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THE ESPORTS PLAYBOOK: AUSTRALIA

MAXIMISING YOUR INVESTMENT
THROUGH UNDERSTANDING THE FANS



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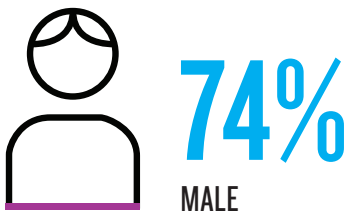
WELCOME

Welcome to Nielsen Sports and Entertainment’s inaugural Australian Esports Playbook. Esports refers to competitive video gaming, primarily in the form of professional or sponsored events (league competitions, tournaments, championships or battle/match), and typically between professional and sponsored gamers or teams (although amateur events also exist). With the esports fan base undisputedly growing, so, too, is the strategic focus organisations are starting to place on the sector. This playbook showcases the attitudes and behaviours of esports fans in Australia, and provides an outlook of the industry and the commercial opportunity brands, media owners and rights holders have in the space.

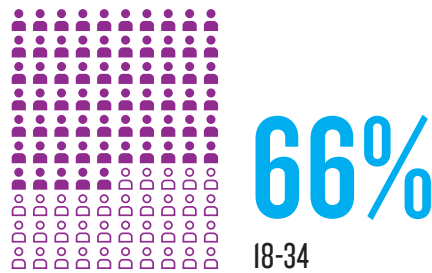
**“THE AUSTRALIAN ESPORTS FAN BASE
HAS MORE THAN DOUBLED IN THE
PAST TWO YEARS”**

This playbook is derived from our comprehensive study conducted for the region, and it mirrors our research recently completed in four key Western markets – United States, United Kingdom, France and Germany – and three key Asian markets – China, Japan and South Korea. There are some clear distinctions among the Australian fan base and those in other global markets, from their differing interests in game genres, to their varying consumption habits and their interests in traditional sports. One thing that is consistent, however, is their positive affinity and engagement toward brands and sponsors within this arena, highlighting the value esports fans deliver.

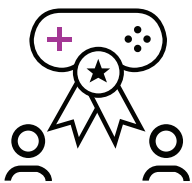
WHO IS THE AUSTRALIAN ESPORTS FAN?



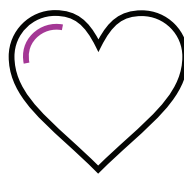
HE'S MALE - 74% OF AUSTRALIAN ESPORTS FANS ARE MALE - AMONG THE HIGHEST OF KEY ESPORTS MARKETS GLOBALLY.



HE'S 26 (MEDIAN AGE OF THE AUSTRALIAN ESPORTS FAN). 66% OF FANS ARE 18-34, SO MILLENNIALS CERTAINLY RULE THE GAMING ROOST!



LIKE MOST FANS IN WESTERN MARKETS, HE ENJOYS SHOOTER AND MULTIPLAYER ONLINE BATTLE GAMES (MOBA).



HE ENGAGES WITH ESPORTS TO WATCH AND LEARN FROM THE BEST GAMERS, AND FOR ITS ENTERTAINMENT VALUE.



HE SEES BRAND SPONSORSHIP IN ESPORTS AS A WAY TO ENGAGE WITH AND CONSIDER BRANDS HE WAS NOT PREVIOUSLY AWARE OF.



HE IS MOST SUPPORTIVE OF BRAND SPONSORS THAT RELATE CLOSELY TO HIS FAVOURITE PASTIME - GAMING! THIS INCLUDES TECHNOLOGY BRANDS, INTERNET SERVICE PROVIDERS, ENERGY DRINKS, MOBILE CARRIERS, SPORTSWEAR MANUFACTURERS AND SNACK FOODS. THERE HAVE BEEN 600+ ESPORTS BRAND PARTNERSHIPS SINCE THE START OF 2016, AND THERE ARE MANY OPPORTUNITIES TO ENGAGE THIS GROWING, HIGHLY INVESTED AND POWERFUL CONSUMER GROUP.

