among these, there are both students and employees who, when asked, "Do you know what eSports are?" , they responded in this way: 13 males "yes", 33 "no" and 15 "I have heard of it, but I do not know exactly" (HBDKE); while 15 females answered "yes", 25 "no" and 15 "I have heard of it, but I do not know exactly" (HBDKE).



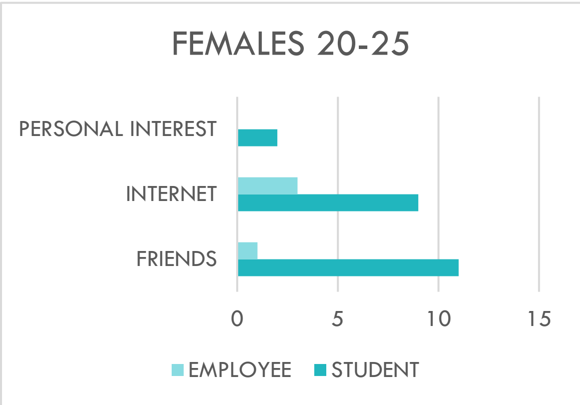


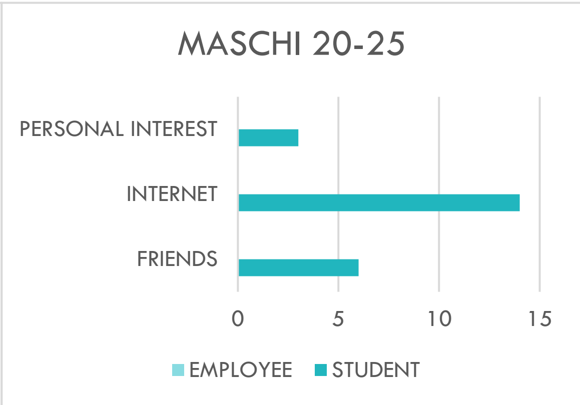
The tables show how the population considered can be divided, according to the respective choice ("yes", "no", "HBDKE") and occupation.





To the question "how did you discover them?" 49 people answered (26 females and 23 males) as reported in the graphs.





In addition, 3 female participants reported the following video games: LOL, Furnished, Dota 2 and Fifa. While a male indicated Brawlhalla.

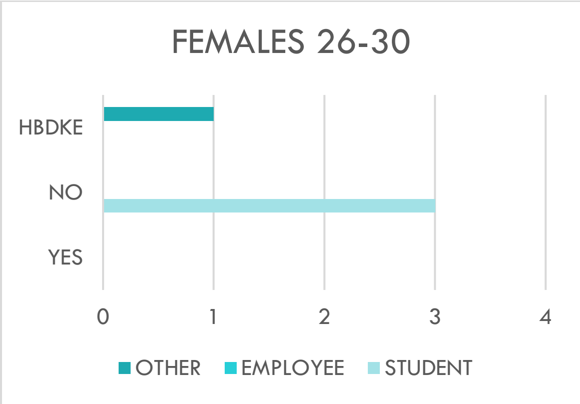
Overall, only 4 people indicated the platform used, such as Twitch, Mixer and YouTube.

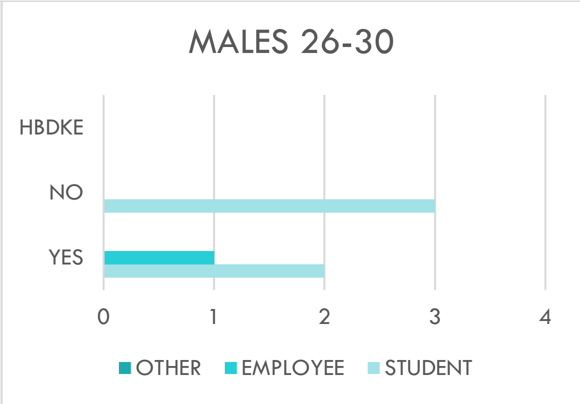
- RANGE 26-30 and >30

  For the 26-30 range, we have a sample of 10 people (6 males and 4 females), while for those over 30, there are 11 people (5 males and 6 females).

  To the question, "Do you know what eSports are?" , for the interval 26-30, there are both students and employees, who responded in this way: 3 males "yes", 3 "no" and none "I heard about it, but I don’t know exactly "(HBDKE); while no woman answered "yes", 3 "no" and 1 "I heard about it, but I don’t know exactly" (HBDKE).

