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# Framing eSports in Europe: the impact and added value of a European ESports organisation

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# Introduction

ESports is a term used to describe competitive video gaming, both professional and amateur, that is often organised by multiple leagues, ladders, and tournaments, and where players typically belong to teams or other "sporting" groups that various corporate companies sponsor. ESport is undergoing a period of significant transformation, similar to what contemporary sport underwent in the 1990s, fueled by enhanced means of consumption. Whereas the former attained its present trajectory due to television deregulation, eSport found an ally in streaming. As with mainstream athletics, labelling eSport as "big business" is quickly becoming cliche. Despite its rising popularity, higher turnover, and potential inclusion in the Olympic Games program, eSport faces scepticism from pundits and society. One of the main concerns raised by this prevalent form of entertainment is whether or not e-sport is a sport at all. As esports become more popular, and in some cases, outperform traditional sports in terms of viewership, they provide up new possibilities for studying people and systems on a considerable scale.

The eSports business and all individuals participating in eSports are framed by two factors. Firstly, eSports is a catch-all phrase for any game that may be utilised in competitive gaming; hence, the name "eSports" is comparable to the term "sports". Talking about a single entity does not adequately define eSports in general. There are distinct communities for different games, regional differences, and several parties engaged. Secondly, the eSports sector is very unpredictable, and there is much volatility, especially regarding eSports titles, considering that video games have a finite lifespan. This is unparalleled in comparison to other conventional sports.

The eSports business operates without a clear regulating organisation, but there is a form of self-regulation in some areas. The following thesis wishes to shed light on this issue and propose through a thorough analysis a possible solution for the European region. To better understand the phenomena the first two chapters, have the goal to assess the industry and its main components. Starting from an overview of the history of the industry from the first competitive gaming events up to current modern video games and their classification with regards to eSports. Going forward through studies conducted by various consulting companies an analysis was conducted to assess the growth of the industry globally, in Europe and nationally, taking into consideration the Italian market. In the second chapter the focus is set on both the platforms utilised for eSport and the individuals that in recent years have shown particular interest in the industry, namely Gen Z. In the last section of the second chapter the main problems of the industry have been taken into consideration with a further emphasis on both physical and mental problems that eSport professional players face. The third and final chapter deals with the core problem of the thesis. Through the study of the industry and the careful reading of scientific papers it was possible to asses and develop the structure of a future European organisation that could guide the eSports industry and its stakeholders in the EU region. Due to the high growth of the industry and its lack of institutionalisation the creation of an organisation would solve numerous problems that the industry faces. Moreover, the research takes into consideration two sport organisation that operate in Europe, The Union of European Football Associations (UEFA) and the European Olympics Committees (EOC). The above mentioned organisation and their decision-making process helped in conceptualizing the modalities with which a new European ESports Organisation (EESO) would proceed in developing the industry. Lastly the study focuses on the impact of the EESO on individuals, game developers and the EU in "uniting" the stakeholders under a common identity that could render the industry in Europe more united.

## 1.1 History

Video games have in recent years become ever more the most present form of recreational activity, not only among children and adolescents but also among adults. Video games have evolved throughout the years and have become increasingly multiplayer based, abandoning in some cases the standalone nature of early video games. The earliest iteration of an electronic "video game" per say can be found as early as 1958, the year in which the public was introduced to *Tennis for Two* (Ivory, 2018). Created by William Higinbotham, this creation paved the way for the first commercially successful video game, *Pong,* which was released in 1972. It maintained the exact characteristics of *Tennis for Two* simulating real-life competitive activities. Arguably, *Spacewar!,* a far more sophisticated video game than *Tennis for Two*, might be regarded the first video game, especially because it employed digital processing gear rather than analog technology. More important to the upcoming video game industry boom, *Spacewar!* Was undoubtedly the first video game to be commercialized. Despite the fact that the *Spacewar!* Game could not be marketed since it was played on expensive research computers that were generally inaccessible to the general public, the earliest coin-operated arcade games were both *Spacewar!* Adaptations. *Galaxy Game*, the first coin-operated video game, launched on the Stanford University campus in Palo Alto, California in 1971, and

*Computer Space*, a mass-produced coin-operated arcade game released later that year throughout the United States.

The next big innovation was the creation of coin-operated arcade games in late 1970s, most notably one might remember *Pac-Man*. During the 1980s not only did arcade games become popular but the first home consoles and personal computers, such as the Commodore 64, came out. This ever-going technological progress solidified the position of video games and their accessibility to individuals. Noteworthy, is the 1983 release of *Super Mario Bros* by Nintendo on their first home console, the Nintendo Entertainment Center. This new business approach created the possibility for video game companies to abandon their dependence on arcade hits and through licensing develop their own characters and franchisees. In the 1980s, the development of "read-only-memory", ROM for short, cartridges gave manufacturers the capabilities to enhance visual and storytelling potentials of video games. In the 1990s on the other hand the real shift took place, meaning the move from ROM cartridges to Compact disks (CD) that gave game developers the possibility to utilise three-dimensional graphics and further increase the processing power. The worldwide standard quickly shifted to CD video games which in addition to the previously mentioned benefits granted to the player the possibility to hold multi-player sessions through Local Area Network (LAN)(Ivory, 2018). This meant being able to organize gaming sessions and events between players that wanted to challenge themselves against other players. In the following years video games have developed following the incredible pace of innovation in the technological industries. Consoles have incrementally been improved and new features were added to create a more immersive experience for both casual and professional gamers, which with the increasing popularity of video games started to emerge. Throughout the years technological innovations gave gamers the possibility to enjoy video games on-the-go, meaning utilising handheld devices. The first iterations of previously mentioned handheld devices came out in the 1970s, but obviously offered a limited set of features, namely simple LED arrays and beeps for sound feedback. Fast-forward 50 years and portable gaming devices have become a mix of handheld and home console; the most prominent example is the Nintendo Switch that offers the possibility to players to enjoy their most beloved games both on the go and at home. Furthermore, in recent years, handheld gaming games have transitioned to smartphones and mobile devices. This enormously increased the number of gamers but on the other hand it created an unfavourable business environment for companies that wanted to develop handheld consoles. Nowadays, games are continuously pushing the boundary with the new goal to fully immerse the player in the experience through the use of Virtual Reality. Undoubtedly, the high-scale implementation of such technologies in video games will need time, mainly due to the current high cost of equipment and lack of access to software development platforms to create VR experiences (Cranmer, Han, van Gisbergen, & Jung, 2021).

The earliest iterations of a competitive gaming, or eSports, event dates back to 1980, with the Space Invaders Championship. This event was hosted by Atari to promote their latest console to voter the 10,000 participants. Moreover, it introduced for the first time the western world to eSports. From this moment onward, the technological advancements and the increasing connectivity of households to the Internet led to the creation of competitive gaming tournaments in the late 90s. Noteworthy is the Nintendo World Championship which were first held in 1990 in the USA with 29 cities involved, and were backed up by significant sponsors such as Rebook and Pepsi. In 1997 AMD, and American semiconductor company which to this day competes with Intel over microchip hegemony, created the Professional Gamers League which again was backed up by important sponsors such as Nvidia and Microsoft. In the same year the Cyberathlete Professional League was created, and even though it ceased to exist in 2007, is considered one of the pioneers of professional video game tournaments (Pandey, 2007). If from its first forms eSports and competitive gaming have been backed up by important sponsors, which understood the incredible opportunity that this industry was going to play in the future. In dissecting the eSports timetable, one must analyse what was happening in the birthplace of mainstream video game consumption, South Korea. Following the willingness of policy-makers in Korea to deregulate advanced telecom applications, Korea faced a rapid growth of its broadband infrastructure in the mid 90s' (Wagner, 2006). In 2000 the South Korean Ministry of Culture, Sport and Tourism decided to regulate and create standards for the nascent eSport industry, and from this the Korean e-Sports Association (KeSPA) was born. This association deals with the planning of tournaments, broadcasting rights and setting up the contracts for professional players giving them professional competitive contracts in line with traditional sports athletes (KeSPA, 2021). In the following years similar associations and organisations were created in the United States. In the same year that the KeSPA was found the World Cyber Games was created and for last 21 years has organised numerous tournaments around the world, mainly in Asia, Europe and North America. Two years later, in New York, Major League Gaming (MLG) was founded. During the following years it promoted a vast number of tournaments and in 2013 it partnered with the above mentioned KeSPA to augment the pool of players that could compete against one another. In 2015 MLG was purchased for 46 million Dollars by Activision Blizzard (Moyer, 2016), one of the biggest video game companies and creator of some of the most played games in competitive gaming tournaments such as *Call of Duty*, *World of Warcraft,* and *Overwatch* franchises (Collis, 2020).

In 2011 the world was introduced to Twitch.tv an online streaming platform which gave players and viewers of video games a platform to interact with their favourite professional and amateur gamers. The disruptive characteristics of this new online platform will be analysed in the following chapters. On October 4$^{th}$, 2013 all of the elements that paved the way for the rise of eSports aligned and for the first time a massive physical competitive gaming tournament was sold out. On his date the Los Angeles Staple Center which could host 8,000 fans was sold out for the League of Legends Season 3 finals (Collis, 2020). From this moment onward eSports and competitive gaming were present in the public consciousness as something that more than just a hobby.

Following the technological advancements of both software and hardware videogames have evolved through the years and numerous genres have emerged. Commonly, in the video game industry the most popular titles remain comprehensively linked to the themes of simulating sport and combat. Just to name a few games that have also been played at an eSports level we find with regards to combat the *Call of Duty* franchise, on the other hand with regards to sport simulation the most popular are the football simulating franchise of *FIFA* and basketball *NBA 2K* (Ivory, 2018).

William Collis a leading expert in the field of eSports and competitive gaming, has divided the main video games used in competitions in five distinctions:

- First-person shooters (FPS), which are normally gun-based games that rely on the players ability to maximizes the use of their accuracy and reflexes.
- Battle-royales, which feature shrinking battle arena in which players engage in combat one versus all. To this day it is one of the most important genres played in the competitive arena. An example of battle-royale is *Fortnite.*
- Multiplayer online battle arenas (MOBAs), which features two teams of five players each controlling a single character. The final objective is for each team to destroy their opponents' main structure, located at the opposite corner of the battlefield. However, MOBA games can have other victory conditions, such as defeating every player on the enemy team. Players are assisted by computer-controlled units that periodically spawn in groups and march forward along set paths toward their enemy's base, which is heavily guarded by defensive structures. In this genre we find games such as *League of Legends* and *Dota 2* which represent two of the most important eSport in existence.

- Collectible card games, which sees players use digital objects in most cases cards that are then played on a virtual board.
- Fighting games, that represent the most linear evolution from the original arcade fighting games.

Throughout the years the success of certain video games and their adoption in competitive gaming has derived from their ability to fully adopt four characteristics, called SCAR. (Collis, 2020). The acronym stands for skill, community, accessibility, and reward. It can be observed that over the year's games have become ever more complex and thus requires deeper level of skill and knowledge of the game. As a consequence of new games such as MOBAs or Massive Multiplayer online games, i.e. *World of Warcraft* launched in 2004, networks between individuals from all over the world were created and thus a sense of community. Games and gaming platforms became increasingly accessible and video games were available for a wide range of gamers. Finally, with the creation of streaming platforms and a perpetually increasing number of venues and tournaments, rewards incentivized casual players to pursue professional gaming.

## 1.2 The perception of eSports

The difficulty In defining eSports derives from the complex situation that this business and activity faces. When trying to understand eSport and competitive gaming one must understand that they are a combination of sports, cultural industry and business, and technology. If we take into consideration The United Nations Educational, Scientific and Cultural Organization (UNESCO) definition of cultural and creative industries which states: "The cultural and creative industries are those activities whose principle purpose is production or reproduction, promotion, distribution or commercialization of goods, services and activities of a cultural, artistic or heritage related nature." (UNESCO, 2017). We can observe that within this framework eSport, and competitive gaming can be located in the cultural domain of audio-visual and interactive media. Obviously, this distinction occurs when we consider only the video game aspect of the business but since there is the inevitable physical tournament or festival aspect of eSports, and thus it can be argued that this business and industry could be also classified in the performance and celebration domain. Moreover, considering the definition of cultural and creative industries provided by UNESCO, there are related domains that are complimentary and that can be considered an extension of Creative and Cultural Industries (CCI); in these related domains we find sports and recreation. Furthermore, if we consider competitive gaming and eSports as sports, we clearly see that once again that it falls in another domain (UNESCO, 2012).

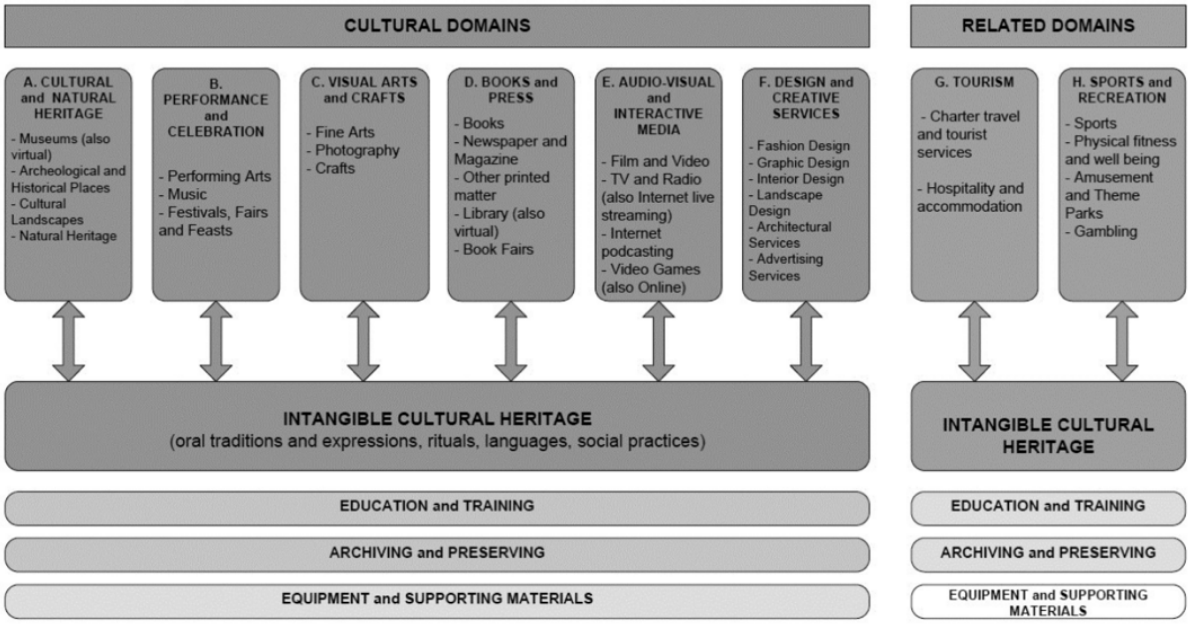


Figure. 1 Classification of CCIs according to UNESCO Source: UNESCO

The cultural and creative industries have also been defined and categorised by the United Nations Conference on Trade and Development (UNCTAD). The definition is the following: "The creative industries – which include advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research & development, software, computer games, electronic publishing, and TV/radio – are the lifeblood of the creative economy. They are also considered an important source of commercial and cultural value. The creative economy is the sum of all the parts of the creative industries, including trade, labour and production" (UNCTAD, 2021).

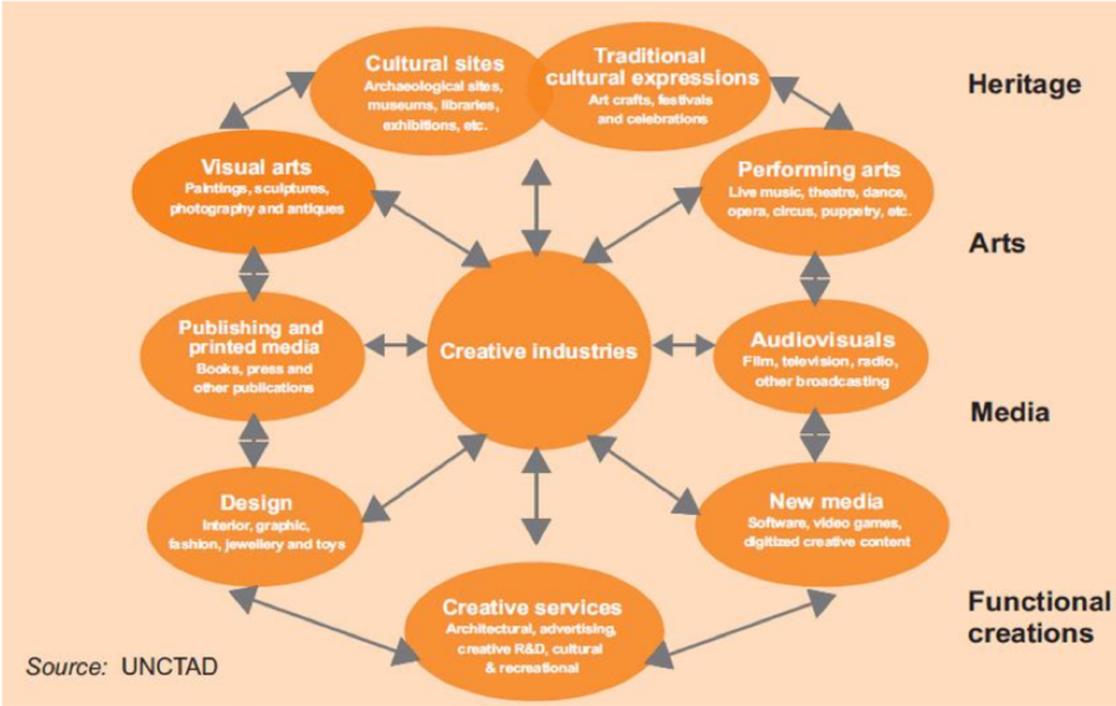


Figure. 2 Classifications of CCIs according to UNCTAD Source: UNCTAD

As in the case of the UNESCO definition, when considering the UNCTAD distinction we can observe how competitive gaming and eSports fall into numerous categories and thus not only belong to one distinct CCI grouping, but rather embody the borderless concept of a multi-industry business.