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Talking tactics at the 2017 IntelGameTime Event at Pantip Arena Hall in Bangkok

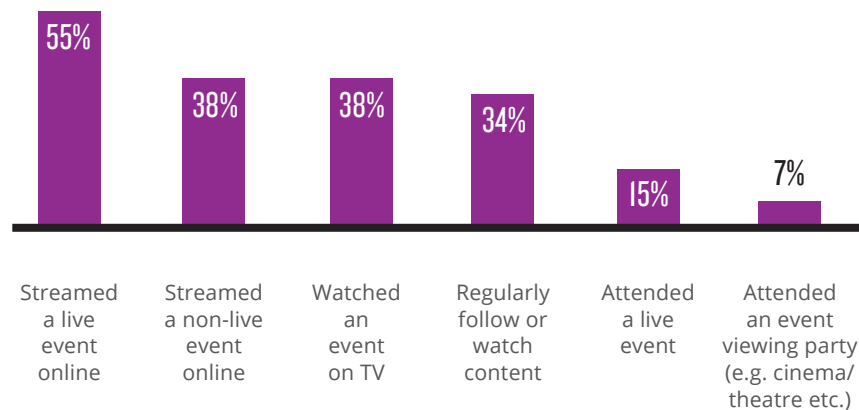
AUDIENCE SNAPSHOT

FANS ARE HIGHLY ENGAGED, AND ARE LIKELY TO BE EVEN MORE ENGAGED IN THE FUTURE

Esports audiences are growing, and their likelihood of remaining or becoming more engaged in the future continues to increase. 55% of Australian fans have streamed a live event online in the past year, and of those who haven't done so yet, 56% plan to in the near future.

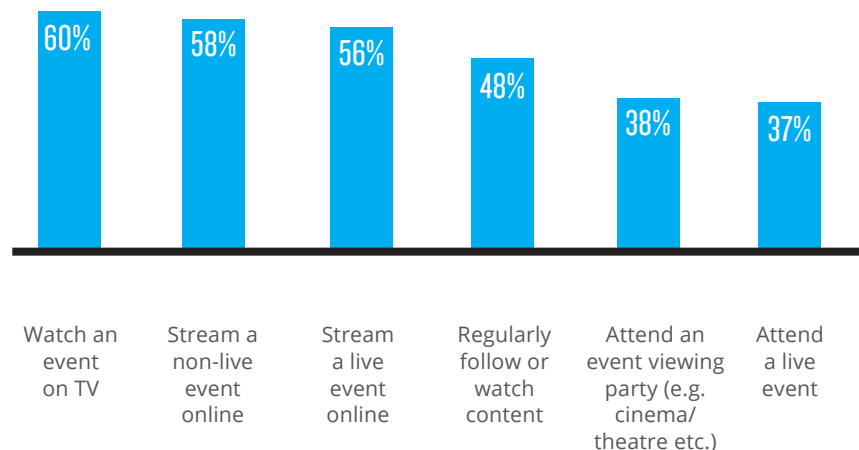
ESPORTS ACTIVITY INVOLVEMENT (PAST 12 MONTHS)

% OF AUSTRALIAN ESPORTS FANS



FUTURE ANTICIPATED ESPORTS ACTIVITY INVOLVEMENT (NEXT 12 MONTHS)