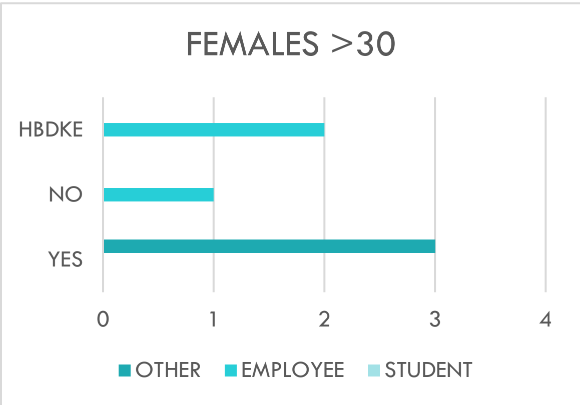
  The tables show how the population is divided according to choice ("yes", "no", "HBDKE") and occupation.

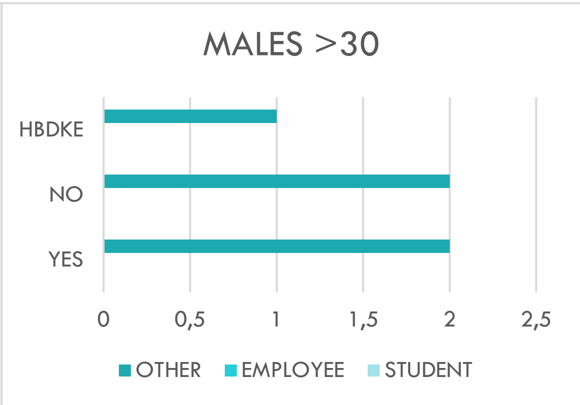




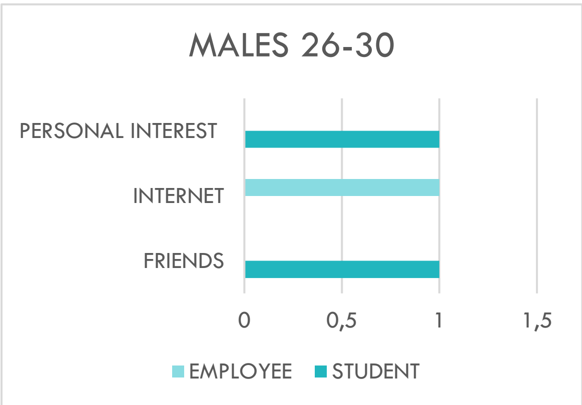
To the question, "Do you know what eSports are?" , the employees and the category "other" answered as follows: 2 males "yes", 2 "no" and 1 "I heard about it, but I don't know exactly" (HBDKE); while 3 females answered "yes", 1 "no" and 2 "I heard about it, but I don't know exactly"(HBDKE).

Again the tables show how the population considered was divided, according to the respective choice ("yes", "no", "HBDKE") and occupation.

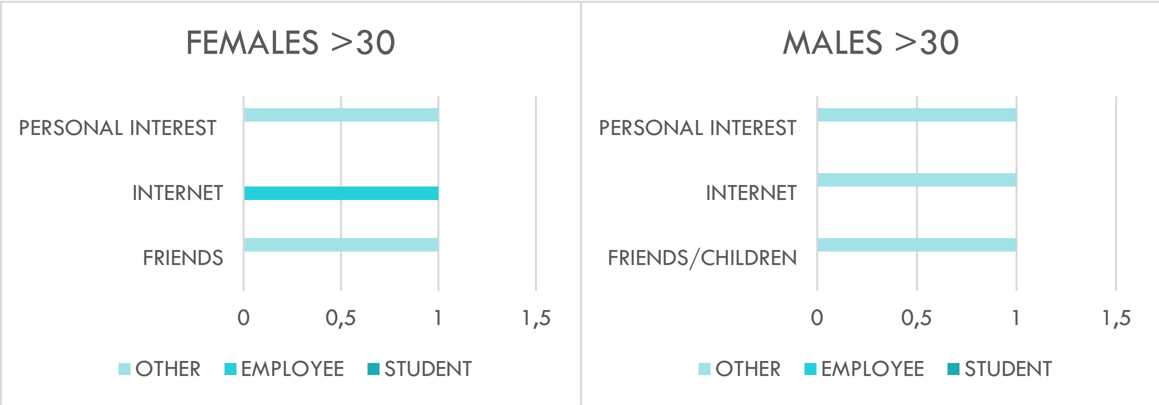




When asked, "how did you discover them?" for the 26-30 range, they answered only 3 males as reported in the graph.