The field of eSports has always faced a difficult dilemma, can it be considered a competitive sport or simply a recreational activity? When dealing with such an issue it is necessary to define and understand what constitutes a sport. If we analyse the decision of the Council of Europe's European Charter, which was adopted in 1992 and then revised 2001, sport is defined as "all forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels" (Council of Europe, 2001).

This definition was utilised by the European Commission when writing the White Paper to Sport, which aimed at valorising the importance of sports in European Union's citizens live and, on the decision-making process of EU policies. Universally when dealing with sports and when classifying an activity as sports two elements must be present: the activity should involve physical activity and be carried out also with a recreational purpose (Hamari & Sjöblom, 2017). The definition of sports is highly contested and has created a classification problem not only for eSports but also for other activities such as chess, darts, snooker, and undoubtably debates are on-going. When dealing with this emerging "sport" additional debates have risen with regards to its definition. Hamari & Sjöblom, 2017 have defined eSports as "a form of sports where the primary aspects of the sport are facilitated by electronic systems; the input of players and teams as well as the output of the eSports system are mediated by human-computer interfaces". When analysing this definition we see that the physical element of sport does not appear thus not categorising eSports as a sport per say. On the other hand, since eSports derives from individuals playing video games and looking for a competitive element, we see that the recreational aspect of eSports is in line with the elements that outline sports. Furthermore, there are numerous other sources that define eSports and a common theme that we see is the lack of physical activity in the explanation. The Olympic Council of Asia (OCA), which has recognised competitive gaming as a sport, defines electronic sports as "playing of video games competitively [while] the games themselves can vary in nature and clued [sic] shooting, strategy and sporting games" (OCA, 2017). The fact the OCA has included electronic sports in the category of sports demonstrates that the following of such events by spectators is extremely high.

Nonetheless, being eSports in the nascency of its solidification, other definitions have been accepted in the field; for example Michael Wagner, defined eSports as "an area of sports activities in which people develop and train mental and physical abilities in the use of information and communication technologies" (Wagner, 2006). The difficulty in fully adopting such a definition lies in the ambiguity that it brings to the field, it completely leaves out the competitive aspect of the eSports arena. In doing so it omits the team building aspect and it leaves out any mention of the communities that are created through competitive gaming, and that enrich eSports.

A clear definition may never come but through the years eSports is continuously solidifying in the minds of video game consumers and eSports consumers, players and spectators. With the continuing growth that competitive gaming is acquiring certain societal assumptions and stereotypes are being rebutted. Consequently, the figure of the professional eSports gamer is not one of dictated by laziness and with too much free time; rather these individuals which have decide to pursue this career have a rigorous training program that sees them working on improving their abilities for up to 12 hours a day. Psychologically eSport players are subject to stresses and difficulties, especially during competitions, that are comparable to traditional sports top athletes.

In addition, an interesting take on the definition of sports Jenny et al. (2017) provided six different characteristics that when attributed to an activity can define and categorize it as a sport. Namely sports must:

1. Include voluntary and intrinsically motivated activity
2. Must be governed by rules
3. Include competition were winner and losers arise
4. Must require skill and a strategic use of the individuals body
5. Must have and create a broad following
6. Must have an institutional stability in which social institutions have rules and regulate them (Jenny, Manning, Keiper, & Olrich, 2017).

Undoubtedly, eSports are governed by rules, these rules derive from the video games that individuals play during competition which are developed implementing clear and precise rules, and strict win conditions. To fully exploited the rules in order to win one must master the video game in question, this is achieved through skill which takes hours and hours of practice to master, this is especially true for MOBAs and first-person-shooters. The creation of social institutions and therefore governing bodies can give an activity, whether it be a hobby or a physical activity, the elements and recognition to be called a sport. Over the years eSports have become a lucrative business and the governing bodies that are present are primarily owned by competing commercial enterprises. This is true mainly for the USA, since other regions apart from Asia still lack solid eSports institutions. The issues that the institutionalization process within competitive gaming will face will be later analysed in the following chapters. Nonetheless, rule oversight, development, and implementation for competition lies within the various governing bodies or tournament organizers. Rules of play for the actual video games are defined by the video game manufacturer. Further, video game manufacturers produce new versions of their games on a regular basis. This leaves a situation where the rules become quite fluid (Jenny et al., 2017) (Cranmer et al., 2021).

Expanding the definition of sports to competitive gaming would also greatly benefit the professional players giving them the possibility to undertake professional athletes' contracts and have an improved image with respect to how the population perceives them. Nonetheless, it is inevitable that for now the level of physicality in eSports doesn't match the physicality of traditional sports (i.e. football, American football, basketball). This may not be the case for the future because, as previously mentioned, the technological progress that we are facing is continuously developing new hardware and software that could solve this issue. The greater level of physicality and interaction could arise in the future thanks to augmented reality (AR), virtual reality (VR), or mixed reality (MR). Companies have started adopting omnidirectional treadmills, strapping the user in to centralise them on the treadmill and simulate their movements using VR (Filchenko, 2018). Moreover, when these technologies will become more accessible to professional eSports players and amateur eSport enthusiasts' games will create a unique experience that will combine four different technology dimensions: sensory, control, location, and interaction. With the adoption of these state-of-the-art technologies' viewers could utilise VR headset to fully immerse themselves in how their favourite competitive gaming athletes are approaching certain videogames. This would give amateur players and individuals that see video games as a hobby, important tool to better understand strategies and tactics of more experience's players. The numbers concerning eSports viewership using VR is still extremely low with respect to watching eSports through other media. This the consequence of two main elements:

a) viewers prefers are skewed towards games that they can actually play, many of which are not currently immersive competitive video games;
b) for viewers the experience is not as pleasant as one might think, eyestrain caused by the use of VR headset can limit the watch time of spectators, whereas traditional media broadcast can provide viewers within multiple hours of relaxed eSports consumption.

An important research conducted by Jonasson & Thiborg, in 2010, inserts eSports in the model of modern sports developed by (Guttmann, 2004).

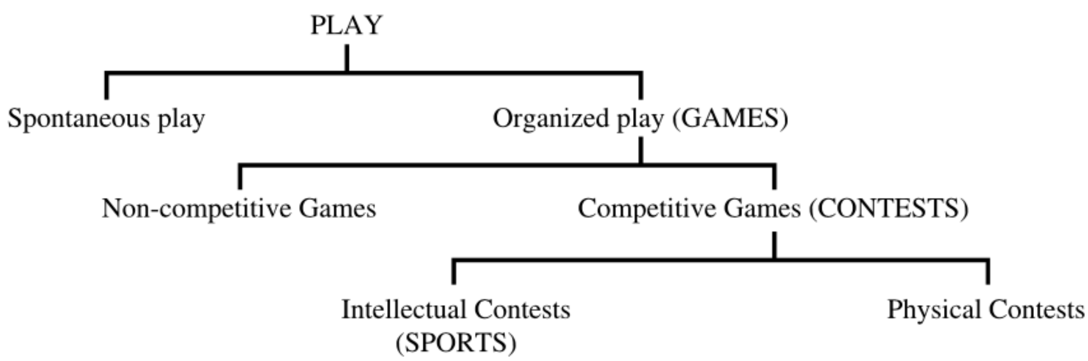


Figure. 3 Guttman's (2004) model of modern sports.

What emerges from the analysis is that eSports is increasingly acquiring the fundamental characteristics of a modern sport, and there is possibility of three scenario regarding eSports and the concept of sport. Firstly, eSports, lacking international recognition as a sport, could become a counterculture that is alternative to modern sports, this would entail that the popularity of such activities would reach the heights of modern sports without having the classification as a sport. Secondly, eSports, may be accepted as a sport, and because of this it must require a governing body that can help it navigate through the difficulties that it faces. If this occurs eSports will embrace the formal and informal standards of sports and create a positive image for competitive gaming, and gamers in general. The last, and third, possible scenario is that of eSports outperforming modern sports and becoming the dominant hegemonic sport. Even though this possibility is a utopian outcome for eSports enthusiast, we can see how numerous sports have their video game league (i.e. NBA and Formula One) (Jonasson & Thiborg, 2010).

Ultimately it is extremely difficult to give one clear definition of eSports that could satisfy the parties involved. The difficulties are numerous and are mostly linked to the definition of sports and whether eSport, or competitive gaming, could and should be included in such a category. Moreover, the definition of professional gaming hasn't been decided and numerous terms have been used to define such a phenomenon: eSports, competitive gaming, cybersports, or technology assisted modern sports. The lack of clear definition is the result of eSport being, despite rapid growth in the last years, still in its infancy and has a clear limitation with its recognition by the general public. It is inevitable though that with the ever-accelerating pace of technological advancement eSport will gain traction and will be normalized in the perception of viewers, players, and non-enthusiast.

## 1.3 Numbers surrounding eSport

In order to fully understand how eSports have grown throughout the years it is important to look at the numbers that this business generates taking into consideration tournaments, eSport enthusiasts, and sponsorships. While some may believe that the COVID-19 outbreak was a tremendous boost for eSports, this hasn't been the case for the entirety of eSport. The misperception is understandable; when lockdowns began, eSports was a popular hobby for many consumers, and traditional sports seasons were halted while eSports swiftly adapted to the new environment and continued. For many, the logical assumption is that eSports are benefiting from the crisis. However, the reality is that eSports has had a mixed bag of results.

By the end of 2021, it is expected that eSports will generate robust sales, with annual revenues of $1.08 billion, up from $947.1 million in 2020 (a year-on-year increase of +14.5 percent).

More than a third of all eSports revenue will come from China. By 2024, global revenue will have surpassed $1.6 billion, showing a robust compound annual growth rate of +11.1 percent, and revenue growth will be strong. Sponsorship revenues are the bedrock of the eSports industry, so it's no surprise that they're still the most lucrative revenue stream, accounting for $641.0 million in 2021, or 59 percent of the total market. However, as ticket revenues recover from COVID-19 restrictions and eSports organizers and teams continue to diversify, this share will decline marginally in the following years. Revenues from tickets and goods will be lower this year due to fewer real-world events, producing $66.6 million in 2021, a decrease that will not be recovered until 2022. Streaming and digital revenue streams also increased last year for the same reason. Organizers' successful lessons learnt will keep this share above 3% through 2024.

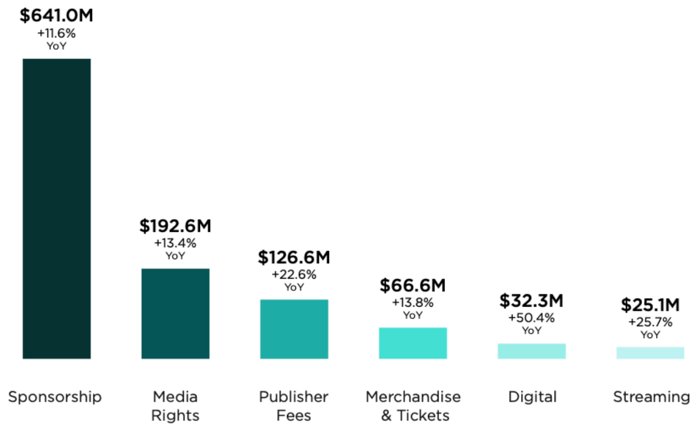


Figure. 4 ESports revenues streams Source: Newzoo 2021

The worldwide eSports audience is estimated to reach 474 million in 2021, up 8.7% year on year. The eSports fanatics will account for 234 million people, with the remaining 240 million being casual viewers. After surpassing the half-billion milestone in 2022, the worldwide viewership will continue to increase at a compound annual growth rate of +7.7% to 577.2 million in 2024 (Newzoo, 2021a). Much of development will be driven by emerging nations, although mature markets such as North America and Western Europe will also see increased growth. While lockdown measures attracted a large number of new viewers last year, and will continue to do so until 2021, growth areas in the Middle East and Africa, Asia-Pacific, and Latin America, where ongoing infrastructural development is empowering populations, had the greatest impact on audience numbers. Mobile, which has joined the upper echelon of eSports

and is driving demand in countries like India and Brazil, is another contributor in the fast audience growth.
ESports is also becoming increasingly prominent on live-streaming platforms in both the East and the West, expanding accessibility. The suspension of physical sports in 2021, as well as the sustained strong cross-promotion of games and eSports, stimulated demand. ESports is also becoming increasingly prominent on live-streaming platforms in both the East and the West, expanding accessibility.

The data presented in the previous paragraph takes into consideration global eSports and the lives streaming market. Recent studies conducted by Ahn, Collis, & Jenny, 2020 took into consideration all the elements that compose the world of eSport and estimated a market value size of 24.8 billion US dollars for 2019. The analysis used the a broader definition of eSports industry, the Entire ESports Ecosystem (EEE) model, which was first proposed by Collis, 2020. This model takes into consideration six different categories that define the eSports landscape:

1. Teams
2. Professionals and Streamers
3. Game Publisher
4. Streaming Platforms
5. Physical Products
6. Leagues and Tournaments
7. Digital Tools

The connection between players and viewers is one of the most important driving elements behind the value of eSports. Many players observe (i.e., View) streamers and experts that deliver high skill, engaging gaming of these games in a friendly, accessible manner as they play their game of choice on a regular basis. Even though the figures presented are but an estimate, they demonstrate how interlinked the world of eSports is within various different industries and business models (Ahn et al., 2020).
According to a study conducted by Newzoo, with the result shown in Figure 6A, the video game industry and consequently the eSport phenomenon branches out on numerous platforms. As one may analyse from the Figure 5 mobile gaming is the most present followed by console gaming and closely behind PC gaming. This information is important to understand going forward which are the best methodologies to set up a succesfull tournament or event.Consumer spending on games is included in the revenues, which include physical and digital full-game

copies, in-game purchases, and subscription services such as Xbox Game Pass. Advertising is not included in mobile revenue. Takes, secondhand trade or secondary markets, advertising income enarned in and around video games, Business to Business (B2B) service, and the internet gaming and betting business are all excluded from the figures.

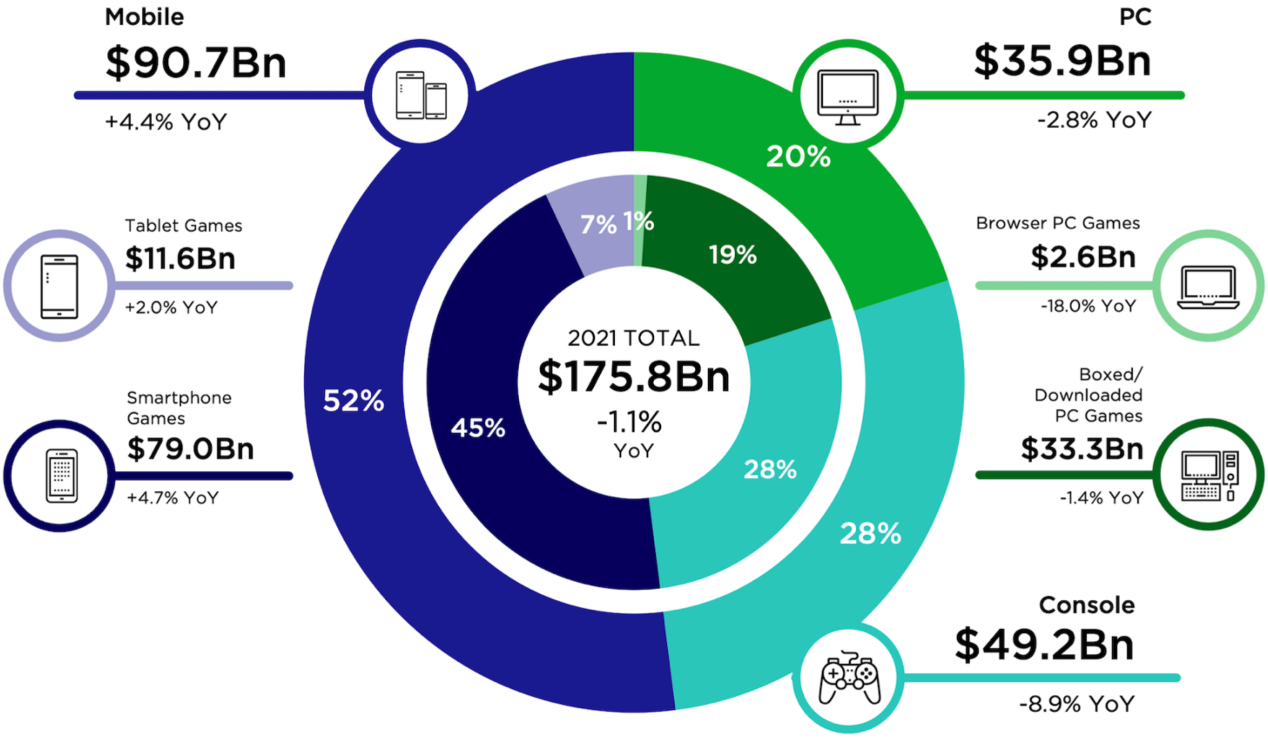


Figure. 5 2021 Global Games Market per device & segment Source: Newzoo 2021

### 1.3.1 Europe

With regards to Europe eSports revenues has steadily risen throughout the years, according to market studies conducted by consulting firm Deloitte, we find revenue of 375 million Euros in 2021 and an estimated 465 million Euros for 2021. Increasing the quantity of live events will have a favorable impact on merchandising and ticket sales. Based on the current state of important revenue streams, the European esports market has the potential to grow to a volume of EUR 670 million by 2023, with an annual growth rate of roughly 23%.