% OF AUSTRALIAN ESPORTS FANS WHO HAVE NOT ENGAGED IN THE BELOW TOUCH POINT IN THE P12M

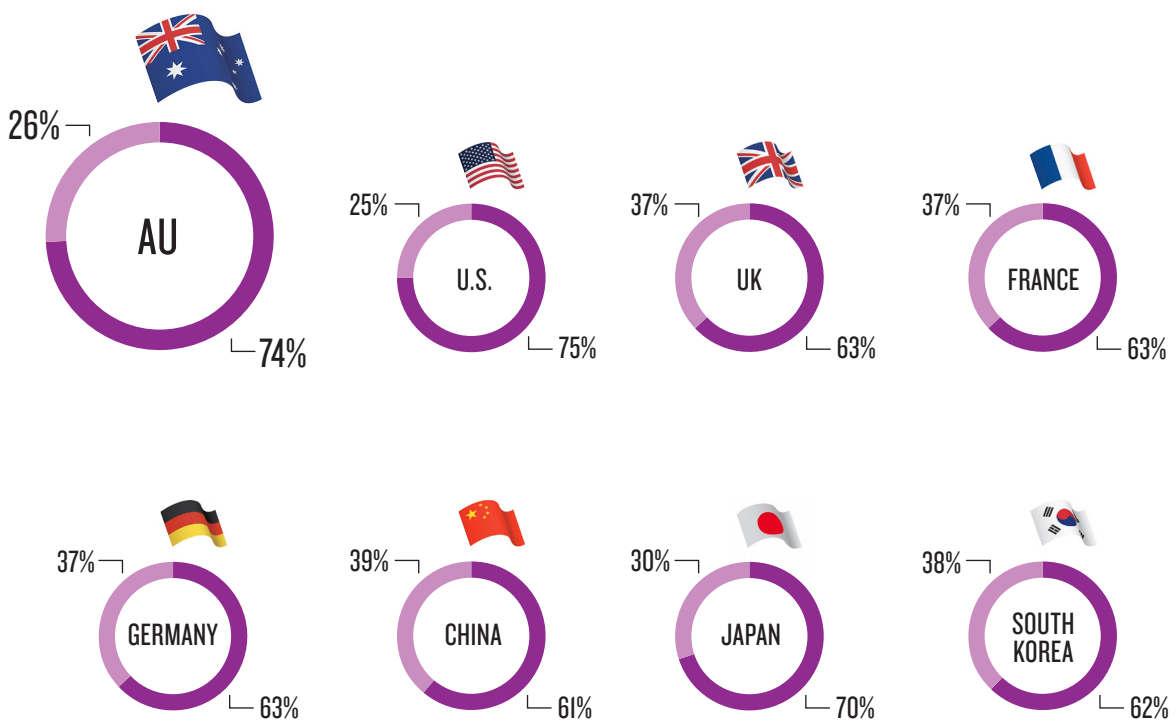


“FOR BRANDS AIMING TO CONNECT WITH PASSIONATE MILLENNIAL MALE CONSUMERS, ESPORTS IS THE PERFECT ENVIRONMENT”

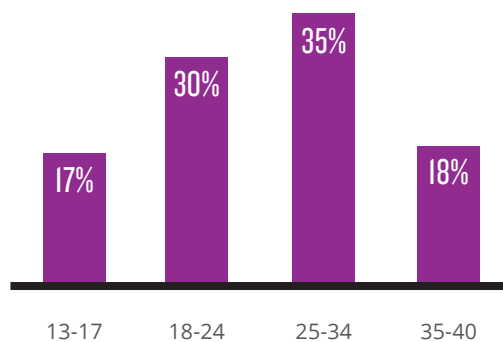
The multiple content forms consumed by esports fans create opportunities for brands to reach new sporting audiences. Nearly three in four Australian esports fans are male (74%), among the highest concentration among esports fans, globally. Australian esports fans are also most likely to be millennials (18-34).

ESPORTS FANS BY GENDER

MALE FEMALE



AUSTRALIAN ESPORTS FANS BY AGE





SK Gaming celebrates their USD\$250k first place Grand Final win at the 2017 EPICENTER: CS:GO event in October

GAMES & GENRES

DIFFERENTIATING ESPORTS FANS

To accurately understand the esports audience and its composition, fans can - and should - be divided into unique and distinct audiences, such as followers of specific genres, games, teams, or players.

Brands and sponsors looking to enter the esports arena no longer need to decide to invest in esports as a whole. Instead, potential sponsors can focus their efforts on a specific group of fans to reach their desired audience.