The same question for the range '> 30' was answered by only 6 people (3 males and 3 females). In addition to the usual reasons, one person answered the option "other" (open question) and specified "children".



In both age groups, no video games have been reported; however, as far as the platform is concerned, Twitch has been indicated by only one male in the 26-30 range.

The results obtained, paying particular attention to the slight "advantage" in the participation of females compared to males, can also be considered confirmed the trend identified in the report developed by Nielsen and Intel [17] for which, at European level, Italy is the country with the highest percentage of women interested in eSports (43%). Followed by Spain (41%) and the United Kingdom (33%).

Moreover, it could also be interesting to look at the way in which the participants have discovered the eSports: to the question they have answered a total of 84/200, of which approximately 62% are females and the remaining 38% are males.

	FEMALES	MALES
PERSONAL INTEREST	7	6
INTERNET	26	17
FRIENDS	19	9

Thanks to the summary table, the most frequent way in which respondents came to know is through the Internet; This majority makes sense if we start from the fact that eSports were born right within the digital age and have had their strongest propulsion through the advent of the Internet.

Finally, last thought on all the answers obtained to the question "do you know what eSports are?".

YES	NO	HBDKE
67	97	44

As reported in the table, the answers "yes" and "I have heard about it, but I don’t know exactly" (NHSP for simplicity), if evaluated together, to identify actual and potential consumers, slightly exceed the answers "no" (111>97). However, it is possible that the latter are unaware of being part of the world of video games, especially considering those adapted for smart devices.

3.1.2 ITALIAN INVESTMENTS IN THE SECTOR

The eSports phenomenon is definitely linked to the Millennials and Generation Z, target that currently does not have the economic capacity to buy, but that will be in the near future. For this reason, many companies, exploiting the means of competitive sports, are trying to get closer to their target of the future. Many Italian companies - with different core business - have decided to invest in the eSports market:

- Armani has chosen Mkers team, one of the most successful eSports companies in Italy, as global ambassador of the A | X Armani Exchange line[45].
- In 2019, there was a double collaboration between Moschino and The Sims 4: Jeremy Scott, creative director of the brand, has both created a capsule collection with pixelated designs and classic motifs of the video game, has contributed to a mini expansion of the video game in which it was possible to dress the characters with the clothes of that capsule collection and other collections of Moschino[46].
- Valentino has signed an agreement with the game "Animal Crossing" for Nintendo: in it you can dress your avatar with the clothes of the fashion house[47].
- Gucci decided to focus on "Tennis Clash", a game made by Wildlife with which the fashion house has made a deal to wear the characters of the game of branded outfits; suits, shoes, socks and caps that fans will find "really" on sale on the website of the fashion house. By downloading the game Tennis Clash, players will also be able to participate in a dedicated in-game tournament, the Gucci Open[47].

But the approach to these targets is also the aim of companies operating in the world of sport: all those that orbit around football are certainly those that, considering also the importance at national level, have opened up faster to the world eSports.

Starting from FIGC, at the beginning of 2020 was formed the so-called eNational that took part in the European PES Championship, organized by UEFA, where it managed to get the European title. In addition, many Serie A companies have also opened to football games, namely PES[48] and FIFA[49], such as:

[45] https://www.corrieredellosport.it/news/esports/industry/2019/05/20-57138686/armani_sceglie_i_mkers_per_entrare_nell_esport/

[46] https://d.repubblica.it/moda/2020/05/20/news/moda_e_videogiochi_animal_crossing_valentino_league_of_legends_louis_vuitton_gaming_e_game-4729153/

[47] https://www.esportsmag.it/gucci-la-passione-del-lusso-per-il-mondo-del-videogame/

[48] https://en.wikipedia.org/wiki/Pro_Evolution_Soccer

[49] https://en.wikipedia.org/wiki/FIFA_(video_game_series)

- Juventus has created its own team of PES in which there are the vice-world champion Ettore Giannuzzi, Renzo Lo Deserto and Luca Tubelli; will participate in addition to eSerie A, also at the eFootball Pro, competition for clubs organized by Gerard Piqué;
- Inter has closed the partnership with QLASH, one of the most important team eSports in Italy, and Nicolò Mirra", videogame of QLASH and among the most followed of FIFA, will be the "front man;
- Atalanta started a collaboration with AK Informatica and then arranged the use of an eSports Palace, where gamers will have the opportunity to train.
- Sampdoria, Genoa, Parma, Bologna, Cagliari, Fiorentina, Torino, Udinese and Lecce then started projects, while the remaining companies are about to announce everything in view of the start of the eSerieA, which will not be attended by Napoli and Brescia[43].