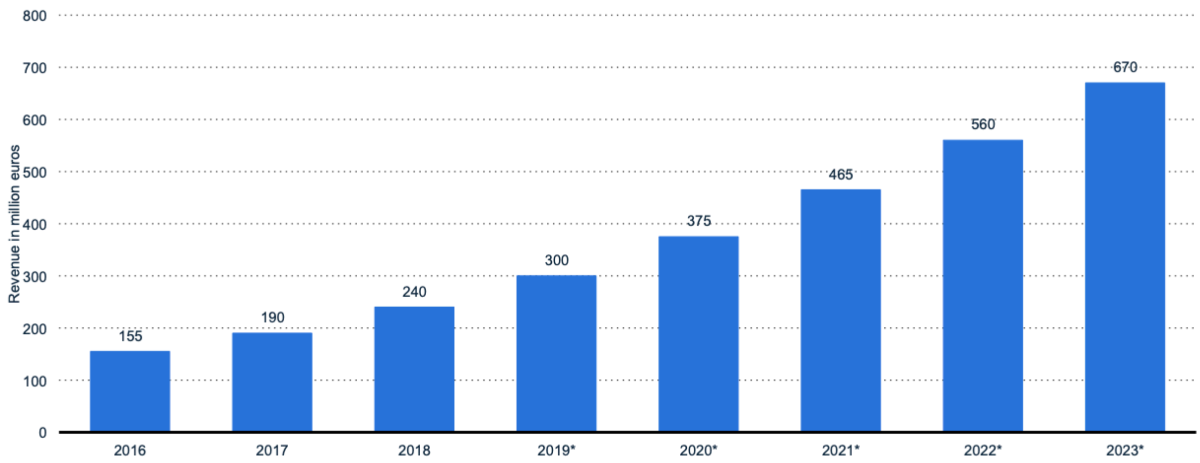


Figure. 6 ESports revenue and outlook in Europe 2016-2023 Source: Statista; data from Deloitte

The viewer count for eSports spectators in the last years has been quite stable: 79 million viewers in 2018, 86 million viewers in 2019, and 92 million viewers in 2020. Esports is drawing an increasing number of firms eager to sponsor or partner with events, leagues, and teams as a result of its growing popularity and commercial potential. Because the underlying demographics of esports are centered on millennials aged 21 to 35, such corporations are understanding that advertising put next to esports content on internet platforms and on television is becoming increasingly important for targeting younger generations.

Spain and Italy were the most popular countries to watch eSports online in 2019. According to a consumer survey conducted in eleven European nations, 23% of Italians and 23% of French people regularly watch eSports online. Poland came in third with a favorable response rate of 15%. While Italy and Spain have a large number of regular viewers, Austria and Switzerland have only 6% and 7% of regular viewers, respectively. The audience in the remaining nations ranges from 10% to 15%. The popularity of esports in Spain and Italy can be ascribed to the population's higher rate of adoption of new digital trends in both countries.

Esports consumption is also on the rise across Europe, according to the consumer survey. As an example, in Germany, the largest European esports market, the regular esports audience nearly doubled from 6% in 2017 to 11% in 2019. Overall, the number of regular German viewers climbed by 3.9 million people from 5.3 million in 2017 to 9.2 million in 2019 (Deloitte, 2019).

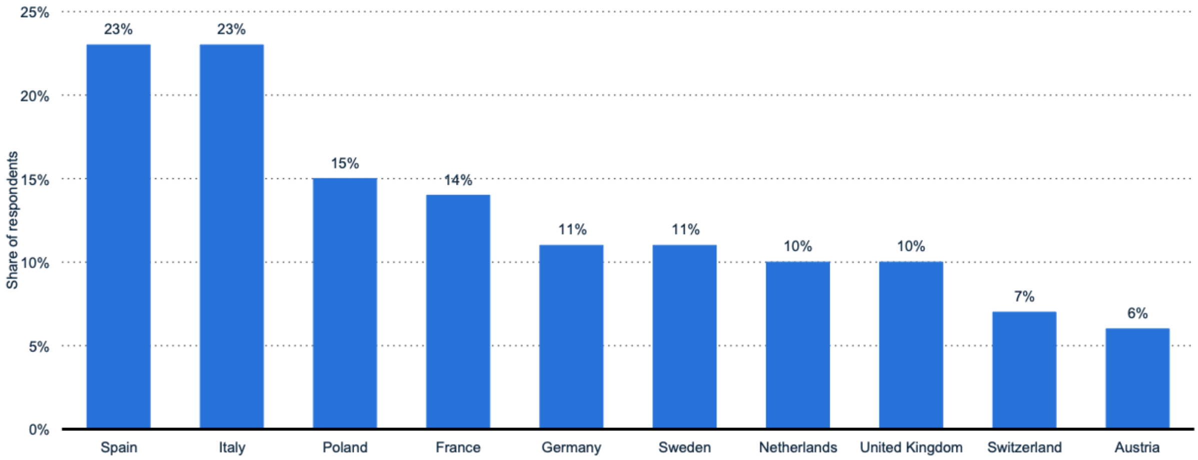


Figure. 7 Share of people who regularly watch eSports online in selected countries in 2019 — Source: Statista; data from Deloitte

## 1.3.2 ESports in Italy

Recent study conducted by Nielsen, an American market and data measurement company, took into consideration the results of 2,724 respondents in Italy between the age of 16-40 years old. The findings of can be observed in Figure 8.

ESports enthusiasts are those who follow eSports activities on a daily basis. According to a 2020 poll, individuals between the ages of 31 and 40 have the largest proportion of ardent fans in Italy. Furthermore, 39 percent of the poll sample was made up of die-hard followers between the ages of 21 and 30.

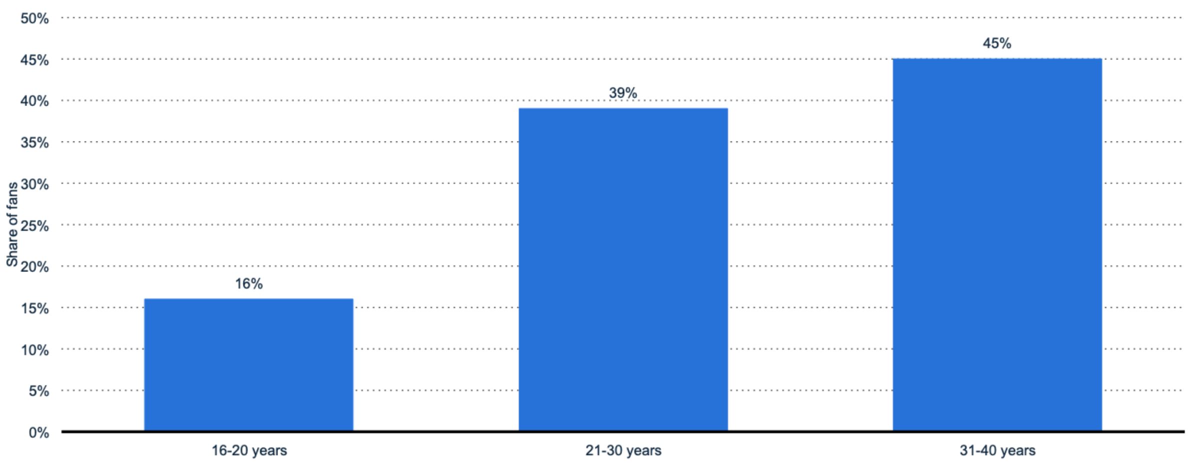


Figure. 8 Share of eSports fans in Italy in 2020, by age group — Source: Statista

Further research conducted in 2020 by the "Federazione Italiana Giuoco Calcio" and PricewaterhouseCoopers, considered the second largest professional service firm, yielded the following results with regards to eSports in Italy.

Revenues in the Italian eSports sector are anticipated to rise gradually between 2019 and 2023. Media rights revenues, in particular, are expected to skyrocket. They would rise from three million euros in 2019 to about 16.5 million euros in 2023, as predicted. Similarly, eSports sponsorship revenue is anticipated to skyrocket, reaching 10 million euros in 2023.

Total revenues in the Italian eSports sector increased gradually between 2013 and 2018. Furthermore, according to the prediction, statistics are anticipated to grow substantially between 2019 and 2023. In particular, the eSports sector produced around 0.3 million euros in 2013. The overall income associated with this business is expected to rise dramatically, reaching 40 million euros by 2023. The main revenue sources for eSports in Italy in 2017, sponsorships and media rights produced the most money in the Italian eSports industry. Furthermore, the industry saw a new stream of revenue in the same year. In fact, consumer ticket purchases generated earnings in Italy for the first time this year. The demographics of eSports fans in Italy given that consumer ticket sales produced a positive revenue stream for the first time in 2017, it's worth investigating who the prospective eSports customers in Italy are. The results can be observed graphically in Figure 9.

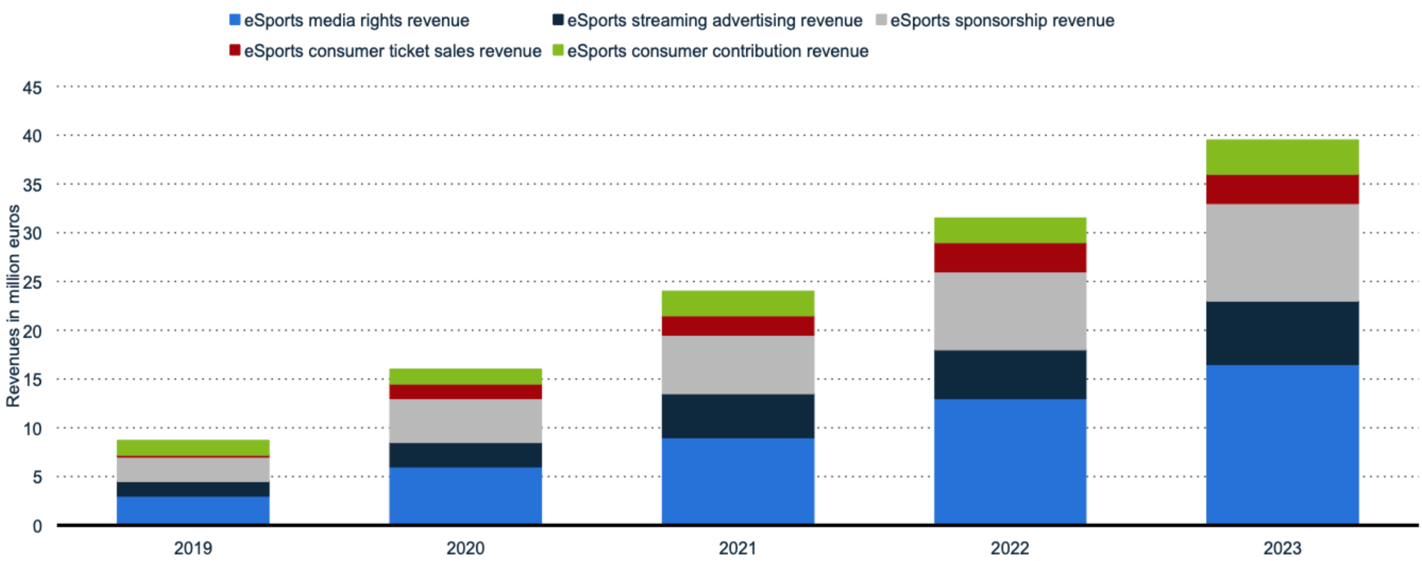


Figure. 9 Revenues of the eSport industry in Italy Source: Statista

Estimated for 2021-2023

## 2.1 The Contribution of livestreaming platforms to eSports

The act of simultaneously filming and transmitting material (including games) to a live audience via social networks is known as live streaming. The content providers, often known as streamers, live-record themselves while interacting with their audience through video. Users can actively participate as content makers or consumers on these live-streaming services. The audience, on the other hand, watches the game and engages with the streamer using text chat, allowing both sides to participate. In certain situations, such as during tournaments, there is minimal to no contact.

Nowadays, live streaming has outgrown its role as a cutting-edge technology and has evolved into one of the most widely used types of broadcasting. For years, major technological corporations such as Google, Microsoft, Nvidia, Youtube, Amazon, and others have benefited from live broadcasting. The rise of these platforms was further accelerated during the COVID-19 pandemic which led individuals and eSports consumers to interact online to play and view their favourite gaming content.

The concept of virtually transmitting content through computer platforms dates back to a period where people still utilised Video Home System (VHS) cassettes. RealPlayer, the first media player capable of live streaming, was created by the internet startup RealNetworks in 1995. The firm presented the first public live webcast later that year. It was a baseball game between the New York Yankees and the Seattle Mariners that was being broadcast. Two years later in 1997, RealNetworks released RealVideo, one of the first commercially available live video streaming programs. However, this was insufficient for live streaming to take off. Only roughly 10 years later in 2008, Youtube hosted its first livestream event which broadcasted a live performance by artists that were hosting their acts from San Francisco and Tokyo. YouTube hasn’t developed into a dedicated live streaming platform, with only sporadic live broadcasts. A U2 performance in 2009 and a live Q&A session with Barack Obama in 2010 were two of the most famous ones. Youtube has played a pivotal role in giving gaming enthusiasts immediate content regarding the games that interest them the most. Nonetheless, Youtube provided livestreaming not only of videogames but also of music performances and additional entertainment events.

Moreover, in 2007, a new platform emerged which allowed users to broadcast on their accounts called "channels" video game gameplay. The platform was created by Justin Kan, Emmett Shear, Michael Seibel, and Kyle Vogt, four young graduates that wanted to create a service that could permit individuals to livestream their entire life 24 hours a day, 7 days a week (Collis, 2020). As the months progressed, the user based kept on growing and a category in particular stood out to be the most popular and had generated a respectfully high number of audience members: gaming. Viewers enjoyed watching others play video games, especially those who were skilled at them. Perhaps more crucially, the simplicity of broadcasting from a fixed computer simplified the entire experience for both the broadcaster and the spectator. Following the continuous growth, in 2011, the gaming section that was present on Justin.tv was spun out into its own independent website. The new website was named Twitch.tv, the name was given was a reference to the quick reflexes needed to play at a high level.

Fans had the possibility to pay $5 a month subscription to broadcasters and enjoy perks like personalized emoticons and no advertisements; although all streams were free, and payment was optional. The team at Twitch.tv carefully listened to criticism their everyday users provided. They worked to improve latency, built a dashboard with analytics for broadcasters, and launched a partnership scheme similar to YouTube's, in which broadcasters share advertising money with the firm. In addition, rather than just showing advertising when a viewer initially launched a stream, broadcaster partners may opt to show ads anytime they wished, generally during commercial breaks. Twitch quickly rose to prominence as it began to devote more resources to video game live broadcasting. It was accessible for viewers, available with a click, and could now sustain millions of viewers throughout the web. Streaming games was made possible by the widespread availability of personal computers and broadband Internet, however professional streamers can invest in microphones, cameras, and even lighting equipment. Twitch revolutionized live game streaming and consumption. Instead of merely bedroom streamers, the site began focused on the world's largest video gaming competitions. Twitch swayed tournament organizers such as the Electronic Sports League, ESL, and the North American Star League to embrace the service by pledging its commitment to gaming (Li, 2016).

Twitch began as a PC gaming platform, but in 2013, it extended to consoles and was integrated into Sony's PlayStation 4 and Microsoft's Xbox One game consoles. By pressing a single button on their controllers, gamers had the opportunity to broadcast from their system.

This rapid growth that Twitch obtained was not overshadowed by large technological companies. In 2014 Amazon placed a winning bid of 970 million Dollars to acquire Twitch,

the management team accepted such an offer mainly because the future vision of Amazon in how to pursue growth for Twitch was the same as the founding members of the platform.
The acquisition further boosted the resources and servers that were at Twitch's disposal, without having to continuously search for new funding from investors. To this day the streaming platform has expanded and includes channels for musical performances, painting and drawing, nevertheless gaming is still the primary focus of Twitch. As of 2017, Twitch allegedly reported a total of 355 billion minutes watched on its platforms, and 560 billion minutes the following year (Collis, 2020).
The importance of highlighting the pivotal role that Twitch had and has to this day in the promotion of video games directly links both video games and eSports competitions.
If we analyse Figure 10 we can observe the increasing trend that Twitch has faced with its online viewers and consequently the people interests namely in video games. This is a great indicator to better understand how the phenomena of eSports is growing, and the market for it going forward will need a solid background to further push its long-term development.

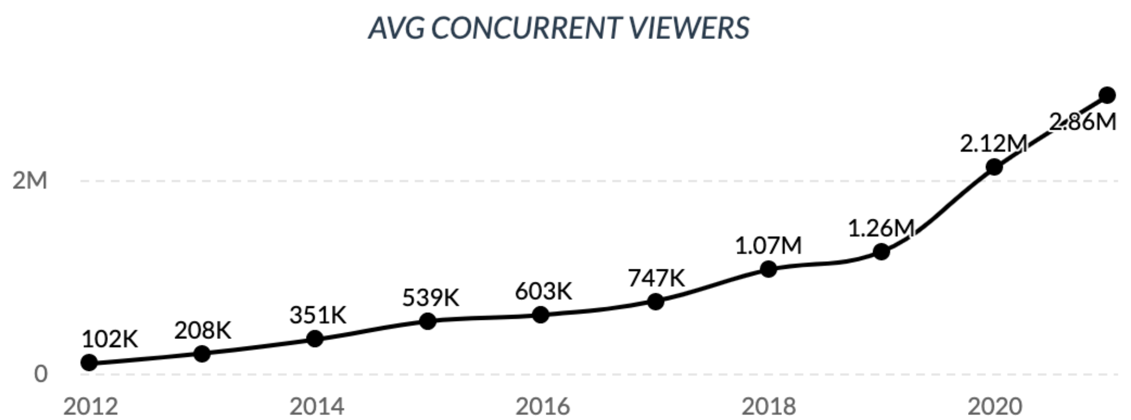


Figure.10 Average Concurrent viewers on Twitch Source: TwitchTracker

When dealing with livestreaming platform Twitch is not the only name in the industry, nonetheless it represents the first service that was dedicated to promoting gaming, gamers and eSports. It was reported that in 2018 the four biggest eSports events acquired a total of 190 million hours' worth of live stream. The events were the League of Legends World Championship Finals 2018, the eLeague Major: Boston, The International 2018 from Dota 2, and the Overwatch League Finals. Newzoo reported that the League of Legends World Championship finals accumulated 81 million hours watched, both through Twitch and

YouTube Gaming (Newzoo, 2021a). Furthermore, in eSports, the eLeague Major: Boston was the second most-watched event, raking in 54 million hours watched on both Twitch and Youtube, followed by The International with 49.3 million hours of consumption on livestreaming platforms. Lastly fans and casual spectators watched 5.6 million hours of the inaugural Overwatch League Finals, with the great majority of those hours coming from Twitch, which allegedly spent US$90 million for a two-year media rights agreement to webcast the Overwatch League (Impey, 2018).
In this section we analysed primarily Twitch as a livestreaming platform for eSports events and enthusiasts, however other platform, some of which created by some of the biggest technological companies, have emerged. Microsoft has brought to the scene Mixer a livestreaming platform which promised to provide viewers and streamers with low latency during streams, and a higher-level interactivity between viewers and streamers. Furthermore, Mixer promised to sign major eSports players in order to acquire new users. Nevertheless, Mixer was unable to scale its operations in a profitable manner and thus, just 4 years after its launch, ceased operations in 2020. Microsoft decided to collaborate with the nascent Facebook Gaming service and decided that users trying to log-in on mixer would be directly redirect to the Facebook Gaming landing webpage (Liao, 2020). Facebook Gaming therefore offers the same functions as the other competitors Twitch and YouTube, namely the possibility to comment live and make donations and live chat. One of the main differences is that the platform declares that it will never monetize through personalized ads but simply by taking a percentage of the donations that the audience will make to the content creators.
Twitch's main antagonist is the video streaming platform par excellence owned by Google: YouTube. Always, the most versatile of the platforms both as intentions and types of content is also interested in video game mode, but above all in keeping up to date with new market trends. Consequently, YouTube like the others, following Twitch, has added the possibility to make donations during the live broadcast or to write in a live chat and to subscribe to the channels of the content creator you want to support. The clash between the two platforms is on several fronts. For example, Twitch itself, prevents content creators with partnerships from uploading recorded live broadcasts to YouTube before 24 hours from when the content was created, thus guaranteeing the exclusivity the platform wants to have.

When dealing with such topics it is key to identify why consumers utilise such platforms and why they continue to log in on a specific livestreaming website/platform and follow only a number of creators on said platforms. Taking into consideration the work conducted by Hu, Zhang, & Wang, 2017, who conducted a research on this very topic taking into consideration social identity theory to explain the continuous watching behaviour of streaming broadcaster and audience groups. Social identity theory simply states that: the character and motives of an individual (interpersonal behavior) as well as the person's participation in a group determine social behavior (i.e., intergroup behaviour) (Ellemers, 2020). The successful integration of resources from multiple organizations actors, such as viewers, broadcasters, and platforms, is critical to the success of video streaming services. Faced with strong competition from a slew of live streaming services, marketers and managers must learn how to use legitimate goals for identification in the most effective way possible to increase user stickiness and facilitate long-term relationship maintenance. The study suggested that the greater the virtual social interaction between viewers and broadcaster the greater the number of users that the streaming platform will have. Offering audiences additional opportunity to participate in group activities and introducing popular themes and current issues for viewers to voice their thoughts with one another will help them feel more involved. By forming various interest groups, audiences may be able to connect with individuals who share their interests, enhancing the concept of communion. Additionally, as platforms host more events planned by audiences, the sensation of resonant contagion can be enhanced. Diverse tasks and responsibilities given to audiences can help members feel more empowered, allowing them to have more influence over one another (Hu et al., 2017). Furthermore, players have expressed their preferences stating that, while game attachment is essential, it is the connections formed with other players that drive consuming habits (Badrinarayanan, Sierra, & Martin, 2015). Notwithstanding an important part of the driving force that results in the growth of a video game and consequently of a streaming platform and its users is the popularity of a certain game. In game friends is highly correlated to the success of a videogame and the amount of broadcasters that a livestreaming platform might have (Mao, 2021).

Moreover, it is imperative to highlight that livestreaming platforms gave and to these days give an extraordinary benefit to professional eSports players. Thanks to these platforms professional players can count on a more stable revenue and do not depend solely on winning major tournaments and physical events. Utilising the possibility to broadcast themselves on a livestreaming platform, i.e. Twitch, they can acquire over time a solid fan base that can pay 4.99 US dollars to have a monthly subscription. In the early 2000s the prize money for winning an event were not sustainable for a player to fully purse a professional career in eSports. In 2005, for example, the World Cyber Games US Championship, the winner obtained 5,000 dollars US, hardly enough to incentivize players to continue playing tournaments full time. It is clear that the winning sum mentioned above was solely for the winners and thus left the reaming part of the players without a feasible sum that could potential cover minimum wage. The motives behind the willingness of individuals to master and dedicate their lives to a sport, for example basketball or football, derives from the clearly defined system of milestone achievements that traditional sports possess. Donations mixed with subscription through Twitch gave professional gamers the possibility to earn revenues without winning major tournaments. In addition, subscriptions are paid monthly by viewers, broadcaster and namely professional gamers a steady income. Additionally, the numbers surrounding livestreaming platforms paved the way for dominant brands to buy shout-out endorsements and giving a greater level of monetization possibilities to professional gamers. Companies that have used such platforms are, name a few, Coke, BMW, RedBull and Razer (Li, 2016). Red Bull and other energy drinks are big supporters of eSports. The firm started off by sponsoring StarCraft 2 competitions before branching out into Dota 2. Tempo Storm is one of Red Bull's sponsored events and teams. The League of Legends World Championship, one of the world's major eSports events, is sponsored by Coca-Cola. Coca-Cola and Riot Games teamed together with a few movie theaters to organize over 200 simultaneous watching parties for the 2016 League of Legends World Championships across the United States, Canada, and Europe. Beginning in August 2017, T-Mobile, an American cellular provider, sponsored the eSports groups TSM and Cloud9. Twitch's E3 fighting game competition " Twitch Esports Arena" at the Staples Center in Los Angeles in June 2017 was also sponsored by T-Mobile (Meola, 2018).

This also helped to positively influence the perception that the non-enthusiasts had regarding eSports and gaming as a professional career (Collis, 2020). Furthermore, because top streamers have hundreds to thousands of viewers watching simultaneously, they not only acquire wealth but also fame, giving them celebrity status. Without a doubt livestreaming platform have created a platform that renders eSports more desirable in the eyes of potential professional gamers. They also gave the possibility, especially during the COVID-19 pandemic, to host tournaments preventing the industry from halting completely its operations. Non-gaming content made a big reappearance on Twitch last year. Fans of esports exploited the platform to build virtual communities, but by 2020, entire populations would have become alienated and socially isolated, prompting comparable impulses to form virtual communities around entertainment circles other than gaming. Just Chatting, a non-gaming-related category, was the most-watched category on Twitch in 2020, with approximately 1.9 billion live hours viewed, while League of Legends came in second with around 1.5 billion.In the long-term it is inevitable that livestreaming platform will become even more important in tournament and events, either by completely hosting them or by giving viewers the possibility to instantaneously view what is occurring in an ongoing event.

### 2.1.1 In-game viewership

Considering the general functioning of in-game viewership, the players can observe a game through 3 methods.

1. by creating or joining a game as a spectator that is being constructed,
2. by joining a high-end game displayed in the lobby as a spectator, or
3. by clicking on a person in your friend list who is playing at that moment and joining that game as a spectator.

Each method is distinct from the others; the distinctions are based on the game modes and the ability levels of the professional players.

Together, these approaches provide effective ways to views some matches , albeit a spectator can only view a percentage of the matches that are being played at any one time.

The user interface is an important component of every spectator mode and, more broadly, of every video game. This interface has been prevalent in video games since their inception. A user interface is defined in information technology as a system that provides the player with gameplay-relevant information as well as the appropriate tools to interact.

What distinguishes the in-game spectator mode from other types of spectatorship is the spectator's ability to select, control, and change camera modes (Schäfer, 2011).

1. A spectator may sit back and watch a video game match using an autonomously guided camera without having to push any buttons. This camera will automatically concentrate on the area of the game where the action is taking place. The viewer, on the other hand, has the ability to affect this camera: By pressing a button, generally the spacebar, the camera goes to a different part of the action in the game than it is currently showing.
2. If the spectator clicks somewhere on the mini-map, which is a small map showing the entire game world at the bottom right of the screen, then the camera goes there and stays there for five seconds.
3. If the spectator clicks on a player visible on the screen, then the camera follows that player.

The camera mode may allow a spectator to follow an individual player by focusing on the player selected by the spectator and following that player. In some ways, it is also automated, but unlike the previous camera mode, it does not move away from the player it is fixated on, until that player is killed, in which case the camera stops moving until the spectator directs it again. The camera option, which allows the spectator to follow any particular player, lets the spectator to watch how that person plays.

## 2.2 Applying the 3 A's to eSports

The use of digital technologies to transform services or enterprises is known as digital transformation. It is accomplished by either merging manual (non-digital) procedures with digital ones or upgrading old digital technologies. The core of the digital economy is the 'digital sector': the IT/ICT sector producing foundational digital goods and services. The true 'digital economy' – defined as "that part of economic output derived solely or primarily from digital technologies with a business model based on digital goods or services" – consists of the digital sector plus emerging digital and platform services. The widest scope – use of ICTs in all economic fields – is here referred to as the 'digitalised economy' (Bukht & Heeks, 2017)
Esports have had a roughly a long journey and have been present for over 50 years in one form or another, but only in recent years they have gained traction and have become ever more popular. This is partly thanks to the digital economy which has given Creative and Cultural Industries such as eSport three main components the 3 A's. The 3 A's are anytime, anywhere and on any device. The components that determine anytime and anywhere have been analysed in previous chapters. The attribution of these two characteristics have been possible with the creation of online video platforms. Anytime can be associated to the possibility of enthusiasts to relive and re-watch old tournaments and competitions on online platforms, most notably YouTube. The difference between other livestreaming platforms is that YouTube was born as platform where creators could upload their content and viewers could watch the whenever they please. This characteristic paired with the possibility of event coordinators to immediately and automatically upload a full live event gave fans the possibility to view their favourite videogames tournaments at any time without having to pay any additional fee. Anywhere is linked to the possibility of websites and platforms, such as the previously mentioned YouTube,

and Twitch to be used not only on laptops abut also on smartphones and SmartTv's. To better understand the how effortless it is for viewers to catch-up on their favourite videogames, professional eSports player, and eSports tournaments, any device that has the option to connect to internet. It is pivotal to highlight how the consumption of eSports has changed over the years, initially the industry was in a niche market mainly due to the difficulty of being a frequent spectator. Nowadays with new platforms and devices the eSports industry has the possibility to be present in the life of every single interested individual. The any device characteristic of the digital economy was the catalyst for the incredible rapid growth that eSports had around the world, especially in Europe and North America. A research was conducted by the Global Web Index, a London based company that provides insights on consumer preferences and consumer targeting, which took into consideration the inclinations of 19,488 gamers between the age of 16-64 (GWI, 2021).

As it can be observed in Figure 11 the majority of gamers, meaning 76%, use their smartphones as a gaming device. This implies that they not only play video games and potentially eSports competitions of handheld portable devices, but they consume said content on the devices as well. The number increase if we take into consideration mobile device as a whole with 81% of video game enthusiasts using the said devices, smartphone and tablets.

Mobile esports take on different forms and have different significance depending on where they are played. In Asia, mobile esports surged in 2017, spawning franchise systems, professional leagues, and live stadium events that drew millions of spectators. Mobile esports has already achieved a degree of organization comparable to that of esports played on personal computers in Asian areas (PC). This trend can be seen in both core competitive games and more casual games (Deloitte, 2019).

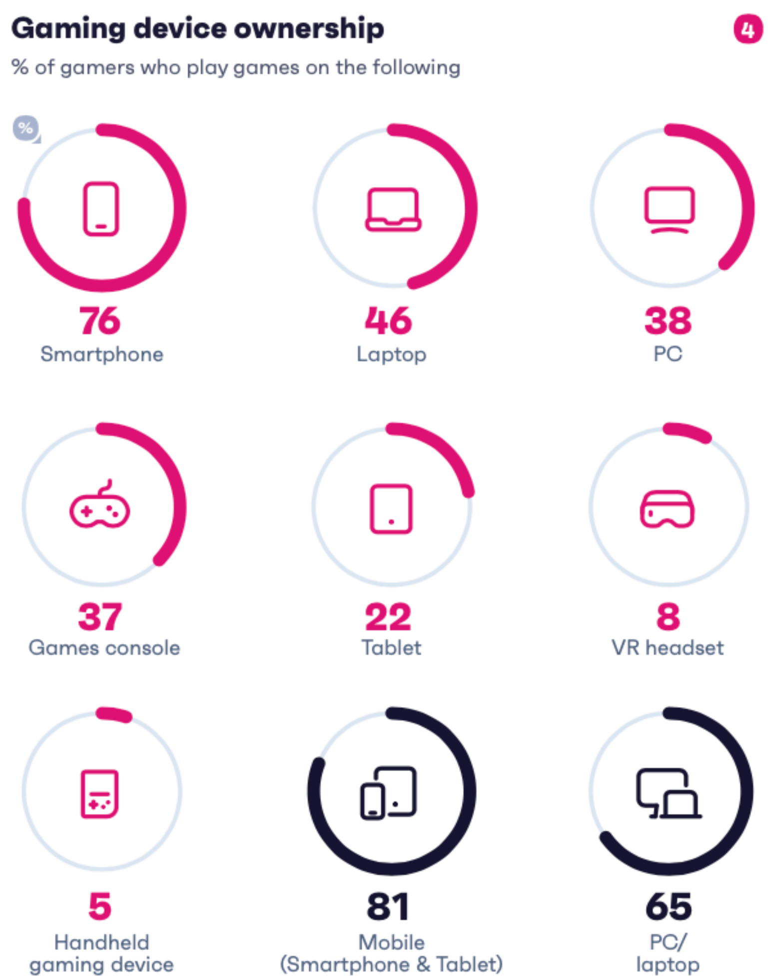


Figure. 11 Gaming device Ownership Source: GWI Report 2021

Reports have shown that to this day, in Europe, the majority of eSports events that gather a high number of spectators are based on Laptop and PC gaming. Going forward it is inevitable that mobile eSports competitions will gain popularity and bring in a high number of users. This will be the direct consequences of the full adoption of the 3 A's to the eSports. Events will be held on any device in a greater number; players will be able to play from any location (even though in presence events will remain the big key events); and both professional players and enthusiasts will be able and to this day are able to catch up on past events.

## 2.3 The pivotal role of Gen Z

Children and teenagers are spending more time playing video games. For all customers, games are a key source of amusement. This is especially true for younger generations, who spend more time playing games than watching television. In fact, with each new generation, the amount of time spent gaming grows. Games provide excellent possibilities for businesses and advertising to reach a large and diversified audience. As games continue to dominate consumers' brains and free time, these opportunities will only grow. Younger generations are more likely to engage in different types of gaming. Gamers come from many walks of life and participate with the activity in a variety of ways beyond just playing the game. Most older generations tend to play games more casually, usually on their mobile devices to pass the time while they're waiting. Younger generations, on the other hand, tend to engage with gaming in a variety of other ways, such as watching game-related material, debating the newest advancements in community spaces, listening to podcasts, and talking about video games with their peers. Modern types of gaming involvement, such as watching eSports events, watching video games content on livestreaming platforms, and interacting with other players in-game, are popular with younger generations. A study conducted by Newzoo, 2021b, which utilised a sample size of 72,068 people between 33 countries studied the tendencies of the gaming tendencies of these individuals. A surprising 81% of Gen Z admits to playing video games regularly as seen in Figure 12. This percentage falls with age, yet 42 percent of Baby Boomers play video games. When it comes to gaming time, we observe a similar trend: the older you become, the less time you spend playing per week. Game-playing time for Gen Z is 7 hours and 20 minutes on average, which is half an hour greater than that of millennials. Due to their full-time jobs and other responsibilities, Millennials who are still digital natives have less free time. In contrast, Baby Boomers play for only two and a half hours each week, preferring to spend their free time on more traditional activities.

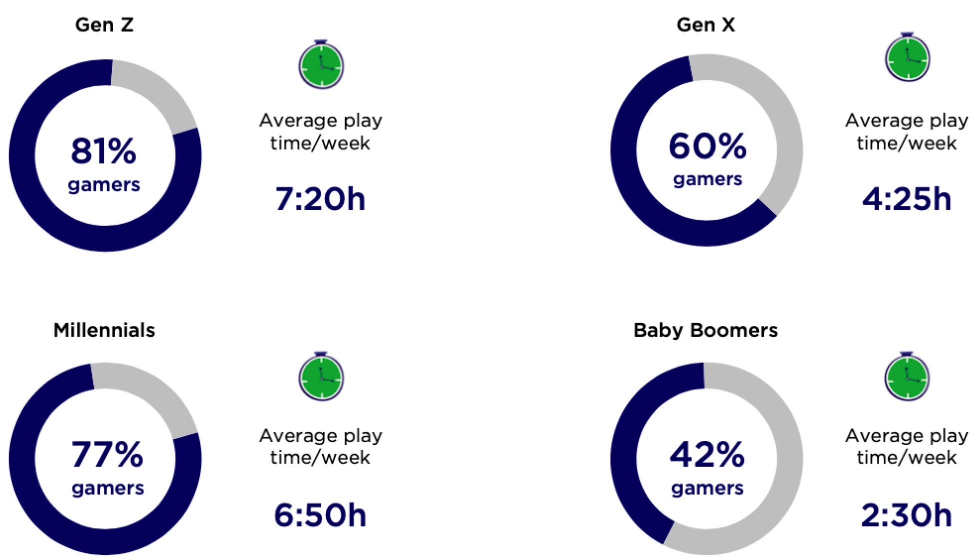


Figure 12. Share of Each Group that Played Games in the Past 6 months Source:Newzoo report, 2021

Gen Z and the younger generations are more likely to spend more on games than other age groups. Many gamers in the younger generations (Gen Z, Millennials) play and watch games. Gaming content makers are the new rock stars for many young gamers. Playing video games in front of an interested audience is what Ninja and Pokimane do to develop their followings.
Many young gamers aspire to this lifestyle. Fan-creator interactions are more frequent on platforms such as Twitch or YouTube, which helps to deepen the relationship between viewers and streamers (Collis, 2020) (Newzoo, 2021b).
Older generations are more likely to watch livestreaming platforms and eSports for tips and techniques on how to progress in a game, as well as reviews to guide their purchase decisions, which tends to be more practical material.
Similar results have been provided by the above-mentioned report conducted by the Global Web Index. When it comes to age, Gen Z and millennials are the most interested in esports. There are 38% of those over the age of 50 that participate in competitive gaming. Esports isn’t only for teenagers anymore. Furthermore, their research has also included the distinction between male and female eSports viewers. Even though the general notion that the eSports industry is dominated by males, it has been shown that with regards to the audiences, females compose a substantial part of the viewership of eSports. It is true that video games have gotten more inclusive over time, but there is still space for improvement. Esports fans are also progressive in their outlook. 29 percent higher than the typical gamer, esports fans choose games with strong female protagonists, and 35 percent of esports fans are social media followers of female esports players or teams (GWI, 2021).