In addition to the eSerie A championship, there is also "Be Sports", or the League B eSports tournament, played on PES 2020, with the same twenty teams competing in the stadiums. Its organization and management will be produced by A.C.M.E and MKERS[50].

Even individual players have decided to invest in the world of eSports: for example, De Rossi and Florenzi have invested in the team Mkers; Romagnoli has founded his own team AR13, in collaboration with Pro2be. Finally, Francesco Totti announced the creation of an eSports league under his own name, managed in collaboration with the Virtual Pro League [51].

Formula 1 also entered the world eSports and in particular Ferrari in 2019, creating in the Ferrari Driver Academy (FDA), a dedicated section called "FDA Hublot eSports Team" that participates in the world championship and other Gran Turismo series. There will soon be the arrival of a series entirely Ferrari.[52]

An initiative of particular importance is the Osservatorio Italiano eSports [53]: is the networking platform for companies, teams, agencies, media centers and professionals who have an interest in investing in this market. The OIES activity is also aimed at providing continuous information on trends and reports related to this ecosystem. Despite its recent birth (April 2020), it already boasts significant members: among the companies there are Arena and Panasonic; among the institutions the FIGC, Lega Pro and Legabasket; among the sports clubs Inter eSport, Udinese and Sampdoria eSport; among the teams eSports there are Exeed, NL eSport and Outplayed; among the agencies there is Infront. The project is a spin-off of Sport Digital House, the first Italian digital agency specialized in sport, founded by Luigi Caputo and Enrico Guelfi.

[50] https://www.legab.it/nasce-besports-il-campionato-ufficiale-di-serie-b-su-console/
[51] https://gianlucadimarzio.com/it/esports-squadre-club-giocatori-investimenti-calciatori-team
[52] https://www.ferrari.com/it-IT/esports
[53] https://www.oiesports.it/

3.1.3 ITALIAN ESPORT TEAMS

According to Forbes, one of the "gold teams of the Italian eSports"[54] there are:

- **HSL ESPORT (**Hic Sunt Leones eSports): founded in 2018, is formed by members from different countries of the world; is active in three games (Overwatch, Counter Strike: Global Offensive e APEX Legends).
- **OUTPLAYED:** provides content on the world of eSports and the digital entertainment industry; is active on eight titles (League of Legends, Rainbow Six: Siege, Counter Strike: Global Offensive, Fifa, Pes, Clash Royale, Brawl Stars, Crash Team Racing)[55]
- **CAMPUS PARTY SPARKS:** in addition being a competitive team, they share their skills with partners, customers and young students. They are active in three titles (League of Legends, Fortnite, Fifa)[56].
- **NL ESPORT:** founded in 2018, in a very short time has established itself at the top of the Italian scene; in addition to the purely competitive side, has the goal of becoming a real brand "made in Italy" gaming lifestyle. It is active in six game titles ("Rocket League", "Tekken", "Rainbow Six: Siege", "Fortnite", "Moto Gp", "Crash Team Racing")[57]
- **SAMSUNG MORNING STARS:** It was founded in 2017 and is named after its title sponsor Samsung. The project was born from the first Italian talent show dedicated to eSports (Fight for Glory). It is active in seven titles (Overwatch, League of Legends, Hearthstone, Apex Legends, Fortnite, Rainbow Six: Siege, Clash Royale)
- **MKERS:** founded in Rome in 2017; in 2019, it was awarded by Intesa San Paolo as the best innovative startup for digital transformation. It is active in ten titles **(**Fifa, Pes, Rainbow Six: Siege, Starcraft II, Fortnite, Moto GP, Tennis World Tour, Hearthstone, Clash Royale, Gran Turismo Sport) [58]
- **QLASH ITALIA:** founded in 2017 is both an eSports team and a media company. It is active in thirteen titles (League of Legends, Brawl Stars, Clash Royale, Call of Duty, Fifa, Pes, Fortnite, Apex Legends, Hearthstone, PlayerUnknown's BattleGroud, Rainbow Six: Siege, Starcraft II, Tekken)[59]

To this list EXEED can be added as a case study to which the whole next section is dedicated.