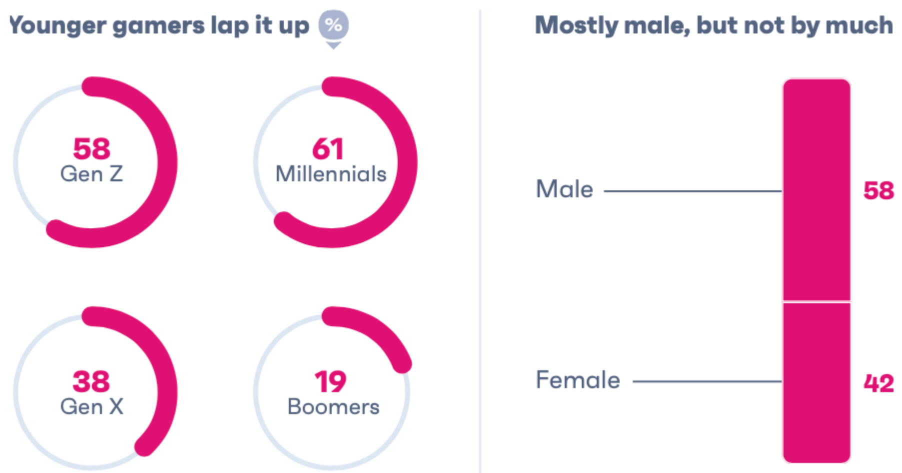


Figure 13. Esports followers

Source: GWA eSports report, 2021

Moreover, when dealing with Gen Z spectators one must take into consideration the high-level participation that they bring to the world of eSports. Viewers in this age group are more likely to become vivid fans of professional eSports players and consequently have a greater willingness to support the professional player, whether through live events or on streaming platforms. Being the age groups that is more inclined to play videogames they also represent a large portion of the eSports and video game industry that possess more than one device to play their preferred videogames. The ramification of this consideration has led to the fact that multi-console ownership is increasing. Gamers who live with their children are 24 percent more likely to own any two of the most popular gaming systems than those who do not. Furthermore, it is not only gaming that’s driving this; with access to a plethora of streaming services, consoles are ideal for squeezing media devices into a family’s living space (GWI, 2021).

## 2.4 Problems concerning eSports

In the previous chapter the focus has been on highlighting the phenomenon that eSports represents, and the numerous elements that determine its particular nature as an industry. Going forward the core of the thesis will be taken into consideration, to achieve this it is vital to analyse the problems that surround eSports and how they can be dealt with and restrained in a unitary matter. The main problems that the industry faces are: problems regarding regulations and tournament rules; standards for labor contracts and how eSports professional players can be considered sport athletes in a judicial manner; the use of content and potential copyright infringement; and health issues both physical and mental.

Regulation in the eSports business is still requiring constant improvement. Whereas it could be considered as a benefit, claiming that limited intervention in the operations of cybersport groups allows them to develop aggressively. However, there is a flaw in presenting this statement, the absence of a regulatory framework indicates the absence of an efficient system for resolving conflicts and comprehending the game’s rules in general. Unquestionably, this has a detrimental impact on the industry’s development. Furthermore, the lack of a clear framework created dubious problems for the creation of standards in the development of tournaments. Esports, unlike most traditional sports, does not have a hierarchical pyramid governance structure (Brickell, 2017). The lack of control can in addition result in illegal gambling or under-age gambling which creates an integrity problem for the eSports industry.

This problem has been in part dealt with by the Esport Integrity Commission ESIC, formerly known as Esports Integrity Coalition, which seeks to address integrity issues and carries out threat assessments. Analysing the industry the ESIC was able to highlight the most important threats that eSports faces such as: cheating and hacking software, disabling or abusing opponents, match-fixing, corruptions of technicians and officials, and structural tournament corruption (ESIC, 2021).

Despite their required participation in competitions for casual gamers to become professional eSports players, wages for players at the beginner and intermediate levels remain surprisingly low. In addition, there are ongoing difficulties with badly drafted contracts between brands and teams or players, which generally culminate in an ugly litigation or poor player performance, both of which have a detrimental impact on brands and their marketing teams.

Inadequate emphasis has been paid to the development and assessment of preventative treatments that address the potential hazards associated with video games connected with Esports. Throughout the years, with the popularity of eSports growing globally, research focusing on the health hazards and advantages associated with Esports competition and participation has lagged (Yin et al., 2020). Nonetheless, mental health problems such as depression or anxiety are ever more present in professional eSports. This is a result of the hard and long hours that athletes, i.e. players, practice to better their craft and excel at a certain game. In addition, a large portion of professional eSports players are constantly exposed to social media and livestreaming platforms, which bounds them from having personal space to decompress. Esports and social media are inextricably linked, unlike in any other sport. As a result, athletes and others in the business may feel the torment of online hostility even more keenly than their colleagues in traditional sports. Furthermore, eSports professional and casual gamers can face addictive attitudes towards videogames, the condition was highlighted by the World Health Organization (WHO), which called this tendency as "gaming disorder". In the 11th Revision of the International Classification of Diseases (ICD-11), gaming disorder is defined as a pattern of gaming behaviour ("digital-gaming" or "video-gaming") categorized by impaired control over gaming, increasing priority given to gaming over other activities to the extent that gaming takes precedence over other interests and daily activities, and continuation or escalation of gaming despite the occurrence of negative consequences (World Health Organization, 2018). Zwibel, DiFrancisco-Donoghue, DeFeo, & Yao, 2019, conducted an exhaustive research that classified the problems both physical and mental concerning eSports athletes. The results can be seen in Figure 14, along with remedies and potential solutions for the mentioned complications that can occur when continuously playing video games for a long time. Because of the long hours residing in the same position, which leads to a sedentary nature that surrounds eSports, professional athletes in the industry are particularly prone to sustain muscoskeletal damage. This can imply dysfunctions of the cervical and lumbar spines, as well as upper limbs. Metabolic dysregulation, as manifested by food and activity behaviors unusual of a conventional athlete, may worsen these problems. Furthermore, due to light-emitting diode displays, lengthy playtime, and the requirement for multiple object tracking, digital eye strain and circadian rhythm disruptions are quite prevalent (Zwibel et al., 2019).

| Health Concern | Cause | Intervention |
|---|---|---|
| Computer vision syndrome | • Decreased blink rate<br>• Pixelated images<br>• Increased saccades, accommodation, and convergence | • Gaming station organization<br>• Limit glare<br>• 20-20-20 rule |
| Neck and back dysfunction | • Forward head displacement<br>• Stress of cervicothoracic junction and intervertebral discs<br>• Back rest-induced flattened lumbar lordosis | • Stretching<br>• Strengthening exercises for postural control<br>• Osteopathic cranial manipulative medicine<br>• HVLA (cervical)<br>• Muscle energy<br>• Soft-tissue mobilization (lumbar)<br>• Mobilization for lumbar segment |
| Upper extremity dysfunction | • Forward head displacement<br>• Quick repetitive movements<br>• Hypertrophy of flexor tendons (wrist) | • Fascial distortion model (shoulder)<br>• HVLA and LVHA (shoulder)<br>• Balanced membranous tension (interosseous membrane)<br>• LVHA (carpal bones)<br>• Opponens pollicis roll maneuver<br>• Myofascial (carpal tunnel) |
| Metabolic dysregulation | • Game play duration<br>• Peripheral vascular stasis<br>• Exercise deficit disorder<br>• Energy drinks | • Dietary counseling<br>• 10,000 steps/d<br>• 150 min moderate-intensity exercise/wk |
| Circadian rhythm | • LED screens (blue light)<br>• Timing of gameplay | • Pittsburg Sleep Quality Index<br>• Sleep hygiene counseling<br>• Blue light–blocking lenses |
| Mental health | • Internet gaming disorder<br>• Anxiety<br>• Depression<br>• Alexithymia | • The Ten-Item Internet Gaming Disorder Test<br>• Toronto Alexithymia Scale<br>• Patient Health Questionnaire 2 and 9<br>• Clinically Useful Anxiety Outcome Scale (adults)<br>• Screen for Child Anxiety Related Disorders |

Figure 14. Esports Athletes' Health Concerns, Causes, and Physician Considerations Source: Zwibel et al., 2019

Many of the existing programs are not especially targeted to the top esports industry. Instead, they address a broader community of gamers, which may be perceived as serving the professional scene. In this respect, while it is always important to distinguish between amateur gaming and professional eSport, their communities are intertwined, and many amateur gamers will pursue gaming actively in order to compete professionally.

With a long-term horizon it is quite clear that the eSports is in need of an institution or organization that could solve or mitigate the problems mentioned above. Taking into consideration that Europe still lacks a well-defined and accepted eSports organization, the creation of one must address or at least mitigate the problems mentioned above. The manner in which it decides to face these issues will be tackled in the following chapter, even though the difficulties are numerous. It can be argued that a variety of problems are directly linked with a lack of institutionalisation of the eSports industry, this is especially true for the European market.

## 3.1 Proposed framework of a European ESports Organisation

To further understand the scope of this thesis and the potential value added of the creation of a European ESports Organisation (EESO), it is pivotal to comprehend the current situation in Europe and of the eSports industry. The creation of such an arena, namely the EESO, would give stakeholders the possibility to gather in order to tackle the previously mentioned issues regarding eSports. The structure of the organisation should comprehend four macro-categories which in turn would be divided into 4 committees. Further information on the potential structure of the EESO will be dealt with in the following chapters. After having analysed the current situation with a deep focus on Europe as seen in Figure 15, it is possible to assess the benefits and the future state that the European ESports Industry would bring to the industry.

| | Current state | Future State |
|---|---|---|
| What | Numerous stakeholders that have dificulty finding a platform were to discuss about eSports | Involve at least 4 major stakeholders: the European Union, game developers, European Esports Federations, and representatives for the well-being of professional eSports players |
| Where | Globally and particularly in Europe | Within countries of the European Union and consequently the EU region. Using the European ESports Organisation (EESO) to discuss future projects and tournament planning |
| When | Nowadays the framework is not present to solve the problem | Addressed as soon as possible considering that the eSport industry in Europe is rapidly growing |
| Who | Stakeholders that are instrinsic to the functioning of eSports | The EESO through its 4 committees with the end goal to develop sustainable projects that involve the 4 major stakeholders to reach and agreement |
| How | As of now a European federation is present but is lacking with regards to project planning and being present in the eSport industry | Through the creation of a new organisation the EESO, which could work in cooperation witht the European Esport Federation. Nonetheless what the EESO aims to achieve is a fruitful cooperation and coordination with the 4 major stakeholders |

Figure. 15 Framework of current and future state of the European eSports industry

Source: Personal Analysis

## 3.2 How could a European ESports Organisation be created

The following chapters will focus on the realisation of a European ESports Organisation that could be born with the help of eSports federations or associations from the European continent. Currently in the European continent there are numerous eSports federations that have controlled and analysed the eSports industry in their respective country. Countries that currently have an eSports federation are: Austria, Belarus, Belgium, Czech Republic, Denmark, Finland, Georgia, Germany, Hungary, Italy, North Macedonia, Norway, Poland, Portugal, Russia, Serbia, Slovakia, Sweden, Turkey, Ukraine, and United Kingdom.

Because institutionalisation is an essential condition for a game to become a sport, it is worth investigating the creation of a functioning organisations that could deal with the eSports industry in Europe. When a game's community universalizes a set of rules that all players must follow in order to compete, supports an institutional philosophy, and propagates that game in order to develop its scene, this is referred to as institutionalisation.

The istitutionalisation process may commence when the participation of both spectators and professional players is large enough to render the potential institution relevant and of importance. Individual clubs and schools can regulate themselves, but for there to be a larger athletic community, a bedrock of sports institutions, universalisation is required. The codify of a game's rules, globally embraced by all participants under an institution, is known as universalisation (Wigglesworth, 2007). The universalization of a potential code of rules can further boost the willingness to create an organisation, especially with regards to dispute settlement between tournament organizers, professional eSports players, and game publishers. This phenomenon is diluted within eSports since the fundamental rules of any given game are embedded within the actual game. Moreover, what may vary are the winning conditions, meaning for example the number of matches that a team must win within a game in order to progress to the following stages of the tournament.

It we take into consideration large sport institutions and organisations we can observe that their importance is not only linked to the popularity of the sport, but also to its history and for how long a certain organisation has been present. Esports organisation cannot acquire such credibility, mainly due to the recency of many-videogames and of their respective competitive field. Rather eSports organisations must develop through aspirational philosophies, such as the promotion of a balanced and rightful eSports scene in the European region. Through the process above, over time, the eSports organisation will acquire a greater cultural legitimacy. In addition, the diffusion of the eSports industry in Europe will greatly benefit the further development of the commercialisation of eSports entertainment. To improve the spectatorship in the European region the creation of a functioning organisation is vital. Spectatorship has always been a concern in the industry, especially from the early 2000s. We can take into consideration the Evolution Championship Series (EVO) which deals with organizing tournaments focused exclusively on fighting games. To deal with this problem in 2002 the organizers of EVO decide to host the tournaments in a single weekend, this produced a respectful amount of viewers and participants. Over the years this has become a tradition and has led EVO to reach significant popularity that Sony Interactive Entertainment became partial owner of the tournaments (Summerley, 2019). Furthermore, to understand how important going forward commercialisation and spectatorship will be industry we must mention the Overwatch League. The Overwatch League (OWL) is a professional esports league for the video game Overwatch, which was created by Blizzard Entertainment. The OWL, like other conventional North American professional athletic leagues, employs a set of permanent, city-based clubs that are supported by distinct ownership groups. Furthermore, the league uses a regular season and playoffs format rather than the promotion and relegation system that is common in other esports and non-North American leagues, with players on the roster guaranteed a minimum annual salary, benefits, and a portion of winnings and revenue-sharing based on team performance. The league was launched in 2016, with the first season beginning in 2018, with a total prize pool of US$3.5 million awarded to clubs that year. The institutionalization of the previously mentioned League is a key example of how important developers are in the process, and how they can control the transition from simple video game to professional eSport.

Valve, one of the most important video game developers worldwide, has created and developed one of the most important eSports competition called “The International” which is dedicated to the video game “Dota 2”. The International debuted at Gamescom in 2011 as a marketing event for the game, and has since been conducted yearly with the exception of 2020 due to the COVID-19 pandemic. The event features 18 teams, with 12 receiving direct invites based on performances from the Dota Pro Circuit tournament series and six receiving invites after winning regional qualifying playoff brackets, one from each of North America, South America, Southeast Asia, China, Europe, and CIS regions. As of 2013, the prize pool has been partially funded through the game's battle pass system. Internationals feature the biggest prize pool of any eSport event, with each award consistently exceeding the preceding year's, with the most recent prize pool amounting to 34 mln US dollars. The capital structure of other competitions and institutions in the eSports industry vary, it is common to utilise membership fees to fund their operations. This method is utilised by the ESL, formerly known as the Electronic Sport League, which deal with organising and hosting eSport tournaments. ESL Gaming has grown from its creation into one of the world's largest eSports organisation, dominating the industry in a variety of popular video games through various online and offline contests. Under the ESL Pro Tour, the business runs high-profile, branded worldwide leagues and tournaments such as Intel Extreme Masters, ESL Pro League, and other stadium-size competitions such as ESL One. In addition, ESL Gaming develops and hosts the ESL Mobile program, DreamHack Open events, ESL National Championships, grassroots amateur cups, and matchmaking systems (ESL, 2021).

Developing a spectator sport relies on the development of specific criteria which were identified by Rowe, 2004:

1. Institutionalisation
2. Sport Media
3. Venues with large crowd capacity
4. A labour market of professional and semi-professional players
5. State funding donated to the development of the sport
6. Competitions that award prizes
7. Merchandising sales

Simply by analysing these criteria we can comprehend that they have been met in traditional sports, whether it be football or basketball, on the other hand we find a partial integration of criteria 3, 4, and 5 in the eSport industry. Institutions like as KeSPA have developed e-sports stadiums (KeSPA, 2021), but very few e-sports have dedicated venues to play, and events rely on renting large venues, such as stadiums which are not specialized eSports arenas, i.e. in the Unites States the Las Vegas Convention Center.