[54] https://forbes.it/2019/12/06/i-team-doro-dellesport-italiano-quanto-valgono-e-quanto-incassano/
[55] https://www.outplayed.it/
[56] http://www.campuspartysparks.com/#teamsparks
[57] https://www.nlesport.com/index
[58] https://mkers.gg/
[59] https://qlash.gg/it

3.2 CASE STUDY: EXEED

3.2.1 WHAT IS EXEED?

It is the new reality of the eSports landscape, based in Milan, which operates both in the competitive environment and as a Media Agency, based on Communication & Management. Founded in 2017, with the total rebranding of the eSports section of the pre-existing project "Prophecy": as explained by CEO and Co-founder Federico Brambilla, the choice was dictated by the need to "create a professional section with its own identity".[60]

The new project starts focusing immediately on the competitive side, in particular in three titles: Tekken, in which the players have positioned themselves among the top ten positions in the world, Hearthstone, in which Exeed entered among the top twenty teams in the world, and Starcraft, in which Riccardo Romiti, alias Reynor (no longer part of the roster), has achieved excellent results.

In this first period, the team adopted the so-called "Korean method": a vertical structure focused mainly on the results; but, despite being very strong, the consequence was the absence of an adequate fan base with which to share their results.

Subsequently, taking note also of the scenario that was developing in Italy, there was a "change of course": with the addition of the Fortnite section, Exeed exploded from the communicative point of view, determining the transition to the "American model" which uses competition for communication.

With time, more and more divisions were added (specific teams on certain titles): for example, the opening of the FIFA and PES section, responds to the need to approach the most popular titles in Italy. This decision is an expression of an objective they pursue, namely, to maintain a strong national identity, preferring Italian players and streamers, but continuing to be strong internationally.

In addition, the new bet for the 2019/2020 season was the formation of the Rocket League section, a title that together with Street Fighter were to open the Tokyo 2020 Olympics.

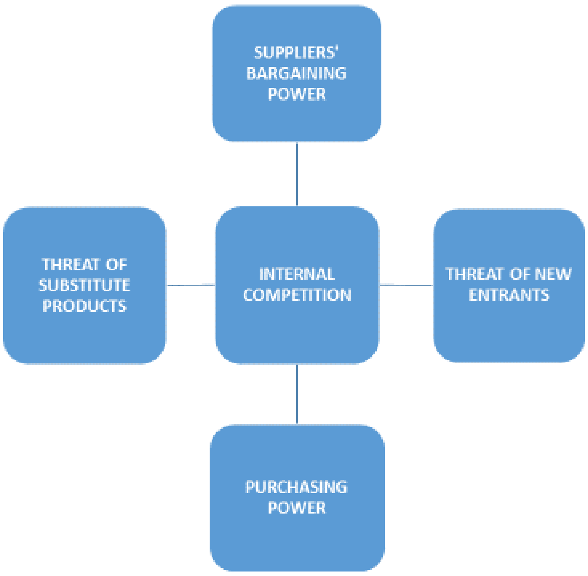
Exeed is a well-established national and international reality, but it still has many possibilities for development and improvement. In order to understand how it positions itself in the Italian market and what its strategies are, three analyses will follow: one linked to the evaluation of the competition (Porter: model of the five competitive forces and strategic groupings of enterprise), a second one regarding the macro-environment in which it operates (PESTEL analysis) and finally the evaluation, based on the help of SWOT analysis, of implementable strategies.

[60] https://esports.thegamesmachine.it/news/33162/prophecy-rebrand-exeed/

3.2.2 MICROENVIRONMENT (OR SECTOR) ANALYSIS - PORTER'S ANALYSIS: THE MODEL OF THE FIVE COMPETITIVE FORCES AND STRATEGIC ENTERPRISE GROUPINGS

According to Caroli[18] , *"in order to understand the conditions of the competitive environment and the dynamics of the interactions that the enterprise lives within it, it is necessary to deepen the configuration of the five competitive forces".* In this regard, Michael Porter proposed a model that started from a very broad conception of competition: it is a competitor - of the company in question - anyone who has the power to act on its profit function, influenced by total revenues and total costs. On this last one, they can act is the suppliers, that they can impact on the part of costs, that the customers and the competitors, that instead they can reduce the part of revenues. Starting from this definition, Porter identifies five forces (hence the name of "model of the five competitive forces"):

- **internal competition:** undertakings producing the same or like product.
  This is flanked by two horizontal forces, the threats, and two verticals, the bargaining power (ability of one of the parties to the sale to influence the price to its advantage):
- **threat of new entrants:** enterprises which might be interested in operating on the basis of viable profits;
- **threat of substitute products:** enterprises producing goods belonging to another category of goods, but which can satisfy the same need;
- **suppliers' bargaining power:** suppliers can become competitors if they manage to increase the costs of the undertaking in question;
- **purchasing power:** buyers can become competitors if they manage to produce a reduction in revenues for the enterprise**.**