The creation of a European Esports Organisations will have to deal with the funding of its operations through numerous revenue streams. The implication is the use of membership fees and corporate funding, there are numerous stakeholders in the eSport industry, that could greatly benefit in promoting a function European ESport Organisation. The stakeholders to involve into the project will be dealt with in later paragraphs. Unlike conventional sports institutions, which were first divided by ideological differences such as amateurism or ruleset

loyalty, e-sports institutions are divided by grassroots versus corporate organization (EVO compared to OWL).
Corporate funding would without a doubt grant the organisation a greater level of approval for individuals that to this day doubt the validity and importance of eSport and competitive gaming. This would also grant players a protection with regards to contracts and the video games played in the competitions that organisation would host. In terms of tournaments, the industry has a scattered production process in which publishers, on the one hand, organize tournaments for their own games and, on the other, use licensing and/or sanctioning systems for tournaments organised by third parties. In addition, the licensors of eSport video games organize or assist in the organization of competitions. Blizzard's Hearthstone Global Games, Overwatch World Cup, World of Warcraft Arena World Championship, and Starcraft II World Championship Series, as well as Riot Games' Challenger Series, Championship Series, and World Championships for League of Legends, are examples of top-tier tournaments organized by the publishers (Abanazir, 2019).
The creation of a European Esports Organisation would take inspiration from the European Esports Federation which was founded on February 2020. The European Parliament and its members have strongly supported and endorsed the EEF's formal formation. On the same day as the formal debut, Mr Hans Jagnow of Germany was appointed as the first President of the EEF. The organization will play a similar function to the AESF in Asia, representing over 100 million gamers from 23 European countries. The EEF's major goal is to provide a "united representation, a clear vision for digital communities, and a platform for its members to further grow Esports". The Cologne-based tournament and league operator ESL Gaming, the Russian ESforce Holding, and the PR and lobbying firm Burson Cohn & Wolfe are among the initial members. Other than ESL (Electronic Sports League), no rights holders or league operators are represented. From an exhaustive analysis the element that emerged was a absence of initiatives within the EEF, from its founding over one year ago, its agenda. The lack of participation leads to a lack of credibility and consequent insufficiency of attention towards eSport players in Europe and the development of the industry. Esports has gained an incredible amount from the globalization that we are living, nonetheless when we find ourselves dealing with a culturally diverse environment especially for the European region. Considering that the EEF has members not only Europe but the enlarged European geographical region. For example, eSports federations from Azerbaijan, Georgia, Israel, Russia, and Turkey, are present. This is not a negative element per say, but it inevitably creates problems within the federation, deriving from tensions between the states, this is inevitable. Instead of setting up an organisation with the

idea “the more the merrier”, it is important to understand how to firstly create a functioning ecosystem that can, after having established its roots, expand its scope to other possible participants of the organisation. Taking these facts into consideration, going forward it is best for a European Esports Organisations to be established within the members of the European Union. The difficulties are numerous, such as the acceptance of the EU of eSports and competitive gaming as a sport, and potentially getting the EEF involved in the operations. Nonetheless the advantages outweigh the disadvantages, namely considering that the countries involved would be under the EU a higher level of digitalization is present and thus creates a better environment for both professional competitive gaming players and potential investors. Being the potential participants, members of the EU this would also help the Union in entering into an industry that with the incredible growth that it has achieved in the last years will need a guide to guide its further evolution, without limiting its freedoms. It is not unusual for governments to be involved in the creation of associations of federations that deal with eSport. Government assistance has an impact on tournament organization as well. As stated in previous chapters, The Korean eSports Association (KeSPA) is the most well-known example of this, having been founded in 2000 with the consent of the Korean Ministry of Culture. It is a non-profit organisation that organizes and maintains e-sports events. It has the authority to add or remove games from tournament schedules. This implies that it can control the video games that are being played by professional eSports players, and to some degree sway the preferences of casual gamers to certain video games. The KeSPA, to this day, represents one of the most important institutions in eSport, and a pillar in the industry.

Moreover, the licensors of sports video games are beginning to participate in tournament organization. The FIFA Interactive World Cup, based on the FIFA Series, is one example of this approach. FIFA organized the event in collaboration with EA Sports, the publisher of the FIFA Series. It was aired on YouTube on the FIFA channel and featured full terms and conditions that would be better referred to as tournament rules. In late 2017, the competition was renamed "The FIFA eWorld Cup" in order to capitalize on the growing interest in e-sports (Abanazir, 2019).

Proceeding from the fact that the countries involved would be members of the European Union, this would give the EU an important push in dealing directly with the eSports industry. This in return, implies that the Union could provide guidance and aid in developing the competitive gaming industry in all of its 27 members. Furthermore, a European Esports organisation, can be a point of reference for future members and countries that want to correctly develop their eSports industry. It is not possible to deny that the EU has shaped and improved numerous industries around the European region, for example the agricultural industry and the digital market industry. The EU is the first to have proposed a regulation of the growing digital market industry through the Digital Market Act (DMA) and the Digital Service Act (DSA). Consequently, it is clear that helping and entering the eSports industry can be in line with the direction that EU has decided to follow.

## 3.3 Committees

To include the stakeholders mentioned above the ideal system of the European ESports Organisation would rely on individual committees that would dedicate their work in improving the experience of eSports for the European industry and for the players and audience involved. A committee can be defined as a small group of persons appointed to represent a bigger organization and make decisions or gather information on its behalf

At the top of the organisation the main agenda should be supervised by a EU committee which would determine whether the projects proposed would be beneficial and in line with the interests of the European Union and to the members states involved in the organisation. The contribution of their opinion in matter regarding the eSports industry would be pivotal in establishing its importance globally making the first international organsation to positively contribute to the well-being of professional competitive gaming players in the member states of the Union that would also be a part of the newly created European ESports Organisation. Moreover, if the EU showed particular interest in this manner representatives of the Union have the possibility to express their opinion or provide precise feedback to create a more seamless decision-making process. Despite the difficulties that the organisation will face to adopt and create a functioning governing process with the help of the EU creation of a functioning process will undoubtably be easier. Nevertheless, the EU would have the possibility to actively be involved in the eSports industry which, in respect to North America and Asia, is lacking. This creates a gap that would give the EU the opportunity to become the first international association that would help guide a nascent industry in the European region towards a stable and prosperous path. The participation of the European Union would in addition, grant eSports a greater level of appreciation with regards to its classification as a sport. Even though in the initial period this may create difficulties and opposing felling's it is inevitable that in the future eSport and competitive gaming will be classified as a sport. For example, in the past, the general public has had problems in accepting the activity of skateboarding as a sport, but fast-forward 20 years and it is now a competitive discipline in the Olympics. Lastly, the participation of the EU would grant the European ESports Organisation to the capacity to challenge the Asia-centric eSports industry and more specifically the International ESports Federation (IESF) which is currently located in South Korea.

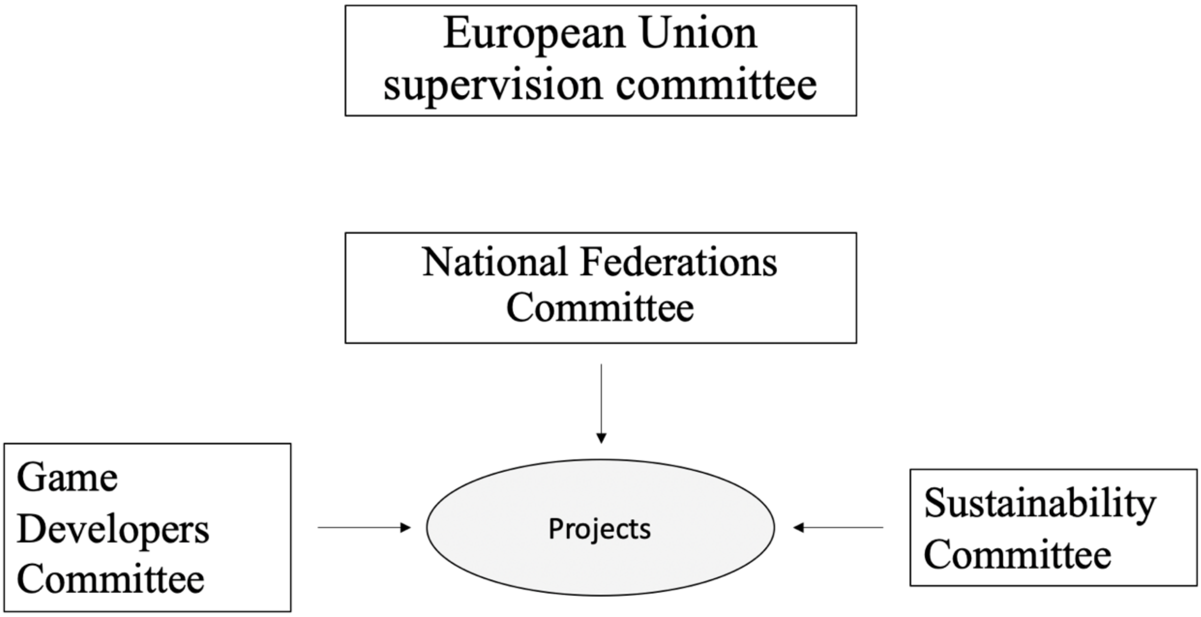


Figure. 16 EESO structure Source: Personal Consideration

Taking into consideration Figure 16 one can observe how the decision-making process would be conducted. This structure would include the essential stakeholders of the eSport industry that would grant the EESO the necessary capabilities to tackle projects with the end goal of improving the experience for all: game developers, professional players, casual players, and the audience. Furthermore, by implementing within the EESO the previously mentioned structure the numerous problems that were analysed in previous chapter could be dealt with as effectively and linearly as possible.

The most efficient method to propose the function of the organisation and its operations is to establish three committees, which include game developers, the eSports federations of members of the organisation and a committee devoted to sustainability. The three committees would interact between themselves in proposing successful and applicable projects to promote eSports in Europe.

### 3.3.1 Game Developers committee

The game developers committee would be composed of individuals of video game companies which desire to enter the European market and want to create a positive environment in which competitive players could play the specific video games. It might seem that there would be continuous friction between game developers, but this should not be the case. Each game developers have their own unique game that is accepted internationally as a competitive gaming tool. Consequently, tournaments can be potentially held in the same period without obstructing other developers video game, thus creating a system by which the game developers on the committee could seamlessly cooperate to promote not only their interests but also eSports in the EU region. With regards to what has been said above it is important to distinctly state that each competitive gaming professional player is specialized in one video game, and in only in some rare cases two. This is a consequence of the endless hours that one must invest in a video game to reach a certain level of professional play. Therefore, there is no clear loss for important video game developers to discuss with other developers, within the context of a European ESports Organisation (EESO), the central topic of which video game should be used in a specific time period or tournament. Nonetheless, as previously mentioned, there are specific developers that have a pivotal interest in entering the EESO, namely because their products are the most popular in the European region, i.e. Electronic Arts that each year releases the video game franchise FIFA.

### 3.3.2 National Federations Committee

The national federations committee would group together the eSports federations of the members of the EESO. The committee would work alongside the European ESports Federation (EEF) in providing the best possible environment for its players residing in member states. The collaboration would bring a win-win situation for both parties especially considering that not all the members of the EEF would be part of the EESO. On one hand the EESO could rely on the formerly created EEF to involve potential members of both organisations, on the other hand the EEF could develop a greater authority in regard to dealing with an organisation that has the supervision of the EU. Unfortunately, currently, the EEF is extremely absent in the eSports industry and this in turn has created a gap especially with regards to tournament planning an in general expanding the industry in Europe.

### 3.3.3 Sustainability Committee

The sustainability committee which would be essential to develop a positive environment for players, game developers and most importantly eSport spectators in the EU region. The industry faces numerous difficulties, one of which, is the gender disparity between players, this derives from the low level of female professional eSports athletes. The sustainability committee would be devoted in promoting eSports for all, and create a setting in which everyone is accepted without taking into consideration race and gender. Furthermore, the committee would deal with applying an ethical lens to the projects proposed by the various committees of the EESO, thus developing a business model for game developers in Europe that would greatly benefit the eSport industry.

### 3.3.4 European Sport Organisations: UEFA & EOC

With the goal to better understand how European sport organisations operate in order to develop and promote the sports that are of their interest one must analyse the functions of said organisations, i.e. The Union of European Football Associations (UEFA) and the European Olympics Committees.
As the umbrella organisation for European football, UEFA is committed to promote football. UEFA, on the other hand, commits to operate in a spirit of consensus as one of the 11 ideals on which it rests its work and operations. In addition to its 55 national organizations, UEFA includes all stakeholders including leagues, clubs, and players in the decision-making process within European football, allowing the UEFA Executive Committee to make the finest decisions for the general well-being of the European game. Furthermore, UEFA is pursuing tighter links with football fans the game’s lifeblood and has fostered constructive interaction with European political authorities over the years. Memorandums of agreement with the European Professional Football Leagues (EPFL), The European Club Association (ECA), and FIFPro Division Europe underlie UEFA’s relationship with the leagues, clubs, and players’ unions. The Professional Football Strategy Council (PFSC), which deals with matters of strategic relevance to professional football in Europe, is represented by all three organisations. The PFSC reports directly to the UEFA Executive Committee and has a significant impact on its decision-making. UEFA has built tighter and more favorable connections with the European Union (EU), which has become a regular interlocutor in recent years. The European Union and

its political authorities are a legal and political reality that has a considerable influence on UEFA and its member state associations. With European authorities, UEFA defends topics such as sport's uniqueness, financial fairness, and the battle against match-fixing. On a number of these issues, UEFA collaborates closely with other sports federations at both the European and international levels. The EU offers a variety of financing possibilities for grassroots sport, such as those that promote education, social inclusion, or gender equality. In 2017, UEFA launched an in-house service to help its member associations gain access to EU financial programs. The purpose of this service is to enhance the engagement of UEFA Member Associations in European co-funded initiatives addressing various EU objectives, such as good governance, social inclusion, volunteering, and sport integrity. UEFA Member Associations are currently involved in a number of transnational initiatives supported by EU programs such as "Erasmus+" and "LIFE" (UEFA, 2021). UEFA works with the Council in a constant discussion with their representatives to establish a cohesive EU approach to topics of importance to European football. The European Union Council represents the executive governments of the EU's member states, expressing the viewpoint of each respective executive. The Council approves legal actions as well as papers such as conclusions, resolutions, and declarations that establish political commitments. Every six months, the Council's presidency is rotated among EU member states. During this 6-month term, the presidency presides over meetings at all levels of the Council. UEFA and the Council of Europe signed a memorandum of agreement on May 30, 2018. (MoU). The MoU strengthens mutual cooperation in the long-term growth of sport and its role in society. Cooperation is primarily centered on themes of universal interest, such as the preservation of human rights and the integrity of sporting contests, as well as the delivery of safe and secure large sporting events. UEFA is in constant dialogue with European Commission officials and participates in expert groups organized by various directorate generals to build an ever-stronger case for football in various policy areas such as physical activity promotion, good governance, the regulatory framework of professional football, competition integrity protection, and grassroot development.

What can be observed from the functioning of the UEFA is the great level of inclusion and consideration of all the stakeholders that surround the football industry. Furthermore, the participation and collaboration between the UEFA and the EU, whether it be the Council or Parliament, shows that the Union is highly invested in sports and in cooperating with organisations. The cooperation leads to a positive outcome for both parties, for the EU the promotion of the sport for all the citizens living under the Union, and for the UEFA the knowhow and resources that the EU can give to the association.

An additional example of a European organisation that directly deals with sport is the European Olympic Committee. The European Olympic Committees is a non-profit organization located in Rome, Italy, that is made up of 50 National Olympic Committees from throughout Europe. The EOC, among other things, conducts three major multi-sport tournaments. The EOC supports athletes and coaches in their quest to achieve the best results in the sports that are practiced, and it motivates individuals in the pursuit of a sustainable and a healthy lifestyle while incrementing sports participation. The EOC is composed of two commissions and one executive committee. The two commissions, respectively the athletes commission and the ethics commission report directly to the executive committee. The two commissions deal with matter regarding players and the ethical functioning of sports. The subjects dealt are namely, gender equality, culture legacy and the sharing of information to develop the best preparation possible.

Taking into consideration the functioning of both the UEFA and the EOC it can be shown that the potential creation of the EESO is neither difficult nor unlikely. Taking inspiration from the decision-making process and the organisations arrangement it can be stated that the potential structure of the EESO is well balanced and could deal with numerous issues and problems that the eSports industry faces, especially considering the differences between Asia and the European region.

## 3.4 Stakeholders to involve

It is becoming apparent that eSports are composed of a complex and highly intertwined system. Many of the actors are highly interconnected and this is relevant to a careful analysis of eSports, as the focus is primarily on the stakeholders involved. Stakeholders can be defined as groups without which the organization would cease to exist. Even though there is a tendency to apply a stakeholder analysis for organisations, it can be extremely useful in understanding the industry and the potential structure of European ESports Organisation.

Although the boundaries of organisations in eSports are sometimes blurred, focusing on internal and external stakeholders within an organisation and within the industry could be a competitive advantage for any organisation involved in eSports. However, for any organisation, categorisation is necessary to reduce complexity; therefore, there are primary and secondary stakeholders. Darnall, Henriques, & Sadorsky, 2010 describe primary stakeholders as stakeholders in the value chain who have a direct impact and, in addition, interact with internal stakeholders. Secondary stakeholders have an indirect effect and are often seen as environmental or social stakeholders. In eSports there are two types of stakeholders. Primary stakeholders are connected in the value chain or value chain network and need each other, at least to a certain extent. This type includes the key stakeholder, the audience, for whom everyone fights and against whom they try to monetise. Secondary stakeholders have an indirect influence and impact on the eSports sector. They are not directly linked to the value chain, but they influence primary stakeholders through investments, opinions and regulations. Primary stakeholders must respond to the actions of secondary stakeholders and rank the power, legitimacy and urgency of these secondary stakeholders. The main stakeholders service providers, communities, hardware suppliers and infrastructure providers are supporting activities. Secondary stakeholders - governing bodies, sports companies, sponsors, the general public, investors, entrepreneurs, media companies and shareholders - do not directly contribute to the value chain network, but heavily influence the eSports industry through investment or pressure for change in a particular direction.

The most important stakeholder is the game developer. The whole value chain of eSports or the eSports experience for the audience is built around a dedicated video game. Many modern video games have some form of competition and allow players to play against each other, but not every video game is capable of being an eSport title. Competition should be balanced and should be fun to watch, but many eSport titles: they are constantly being updated and new content will therefore be subject to further scrutiny.

Nobody owns the sport as a whole in traditional sports, thus there is a method through which each individual participant generates his or her own profit. It's not the same with eSports. The game creator owns an eSport title, therefore there is intellectual property, and making a product from it requires the game developer's legal and technical authorization. The game creator possesses innate strength that develops with time. Creating a great eSport title may not automatically qualify the game developer as a good tournament organiser. Activision Blizzard had to acquire the Major League Gaming to improve its ability to create eSport content. Riot used the Electronic Sports League tournament organiser to create the first event and started doing it on its own along the way (Abanazir, 2019). The developer is also, and more importantly, responsible for defining the rules. Although there is always a risk that competitors and some other game developers will create a better or more desirable game, game developers can try to create a new version. As previously said, game creators are the most significant stakeholders and have the most influence in the current stage of growth of the eSports ecosystem, with complete legal rights to monopolize any component of their game. This behavior, however, is still uncommon in eSports, and developing eSport titles frequently opt for a cooperative strategy: for example, PUBG, a game developer which has created one of the most popular battle royal video games, is cooperating with StarLadder and OGN in the establishment of its worldwide league. Tournament organizers are currently losing influence as game makers like Activision Blizzard force them out. However, this may be a extremely chance for tournament organizers who are looking to expand their portfolios and search for new options outside of the big championships. Organizers have aggressively filled the vacuum and helped to build today's thriving eSports sector. It was critical, especially early on, to bring rivals together in order to create a fair competition climate. At the time, the crowd was miniscule, and a tournament had a more intimate feel to it. Nowadays, competitions may often fill venues. Analysing the eSports industry, it emerges that tournament organisers have a distinct and vital role in the eSports ecosystem: they are responsible for connecting developers with their respective audiences and work to improve the interconnection between these two parties. Moreover, over the years many tournament organisers have become highly professional and highly efficient. The tournament organiser is responsible for choosing the location of the competition so it will also be necessary to determine the scope (regional vs. national) of the event. The organiser is also responsible for finding the sponsors of the event and, by selecting the games, also the venue and the professional teams. It is important to note that only independent tournament organisers can have different titles in different tournaments at different venues.