By applying the Porter model to the Exeed case, demonstrates the following:

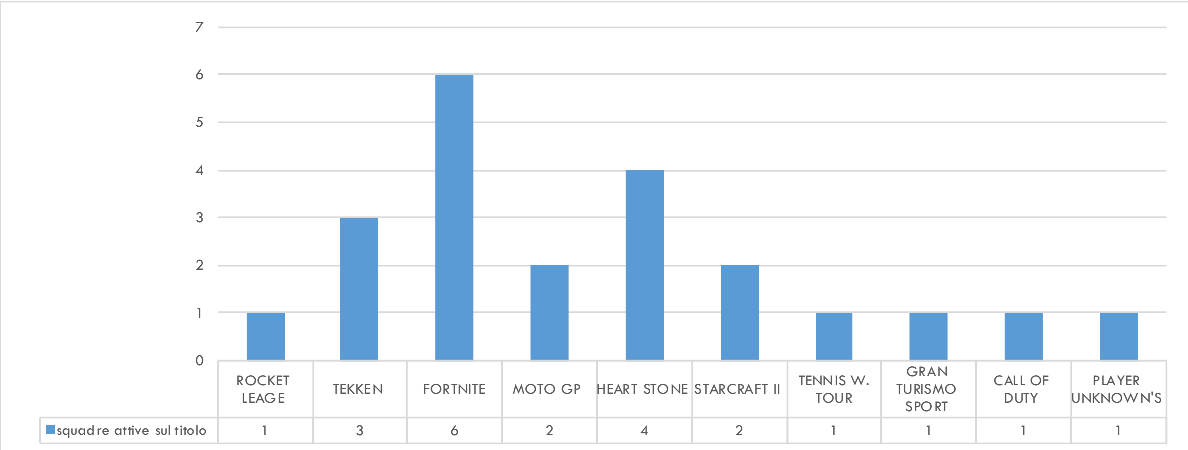
- Starting from the *internal competition*, the other eSports teams and the Media Companies, both national and international are examples relevant to the Italian market
- Continuing with the horizontal forces, the constitute a threat the new Team eSports and the new Media Companies, which attracted by profits, can enter the market (*threat potential entrants*); a *threat from substitute products* can be the offer of sports teams, as

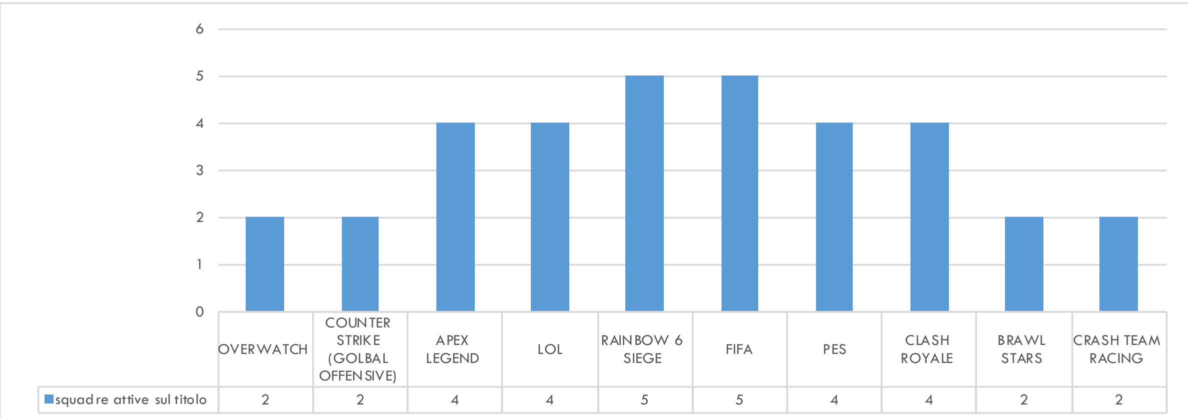
engaged in a similar activity (management of athletes, both as regards the content produced by them and for the preparation of their sports performance), and anyone who has as its core business the creation of content (example may be influencers).

- Finally, an expression of vertical forces, publisher can become competitors, which by leveraging the rights they have on the titles, could "interfere" with the activities of the Teams; the same applies to Event Managers, which, on the other hand, may interfere in the competitive part (*contractual power of the suppliers*). Finally, as for the *contractual power of customers*, Pro Players and Streamers can leverage their notoriety to get even more advantageous positions.

However, Porter himself realized that this analysis did not trace well the boundaries of the sector of reference, creating the risk of reaching a concept of too much competition ; for this reason, he introduced a further tool of analysis, that is to say, strategic groupings of undertakings, with which it is possible to obtain an overview of (more similar) direct competitors.

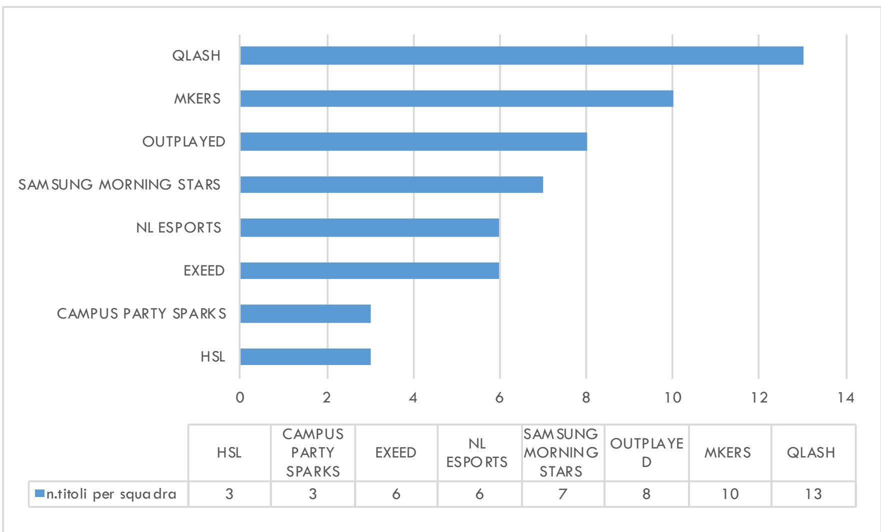
The model is constructed through three phases: the choice of variables, the calculation of the latter and the identification of groupings. In phase of identification of the variable ones, it can be the number of titles on which the Teams are active.





The charts report how many Italian teams (those highlighted by Forbes) are active on the main titles: the most popular ones are Fortnite, Rainbow 6 Siege and Fifa. Based on this consideration, it is possible to create three groupings: one that contains the teams present on all three of these titles, another where the teams are present only on two of the three mentioned and the last one that includes those Teams that are not active on any of the three. In the first grouping (blue color) there is only the HSL team that is not present on any of the three; in the second grouping (red color) there are Outplayed, NL eSports, Exeed, Samsung Moning Stars and Campus Party Sparks present on two of the three titles previously mentioned; Finally, only Mkers and Qlash are present in all three.

Another type of parameter of comparison could be the total number of titles on which every Team is active.



Always creating three groupings (with less than five titles; with more than five titles, but less than ten; with more than ten titles), Exeed would be part of the second grouping, with the same competitors obtained from the previous analysis (except for Campus Party Sparks, which in this case has features belonging to the first grouping).
In any case, the parameter "titles" is not suitable for comparison because the strategies that lead to the addition of new sections (from one competitive season to the next), make it variable.

In conclusion, also the different objectives and the different activities carried out, make a real comparison between them "impossible".

3.2.3 MACROENVIRONMENT ANALYSIS: PESTEL ANALYSIS

According to Luca Agostoni[19], *"P.E.S.T.E.L. analysis provides a snapshot of a country or geographical area at a given time in history, assessing its overall attractiveness according to the study of political, economic, social, technological, environmental and legal variables. [..] is therefore a tool that serves to gather useful information to decide a priori the convenience to invest in new nations. [..] this tool allows a better understanding of the external environment, important to support the strategy deliberated by the company top".*

The first factor, the technological one, is mainly linked to the theme of Internet connection: one of the reasons why the Italian market "struggles" to achieve results as the European average. But the advancement of 5G technology could improve current conditions: as announced by Vodafone at the Business Insider *"Gaming is definitely one of the areas that will be most impacted by 5G";* also *"5G will completely revolutionize the gaming experience that from the traditional console will move more and more towards mobile, thanks to the evolution of the industry towards cloud gaming".*[61]

As for the legal factor, however, the lack of legal recognition - at Italian level - does not allow the positions of individual operators in the sector to be articulated and there is difficulty in identifying their activities in legally recognized professions.