Professional teams are yet another critical key stakeholder to whom the majority of economic and financial resources are directed. Players do, in fact, get a wage and incentives. Many professional teams have enhanced their professionalism in recent years and can now compete with certain conventional sports organizations. There are traditional sports organisations or players creating professional teams (e.g. Echo Fox) and using their name (e.g. FC Schalke 04), entrepreneurs (e.g. Gen.G), venture capitalists or investors (e.g. Immortals) or those founded by people from eSports (e.g. BIG). More and more teams are being purchased by non-endemic stakeholders who wish to invest in eSports, potentially out of fear of missing out or believing the hype that exists. On the one hand, this development has led to a professionalisation in team organisation. For example, Fnatic has always had a strong focus on becoming an independent organisation without depending too much on external investors and, furthermore, reducing its dependence on sponsorship. As a relatively old organisation, it experienced the struggle of the financial crisis and had to adapt. It seeks to exploit its brand value and monetise its brand. It has a solid foundation in merchandising and in 2015 introduced its hardware line of gaming peripherals called Fnatic Gear. However, the main business is finding and supporting players who will win tournaments. An interesting aspect of eSports, which likens it to creative businesses such as film and TV, is the ability to combine talent purely from a skills perspective.

The audience takes on two roles. On the one hand, it is the game recipient that each stakeholder seeks to monetise. On the other hand, it is an active participant in the industry. The gaming culture or gamer culture is shared by the eSports audience. The eSports audience is united in their love of video games. As a result, there are no clear borders in the eSports business, and being an audience member may equally mean being a part of a professional team. The move from being the audience to generating content for the public is dynamic and ongoing. There are no obvious boundaries: all stakeholders are involved in eSports and are inextricably tied to one another. This integrating process appears to be far more intensive than in any other cultural or sports phenomena.

The eSports industry has evolved into a dynamic environment in which many sports organisations are seeking to diversify. In comparison to 2015, when less than 10 sports organisations were participating in eSports, the numbers are currently rising exponentially: by the end of 2019, there were more than 200 sports teams having some sort of eSports team in their organization.

A great number of stakeholders rely on one another to further promote the eSports industry, and the general public is also interested in the essential features. This is critical when attempting to comprehend the dynamics of relationships among the different participants in the eSports industry, as well as their potential for collaboration, especially with competitors. This interconnectivity of audiences is particularly essential for secondary stakeholders who have lately entered the eSports sector, especially since they are focused on short-term profitability. Short-term profit is feasible, but it may result in long-term failure; hence, a sustainable business model necessitates audience integration as an important element of a European ESports Organisation. The audience is both the creator and the customer of the product, helping to create the value generated from Esports. As a result, we can confirm that, as in other creative industries such as film and television, the public is the topic on which the consensus and validity of the game is founded in the eSports industry.

Taking into consideration the work conducted by Scholz, 2019, we can observe, taking into consideration Figure 17, the clear structure of stakeholders that surround the eSport industry.

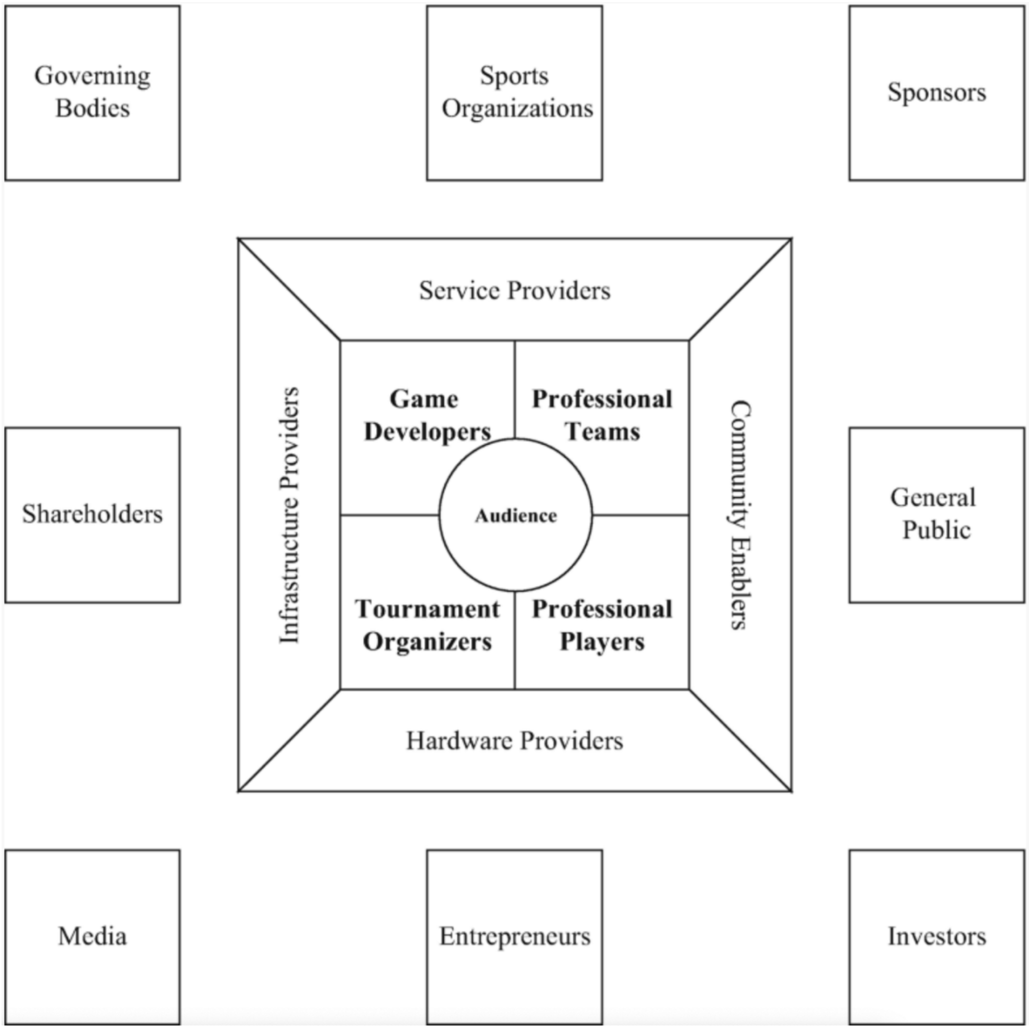


Figure. 17 Stakeholders in the eSports industry, (Scholz, 2019)

Analysing the potential creation of a European ESports Organisation, it can be stated that it is pivotal to include game developers, country specific European federations, and players that reside in the member countries. Considering the most important video game franchisees and the biggest tournaments the game developers that should be considered are: Blizzard, Epic Games, Electronic Arts, Riot Games, and Valve. It is highly improbable to create an organisation with all of the game developers mentioned above, but considering the European market for eSports, Blizzard, Valve and Electronic Arts, stand out as the largest companies that produce the games that have the greatest following in the EU region. Nonetheless, the participation in a European ESports Organisation, would be beneficial for all of the game developers, especially considering that adhering to the organisation would provide an important platform to publicise new games that developers develop. Especially important would be the participation of Electronic Arts, namely because the FIFA franchise, and its European tournaments has a high level of spectatorship and following. Moreover, the report conducted by GWI has shown that in France, Italy, Germany, and Spain the football video game FIFA has the highest following with regards to individuals not only playing the game, but also watching the FIFA Interactive World Cup, the eSport league of the game. This is mainly due to European countries being extremely attached to the traditional sport of football, and as previously stated this reflects also in the video gaming industry and the eSports industry. In the past numerous traditional sports organisations have doubted the importance of eSports and their recognition, but taking into consideration the numbers, both financial and of spectators, it is inevitable that the creation of a European Esport Organisation, would benefit all.

## 3.5 Contribution to the European identity for individuals, companies and countries

Following 1945, a rapid pace of European integration culminated in the establishment of the European Union (EU) in 1993. Between 1995 and 2020, the EU expanded from 12 to 27 member states, with its member states accounting for 510 million people, or two-thirds of the continent's population. From the 1990s to the 2000s, there was a concerted effort to federalize the European Union, with the adoption of symbols and institutions often reserved for sovereign nations, such as citizenship, a common currency (used by 19 of the 27 members), a flag, an anthem, and a motto. An effort was made in 2004 to introduce a European Constitution, but it was not adopted; instead, the Treaty of Lisbon was signed in 2007 in order to salvage some of the improvements envisioned in the constitution. Parallel to this trend of political unification, there has been a discussion about the possibility and desirability of a European identity. A hypothetical future European identity is viewed as only one component of a "multifaceted identity" that still includes national or regional affiliations. The purpose goal a shared European identity was to provide European citizens a greater connection with the European Community so as to acquire support for EU policies. In terms of conceptualising European identity, it may be argued that European identity is a flexible and multifaceted social construct. European identity is made up of various variables, arises through narratives between group members and their social reality, and is susceptible to change as a result of public conversation among

European residents. Despite their diverse national traditions and histories, EU Member States share values, beliefs, and interests as the foundation of their identity, distinguishing them from other nations and areas across the world.

The institutionalization process of the eSport industry in the European region under a new organisation, the EESO, would provide both tangible and intangible benefits. The particular characteristic that eSport competitions possess is the ability to bring together different people from numerous countries without imposing limits on the players origin. In general, it can be stated that the growth of eSport has been fostered through the evermore globalisation of the world. Nonetheless problems still exist namely regarding the classification of eSport and/or competitive gaming as a sport. While countries such as France and South Korea have opted to regulate e-sport, and the latter has given eSport the same status as any other sport, there have been no cases or policy decisions at the EU level. This being the case, it can be claimed that eSport will come on the EU's radar due to the increasing financial returns of this ever-expanding business (Abanazir, 2019). The dilemma is whether the EU will choose to govern eSports by classifying it as a sport, or if it will classify eSport as just another sector of the entertainment business, a regular economic activity. According to EU legislation, a prospective case before the EU organs would be determined on previously defined parameters while taking into consideration the peculiarities of an economic activity. As a result, the features of sport as regarded by the EU, particularly the physical aspect and social purpose of sport, take on more significance. In this sense, e-sport confronts obstacles in gaining EU recognition as a sport. A lack of physicality in the conventional sense in most popular video games, as well as the questionable social role of video games and e-sport, as well as publisher monopolies over athletic “equipment” offer significant hurdles. If eSports is to be recognized as a sport, one of the problems that policymakers and EESO will face is applying the unique character of sport as outlined in the “White Paper on Sport”. The goal of the White Paper process was to assess how sport is treated at the EU level in order to plan for a consistent Union approach to incorporating sport into its policy frameworks. Esports tournament organizers are conscious of the importance of "ambiguity of outcome" for the value of their goods, and as a result, they have begun to develop tight relationships with Esports Integrity Coalition (ESIC), an organisation that deals with eSport corruption. Needless to say, that the participation of the ESIC could positively impact the work of the EESO’s sustainability committee. As a result, even if the eSport industry overcomes the barriers to the recognition of eSport as a sport in the form of its physical element, monopoly in the supply of equipment, and social function of sport, the insistence of the relevant institutions on sculpting eSport according to pre-set characteristics is a problem that could be addressed with the EU's participation in the eSport.

Furthermore, under the EESO players that reside in member states would have a greater protection under the EU especially with regards to contracts and their physical and mental well-being. In addition, the participation of the EU within the decision-making process of the EESO would bring together members and boost the potential of developing a stronger European identity between participants thus generating a benefit for both organisations. The common attribution of a European identity between participants and players would also create a benefit for the companies that compose the game developers committee of the EESO, in view of the fact that there would be a greater collaboration between stakeholders and the parties directly involved, thus reducing the probability of a standstill when developing projects, i.e. tournaments or events. Moreover, being the general eSports athlete and enthusiast quite young, to give them the senses of cohesion between their country, video games and European Union through the European identity, would most likely bring a greater level of consideration towards both other competing players in the EESO and the EU.

## Conclusions

Undoubtedly, the eSport industry is still in its nascent phase with respect to other industries that deal with traditional sports. Regarding Europe eSports revenues have steadily risen throughout the years, with revenue of 375 million Euros in 2021 and an estimated 465 million Euros for 2021. Based on the current state of important revenue streams, the European esports market has the potential to grow to a volume of EUR 670 million by 2023, with an annual growth rate of roughly 23%. It is important to shed light on the numerous stakeholders that the industry faces in Europe and globally. Nonetheless, through the research conducted, it is correct to assume that creating the EESO and the participation of major stalkers, namely, game developers, national federations, and larger institutions, would mitigate the problems surrounding eSports. The formation of committees to tackle such problems would grant a greater level of efficiency and efficacy. Moreover, the EESO would be an environment in which a variety of stakeholders that possess different backgrounds could come together to interact with one another and push the eSports industry towards a greater growth. The growth would be linked to revenues and how professional eSports players and athletes would be recognised and protected, with regards to health and contract management under the European

Union. Within the area of rules and actual play negotiation, we see in e-sports how the game artifact is subject to intricate social processes that regulate its competitive deployment. Communities devise rules and play conventions to encourage the employment of often defective or inadequate software in the service of high-end competition. Computer games also contribute significantly to the creation of totally new identities for players, both as gamers and as sportsmen. The study conducted aims at emphasising the importance of the contribution of the European Union in the realm of eSports especially in helping create a framework for the discussion on rule setting for tournaments.

The contribution that the EESO would grant to eSport is directly correlated with the attribution of sport to competitive gaming. The institutionalisation of the industry would give eSports a greater level of acceptance from the general public thus improving its journey to being potentially classified as a sport. The growing popularity and allure of eSport, and the psychology that surrounds video gaming, are frequently characterised as harmful, due to a lack of physical exercise and its sedentary nature, or the intensive, excessive usage. However, there is a scarcity of empirical evidence, and more study is required before any conclusive conclusions about the psychology of esports can be drawn. To obtain the "sport-status", eSports must be recognised as a sport internationally, which is already being considered in around 40 nations. In terms of future study directions, more comparison and assessment of sports and eSport is required and the development of parallels and contrasts between such activities. Similarly to the previous theoretical research, eSports as video game consumption is more than just a kind of pleasure or labour. Accepting eSports as a legitimate sport and its growing popularity may lead to future empirical research, including sport psychology tools and techniques into its design.

The limitations of this research are linked to the lack of external interviews, which would have given a more practical answer to the research question developed in the thesis. Nevertheless, one can understand that an institution must be born for the industry to better engage in Europe. Further research should expand starting from this thesis and analyse the number of individuals that the EESO would impact through empirical findings. In addition, interviews with game developers and representatives of the European Union would greatly benefit the research and assess whether such a project is ideologically feasible.

With the concept of sports closely approximating what esports include, it should come as no surprise that society considers esports to be sports and the players to be athletes. Because the presentation styles and league systems are so similar, billions of conventional sports fans may easily become fans of esports teams. As a result, eSports' societal acceptability will expand exponentially, with increased fan engagement, financial backing from fans and corporations, and institutional participation.

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# Abstract

ESports is a term used to describe competitive video gaming, both professional and amateur, that is often organised by multiple leagues, ladders, and tournaments, and where players typically belong to teams or other "sporting" groups that various corporate companies sponsor. ESport is undergoing a period of significant transformation, similar to what contemporary sport underwent in the 1990s, fueled by enhanced means of consumption. Whereas the former attained its present trajectory due to television deregulation, eSport found an ally in streaming. As with mainstream athletics, labelling eSport as "big business" is quickly becoming cliche. Despite its rising popularity, higher turnover, and potential inclusion in the Olympic Games program, eSport faces scepticism from pundits and society. One of the main concerns raised by this prevalent form of entertainment is whether or not e-sport is a sport at all. As esports become more popular, and in some cases, outperform traditional sports in terms of viewership, they provide up new possibilities for studying people and systems on a considerable scale.

The eSports business and all individuals participating in eSports are framed by two factors. Firstly, eSports is a catch-all phrase for any game that may be utilised in competitive gaming; hence, the name "eSports" is comparable to the term "sports". Talking about a single entity does not adequately define eSports in general. There are distinct communities for different games, regional differences, and several parties engaged. Secondly, the eSports sector is very unpredictable, and there is much volatility, especially regarding eSports titles, considering that video games have a finite lifespan. This is unparalleled in comparison to other conventional sports.

The eSports business operates without a clear regulating organisation, but there is a form of self-regulation in some areas. The following thesis wishes to shed light on this issue and propose through a thorough analysis a possible solution for the European region. To better understand the phenomena the first two chapters, have the goal to assess the industry and its main components. Starting from an overview of the history of the industry from the first competitive gaming events up to current modern video games and their classification with regards to eSports. Going forward through studies conducted by various consulting companies an analysis was conducted to assess the growth of the industry globally, in Europe and nationally, taking into consideration the Italian market. In the second chapter the focus is set on both the platforms utilised for eSport and the individuals that in recent years have shown

particular interest in the industry, namely Gen Z. In the last section of the second chapter the main problems of the industry have been taken into consideration with a further emphasis on both physical and mental problems that eSport professional players face. The third and final chapter deals with the core problem of the thesis. Through the study of the industry and the careful reading of scientific papers it was possible to asses and develop the structure of a future European organisation that could guide the eSports industry and its stakeholders in the EU region. Due to the high growth of the industry and its lack of institutionalisation the creation of an organisation would solve numerous problems that the industry faces. Moreover, the research takes into consideration two sport organisation that operate in Europe, The Union of European Football Associations (UEFA) and the European Olympics Committees (EOC). The above mentioned organisation and their decision-making process helped in conceptualizing the modalities with which a new European ESports Organisation (EESO) would proceed in developing the industry. Lastly the study focuses on the impact of the EESO on individuals, game developers and the EU in "uniting" the stakeholders under a common identity that could render the industry in Europe more united.