Nevertheless, the birth of the FIDE (Italian Federation of Electronic Disciplines), generated by the union between GEC (Competitive Electronic Games) and Itespa (Italian e-Sports Association) - promoters of all types of Italian eSports activities - and supported by CONI (Italian National Olympic Committee), expresses the will to solve this problem. The result is the formation of a representative subject for these sectors in Italy.

In addition to the national support of CONI, Italian Federation of Electronic Disciplines counts on the support of three major international partners: IESF (International E-sport Federation), eSports Europe and ISNO (Interational Sport Network Organization)[62].

[61] https://it.businessinsider.com/dagli-esport-allo-streaming-ecco-come-il-5g-cambiera-il-modo-di-videogiocare/
[62] https://www.corrieredellosport.it/news/esports/industry/2020/05/09-69622463/nasce_la_fide_la_nuova_federazione_italiana_per_l_esport/

The assumptions for the near future, namely the improvement of the two factors mentioned above - which certainly slow down the rise internationally - and the untapped potential, make the Italian market very attractive and suggest good investment opportunities.

3.2.4 IMPLEMENTABLE STRATEGIES

To improve the products created and the strategies already implemented by Exeed, a SWOT analysis can be helpful: according to Kotler, Keller, Ancarani and Costabile [20], is "the general assessment of strengths (Strenghts) and weaknesses (Weaknesses), as well as opportunities (Opportunities) and threats (Threats)". It consists in the formation of a 2x2 matrix in which the internal factors and the factors external to the enterprise are evidenced, on the other hand downwards; for what concerns the columns, from left to right, the positive factors are analyzed first, then the negative ones.

	POSITIVE FACTORS	NEGATIVE FACTORS
INTERNAL FACTORS	STREGHTS	WEAKNESSES
ESTERNAL FACTORS	OPPORTUNITIES	THREATS

Analyzing the Exeed case, the SWOT analysis looks like this:

	POSITIVE FACTORS	NEGATIVE FACTORS
INTERNAL FACTORS	STREGHTS • RELEVANT AND ITALIAN CITIZENS PRO PLAYER AND STREAMER • IMPORTANT SPONSORSHIP AND PARTNERSHIP	WEAKNESSES • THE LACK OF LEGAL RECOGNITION • THE SLOW DEVELOPMENT OF THE MARKET
ESTERNAL FACTORS	OPPORTUNITIES • GAME SECTIONS AND TEAMS DEVELOPMENT • INVOLVING MORE PLAYERS FROM THE FEMALE AUDIENCE • PARTNERS E SPONSOR INCREASING	THREATS • MORE TEAMS IN THE MARKET • LACK OF RELEVANT PROPLAYERS AND STREAMERS

The notoriety of the pro players and streamers who are part of the team and the fact that they are all of Italian nationality are certainly the main strengths of the Team; to these are added the important sponsorships, Adidas and Aorus[63] , and partnerships, Corsair[64] , who support the project.

[63] https://www.aorus.com/about.php
[64] https://www.corsair.com/it/it/about

The weaknesses, the lack of legal recognition and the slow development of the market, are also factors that the Team suffers from in the Italian context.
As for opportunities, the possibility of involving more players from the female audience stands out: it was born, from the collaboration of L Football (the first web magazine dedicated to women's football) and Exeed, the format "Lady eSports "[65] that unites competitive gamers and players of the Italian Serie A women's football.
The implementation of the team is certainly the main opportunity: the hiring of new players and streamers and the addition of new sections can increase the fanbase of the team and even more thus generate more interest from potential new partners and sponsors.
Finally, the main threats that Exeed faces are the attractiveness of the market and the consequent entry of new teams (which can create more competition). Another threat is the absence of relevant streamer and players to incorporate in the existing group.

[65] https://www.esportsmag.it/lady-esports-anche-il-calcio-femminile-si-fa-esports/

CONCLUSION

The eSports sector is no longer a phenomenon, but a real opportunity that all companies, whether they have affinities with this world or not, should be taken into consideration. This is an alternative to bring a generation no longer tied to traditional media, interested in new forms of entertainment and that needs easy and fast access in an way to the desired content.

Proplayer and streamer have become the new favorites to follow: if you consider the Instagram profile of Rekins - pro prayer and streamer of the Fortnite section of Exeed - has a fanbase that is close to that of Manolo Gabbiadini, Sampdoria and the Italian national team (Rekins has 180,000 followers, while Gabbiadini has 211,000).

Although the Italian market is still in the affirmation phase, there are the right conditions to become one of the world leaders in this sector.

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