Throughout the years the success of certain video games and their adoption in competitive gaming has derived from their ability to fully adopt four characteristics, called SCAR. (Collis, 2020). The acronym stands for skill, community, accessibility, and reward. It can be observed that over the year's games have become ever more complex and thus requires deeper level of skill and knowledge of the game. As a consequence of new games such as MOBAs or Massive Multiplayer online games, i.e. *World of Warcraft* launched in 2004, networks between individuals from all over the world were created and thus a sense of community. Games and gaming platforms became increasingly accessible and video games were available for a wide range of gamers. Finally, with the creation of streaming platforms and a perpetually increasing number of venues and tournaments, rewards incentivized casual players to pursue professional gaming.

The main chapters focused on the realisation of a European Esports Organisation that could be born with the help of eSports federations or associations from the European continent. Currently in the European continent there are numerous eSports federations that have controlled and analysed the eSports industry in their respective country. Countries that currently have an eSports federation are: Austria, Belarus, Belgium, Czech Republic, Denmark, Finland, Georgia, Germany, Hungary, Italy, North Macedonia, Norway, Poland, Portugal, Russia, Serbia, Slovakia, Sweden, Turkey, Ukraine, and United Kingdom.

Because institutionalisation is an essential condition for a game to become a sport, it is worth investigating the creation of a functioning organisations that could deal with the eSports industry in Europe. When a game's community universalizes a set of rules that all players must follow in order to compete, supports an institutional philosophy, and propagates that game in order to develop its scene, this is referred to as institutionalisation.

The istitutionalisation process may commence when the participation of both spectators and professional players is large enough to render the potential institution relevant and of importance. Individual clubs and schools can regulate themselves, but for there to be a larger athletic community, a bedrock of sports institutions, universalisation is required. The codify of a game's rules, globally embraced by all participants under an institution, is known as universalisation (Wigglesworth, 2007). The universalization of a potential code of rules can further boost the willingness to create an organisation, especially with regards to dispute settlement between tournament organizers, professional eSports players, and game publishers. This phenomenon is diluted within eSports since the fundamental rules of any given game are embedded within the actual game. Moreover, what may vary are the winning conditions, meaning for example the number of matches that a team must win within a game in order to progress to the following stages of the tournament.

It we take into consideration large sport institutions and organisations we can observe that their importance is not only linked to the popularity of the sport, but also to its history and for how long a certain organisation has been present. Esports organisation cannot acquire such credibility, mainly due to the recency of many-videogames and of their respective competitive field. Rather eSports organisations must develop through aspirational philosophies, such as the promotion of a balanced and rightful eSports scene in the European region. Through the process above, over time, the eSports organisation will acquire a greater cultural legitimacy. In addition, the diffusion of the eSports industry in Europe will greatly benefit the further development of the commercialisation of eSports entertainment. To improve the spectatorship in the European region the creation of a functioning organisation is vital. Spectatorship has always been a concern in the industry, especially from the early 2000s. We can take into consideration the Evolution Championship Series (EVO) which deals with organizing tournaments focused exclusively on fighting games. To deal with this problem in 2002 the organizers of EVO decide to host the tournaments in a single weekend, this produced a respectful amount of viewers and participants. Over the years this has become a tradition and has led EVO to reach significant popularity that Sony Interactive Entertainment became partial owner of the tournaments (Summerley, 2019). Furthermore, to understand how important going forward commercialisation and spectatorship will be industry we must mention the Overwatch League. The Overwatch League (OWL) is a professional esports league for the video game Overwatch, which was created by Blizzard Entertainment. The OWL, like other conventional North American professional athletic leagues, employs a set of permanent, city-based clubs that are supported by distinct ownership groups. Furthermore, the league uses a regular season and playoffs format rather than the promotion and relegation system that is common in other esports and non-North American leagues, with players on the roster guaranteed a minimum annual salary, benefits, and a portion of winnings and revenue-sharing based on team performance. The league was launched in 2016, with the first season beginning in 2018, with a total prize pool of US$3.5 million awarded to clubs that year. The institutionalization of the previously mentioned League is a key example of how important developers are in the process, and how they can control the transition from simple video game to professional eSport.

Valve, one of the most important video game developers worldwide, has created and developed one of the most important eSports competition called “The International” which is dedicated to the video game “Dota 2”. The International debuted at Gamescom in 2011 as a marketing event for the game, and has since been conducted yearly with the exception of 2020 due to the COVID-19 pandemic. The event features 18 teams, with 12 receiving direct invites based on performances from the Dota Pro Circuit tournament series and six receiving invites after winning regional qualifying playoff brackets, one from each of North America, South America, Southeast Asia, China, Europe, and CIS regions. As of 2013, the prize pool has been partially funded through the game's battle pass system. Internationals feature the biggest prize pool of any eSport event, with each award consistently exceeding the preceding year's, with the most recent prize pool amounting to 34 mln US dollars. The capital structure of other competitions and institutions in the eSports industry vary, it is common to utilise membership fees to fund their operations. This method is utilised by the ESL, formerly known as the Electronic Sport League, which deals with organising and hosting eSport tournaments. ESL Gaming has grown from its creation into one of the world's largest eSports organisation, dominating the industry in a variety of popular video games through various online and offline contests. Under the ESL Pro Tour, the business runs high-profile, branded worldwide leagues and tournaments such as Intel Extreme Masters, ESL Pro League, and other stadium-size competitions such as ESL One. In addition, ESL Gaming develops and hosts the ESL Mobile program, DreamHack Open events, ESL National Championships, grassroots amateur cups, and matchmaking systems (ESL, 2021).

Developing a spectator sport relies on the development of specific criteria which were identified by Rowe, 2004:

1. Institutionalisation
2. Sport Media
3. Venues with large crowd capacity
4. A labour market of professional and semi-professional players
5. State funding donated to the development of the sport
6. Competitions that award prizes
7. Merchandising sales

Simply by analysing these criteria we can comprehend that they have been met in traditional sports, whether it be football or basketball, on the other hand we find a partial integration of criteria 3, 4, and 5 in the eSport industry. Institutions like as KeSPA have developed e-sports stadiums (KeSPA, 2021), but very few e-sports have dedicated venues to play, and events rely on renting large venues, such as stadiums which are not specialized eSports arenas, i.e. in the Unites States the Las Vegas Convention Center.

The creation of a European Esports Organisations will have to deal with the funding of its operations through numerous revenue streams. The implication is the use of membership fees and corporate funding, there are numerous stakeholders in the eSport industry, that could greatly benefit in promoting a function EESO. The stakeholders to involve into the project will be dealt with in later paragraphs. Unlike conventional sports institutions, which were first divided by ideological differences such as amateurism or ruleset loyalty, e-sports institutions are divided by grassroots versus corporate organization (EVO compared to OWL).

Corporate funding would without a doubt grant the organisation a greater level of approval for individuals that to this day doubt the validity and importance of eSport and competitive gaming. This would also grant players a protection with regards to contracts and the video games played in the competitions that organisation would host. In terms of tournaments, the industry has a scattered production process in which publishers, on the one hand, organize tournaments for their own games and, on the other, use licensing and/or sanctioning systems for tournaments organised by third parties. In addition, the licensors of eSport video games organize or assist in the organization of competitions. Blizzard's Hearthstone Global Games, Overwatch World Cup, World of Warcraft Arena World Championship, and Starcraft II World Championship Series, as well as Riot Games' Challenger Series, Championship Series, and World

Championships for League of Legends, are examples of top-tier tournaments organized by the publishers (Abanazir, 2019).

The creation of a European Esports Organisation would take inspiration from the European Esports Federation which was founded on February 2020. The European Parliament and its members have strongly supported and endorsed the EEF's formal formation. On the same day as the formal debut, Mr Hans Jagnow of Germany was appointed as the first President of the EEF. The organization will play a similar function to the AESF in Asia, representing over 100 million gamers from 23 European countries. The EEF's major goal is to provide a "united representation, a clear vision for digital communities, and a platform for its members to further grow Esports”. The Cologne-based tournament and league operator ESL Gaming, the Russian ESforce Holding, and the PR and lobbying firm Burson Cohn & Wolfe are among the initial members. Other than ESL (Electronic Sports League), no rights holders or league operators are represented. From an exhaustive analysis the element that emerged was a absence of initiatives within the EEF, from its founding over one year ago, its agenda. The lack of participation leads to a lack of credibility and consequent insufficiency of attention towards eSport players in Europe and the development of the industry. Esports has gained an incredible amount from the globalization that we are living, nonetheless when we find ourselves dealing with a culturally diverse environment especially for the European region. Considering that the EEF has members not only Europe but the enlarged European geographical region. For example, eSports federations from Azerbaijan, Georgia, Israel, Russia, and Turkey, are present. This is not a negative element per say, but it inevitably creates problems within the federation, deriving from tensions between the states, this is inevitable. Instead of setting up an organisation with the idea “the more the merrier”, it is important to understand how to firstly create a functioning ecosystem that can, after having established its roots, expand its scope to other possible participants of the organisation. Taking these facts into consideration, going forward it is best for a European Esports Organisations to be established within the members of the European Union. The difficulties are numerous, such as the acceptance of the EU of eSports and competitive gaming as a sport, and potentially getting the EEF involved in the operations. Nonetheless the advantages outweigh the disadvantages, namely considering that the countries involved would be under the EU a higher level of digitalization is present and thus creates a better environment for both professional competitive gaming players and potential investors. Being the potential participants, members of the EU this would also help the Union in entering into an industry that with the incredible growth that it has achieved in the last years will need a guide to guide its further evolution, without limiting its freedoms. It is not unusual for

governments to be involved in the creation of associations of federations that deal with eSport. Government assistance has an impact on tournament organization as well. As stated in previous chapters, The Korean eSports Association (KeSPA) is the most well-known example of this, having been founded in 2000 with the consent of the Korean Ministry of Culture. It is a non-profit organisation that organizes and maintains e-sports events. It has the authority to add or remove games from tournament schedules. This implies that it can control the video games that are being played by professional eSports players, and to some degree sway the preferences of casual gamers to certain video games. The KeSPA, to this day, represents one of the most important institutions in eSport, and a pillar in the industry.
Moreover, the licensors of sports video games are beginning to participate in tournament organization. The FIFA Interactive World Cup, based on the FIFA Series, is one example of this approach. FIFA organized the event in collaboration with EA Sports, the publisher of the FIFA Series. It was aired on YouTube on the FIFA channel and featured full terms and conditions that would be better referred to as tournament rules. In late 2017, the competition was renamed "The FIFA eWorld Cup" in order to capitalize on the growing interest in e-sports (Abanazir, 2019).
Proceeding from the fact that the countries involved would be members of the European Union, this would give the EU an important push in dealing directly with the eSports industry. This in return, implies that the Union could provide guidance and aid in developing the competitive gaming industry in all of its 27 members. Furthermore, a European Esports Organisation, can be a point of reference for future members and countries that want to correctly develop their eSports industry. It is not possible to deny that the EU has shaped and improved numerous industries around the European region, for example the agricultural industry and the digital market industry. The EU is the first to have proposed a regulation of the growing digital market industry through the Digital Market Act (DMA) and the Digital Service Act (DSA). Consequently, it is clear that helping and entering the eSports industry can be in line with the direction that EU has decided to follow.

To include the most relevant stakeholders the ideal system of the European ESports Organisation would rely on individual committees that would dedicate their work in improving the experience of eSports for the European industry and for the players and audience involved. A committee can be defined as a small group of persons appointed to represent a bigger organization and make decisions or gather information on its behalf.

At the top of the organisation the main agenda should be supervised by a EU committee which would determine whether the projects proposed would be beneficial and in line with the interests of the European Union and to the members states involved in the organisation. The contribution of their opinion in matter regarding the eSports industry would be pivotal in establishing its importance globally making the first international organsation to positively contribute to the well-being of professional competitive gaming players in the member states of the Union that would also be a part of the newly created European ESports Organisation. Moreover, if the EU showed particular interest in this manner representatives of the Union have the possibility to express their opinion or provide precise feedback to create a more seamless decision-making process. Despite the difficulties that the organisation will face to adopt and create a functioning governing process with the help of the EU creation of a functioning process will undoubtably be easier. Nevertheless, the EU would have the possibility to actively be involved in the eSports industry which, in respect to North America and Asia, is lacking. This creates a gap that would give the EU the opportunity to become the first international association that would help guide a nascent industry in the European region towards a stable and prosperous path. The participation of the European Union would in addition, grant eSports a greater level of appreciation with regards to its classification as a sport. Even though in the initial period this may create difficulties and opposing felling's it is inevitable that in the future eSport and competitive gaming will be classified as a sport. For example, in the past, the general public has had problems in accepting the activity of skateboarding as a sport, but fast-forward 20 years and it is now a competitive discipline in the Olympics. Lastly, the participation of the EU would grant the European ESports organisation to the capacity to challenge the Asia-centric eSports industry and more specifically the International ESports Federation (IESF) which is currently located in South Korea.

The most efficient method to propose the function of the organisation and its operations is to establish three committees, which include game developers, the eSports federations of members of the organisation and a committee devoted to sustainability. The three committees would interact between themselves in proposing successful and applicable projects to promote eSports in Europe. The game developers committee would be composed of individuals of video game companies which desire to enter the European market and want to create a positive environment in which competitive players could play the specific video games. It might seem that there would be continuous friction between game developers, but this should not be the case. Each game developers have their own unique game that is accepted internationally as a competitive gaming tool. Consequently, tournaments can be potentially held in the same period without obstructing other developers video game, thus creating a system by which the game developers on the committee could seamlessly cooperate to promote not only their interests but also eSports in the EU region. With regards to what has been said above it is important to distinctly state that each competitive gaming professional player is specialized in one video game, and in only in some rare cases two. This is a consequence of the endless hours that one must invest in a video game to reach a certain level of professional play. Therefore, there is no clear loss for important video game Irs to discuss with other Irs, within the context of a European ESports organisation (EESO), the central topic of which video game should be used in a specific time period or tournament. Nonetheless, as previously mentioned, there are specific developers that have a pivotal interest in entering the EESO, namely because their products are the most popular in the European region, i.e. Electronic Arts that each year releases the video game franchise FIFA.

The national federations committee would group together the eSports federations of the members of the EESO. The committee would work alongside the European ESports Federation (EEF) in providing the best possible environment for its players residing in member states. The collaboration would bring a win-win situation for both parties especially considering that not all the members of the EEF would be part of the EESO. On one hand the EESO could rely on the formerly created EEF to involve potential members of both organisations, on the other hand the EEF could develop a greater authority in regard to dealing with an organisation that has the supervision of the EU. Unfortunately, currently, the EEF is extremely absent in the eSports industry and this in turn has created a gap especially with regards to tournament planning an in general expanding the industry in Europe.

The sustainability committee which would be essential to develop a positive environment for players, game developers and most importantly eSport spectators in the EU region. The industry faces numerous difficulties, one of which, is the gender disparity between players, this derives from the low level of female professional eSports athletes. The sustainability committee would be devoted in promoting eSports for all, and create a setting in which everyone is accepted without taking into consideration race and gender. Furthermore, the committee would deal with applying an ethical lens to the projects proposed by the various committees of the EESO, thus developing a business model for game developers in Europe that would greatly benefit the eSport industry.

Undoubtedly, the eSport industry is still in its nascent phase with respect to other industries that deal with traditional sports. Regarding Europe eSports revenues have steadily risen throughout the years, with revenue of 375 million Euros in 2021 and an estimated 465 million Euros for 2021. Based on the current state of important revenue streams, the European esports market has the potential to grow to a volume of EUR 670 million by 2023, with an annual growth rate of roughly 23%. It is important to shed light on the numerous stakeholders that the industry faces in Europe and globally. Nonetheless, through the research conducted, it is correct to assume that creating the EESO and the participation of major stalkers, namely, game developers, national federations, and larger institutions, would mitigate the problems surrounding eSports. The formation of committees to tackle such problems would grant a greater level of efficiency and efficacy. Moreover, the EESO would be an environment in which a variety of stakeholders that possess different backgrounds could come together to interact with one another and push the eSports industry towards a greater growth. The growth would be linked to revenues and how professional eSports players and athletes would be recognised and protected, with regards to health and contract management under the European Union. Within the area of rules and actual play negotiation, we see in e-sports how the game artifact is subject to intricate social processes that regulate its competitive deployment. Communities devise rules and play conventions to encourage the employment of often defective or inadequate software in the service of high-end competition. Computer games also contribute significantly to the creation of totally new identities for players, both as gamers and as sportsmen. The study conducted aims at emphasising the importance of the contribution of the European Union in the realm of eSports especially in helping create a framework for the discussion on rule setting for tournaments.

The contribution that the EESO would grant to eSport is directly correlated with the attribution of sport to competitive gaming. The institutionalisation of the industry would give eSports a greater level of acceptance from the general public thus improving its journey to being potentially classified as a sport. The growing popularity and allure of eSport, and the psychology that surrounds video gaming, are frequently characterised as harmful, due to a lack of physical exercise and its sedentary nature, or the intensive, excessive usage. However, there is a scarcity of empirical evidence, and more study is required before any conclusive conclusions about the psychology of esports can be drawn. To obtain the “sport-status”, eSports must be recognised as a sport internationally, which is already being considered in around 40 nations. In terms of future study directions, more comparison and assessment of sports and eSport is required and the development of parallels and contrasts between such activities. Similarly, to the previous theoretical research, eSports as video game consumption is more than just a kind of pleasure or labour. Accepting eSports as a legitimate sport and its growing popularity may lead to future empirical research, including sport psychology tools and techniques into its design.

The limitations of this research are linked to the lack of external interviews, which would have given a more practical answer to the research question developed in the thesis. Nevertheless, one can understand that an institution must be born for the industry to better engage in Europe. Further research should expand starting from this thesis and analyse the number of individuals that the EESO would impact through empirical findings. In addition, interviews with game developers and representatives of the European Union would greatly benefit the research and assess whether such a project is ideologically feasible.

With the concept of sports closely approximating what esports include, it should come as no surprise that society considers esports to be sports and the players to be athletes. Because the presentation styles and league systems are so similar, billions of conventional sports fans may easily become fans of esports teams. As a result, eSports' societal acceptability will expand exponentially, with increased fan engagement, financial backing from fans and corporations, and institutional participation.