Understanding the different subsectors of the industry is key to determining the right entry point and brand alignment with esports. At their core, fans across Australia are very similar to other global markets in that they are passionate gamers and have found a new pastime in esports. In fact, the motivation to become better gamers themselves by watching professional players, and learning tips and tricks from them, is a key driver of their engagement with esports.

Australian esports fans are most likely to follow Shooter and MOBA (Multiplayer Online Battle Arena) games on the esports scene, with Sports titles also gaining some traction, given the number of traditional sports organisations moving into esports as of late. CS:GO and League of Legends, two mainstays in the global esports scene, are the most popular PC esports titles in Australia, while esports-related content for popular cross-platform titles Call of Duty, FIFA, and Overwatch is also commonly consumed by fans.

Of note, claimed consumer following does not necessarily correlate with live event viewership of events for each of the listed titles. More broadly, following of esports content can and does include a number of touch points, including (but not limited to) video clips, player/personality streams, and league or game related news focused specifically on esports. While live event viewership is of course extremely valuable and a key way that sponsors in particular engage with esports fans, it is relevant - and important - to also understand the other ways and behaviours in which the esports audience is engaging with their favourite titles, events, players, and more.

*Note: NBA 2K League will not officially launch until ay 2018; however, league details, social content, etc. have been available for several months, and therefore are accessible to esports fans outside of any live event activity.

Sourced from consumer response to the following question: Which of the following games/franchises do you follow through esports? Pre-list of 40+ titles across gaming platforms was provided; results shown in these lists are for games primarily followed by PC or PC/console ("cross-platform") esports fans, with full data across all platforms available in the broader Fan Insights data set.

TOP CLAIMED GENRES FOLLOWED BY AUSTRALIAN ESPORTS FANS

1. **Shooter**
2. Multiplayer Online Battle Arena (MOBA)
3. Sports
4. Strategy/Real-Time Strategy (RTS)
5. Fighting

TOP 5 PC EXCLUSIVE GAMES FOLLOWED THROUGH ESPORTS

1. **Counter-Strike: Global Offensive**
2. League of Legends
3. World of Warcraft
4. Dota 2
5. PlayerUnknown's Battlegrounds

TOP 5 CROSS-PLATFORM GAMES FOLLOWED THROUGH ESPORTS

1. **Call Of Duty**
2. FIFA
3. Overwatch
4. NBA 2K*
5. Street Fighter



All eyes on centre stage at the 2017 EPICENTER CS:GO event at Saint Petersburg, Russia

BRANDS

UNDERSTANDING THE ESPORTS FAN IS KEY TO MAXIMISING VALUE IN A RAPIDLY DEVELOPING MARKETPLACE

Esports' rapid rise in the marketplace has made significant headlines recently; case in point, this year's broadcast deal between Twitch and Activision Blizzard to exclusively stream Overwatch League for the next two years. With more and more organisations investing record amounts in the space, from sponsorship, to team ownership, events, tournaments and broadcast platforms, being able to understand how to maximise value in this rapidly developing and complex environment is critical for a brand's return on investment.

Esports fans inherently prefer involvement by endemic or "semi-endemic" brands, and they generally react positively to sponsorship. Nearly half of Australian esports fans like to see brand sponsors in esports, as it introduces them to new brands and products they may not have thought about before. Through the lens of fans, the most appropriate semi-endemic categories for esports sponsorship are technology companies, internet service providers and energy drinks.

Understanding the importance fans place on brand sponsorship is only a piece of the puzzle to engaging with this market. Brands playing in this space will be challenged with creating engaging, unique partnerships that will allow them to stand out from their competitors and be critical to their success.



600+

**ESPORTS SPONSORSHIP
AGREEMENTS SINCE
THE START OF 2016**

Source:
Nielsen Market Intelligence

AUSTRALIAN ATTITUDES TOWARD ESPORTS ADVERTISING



I LIKE SEEING SPONSORS IN ESPORTS AS IT INTRODUCES ME TO NEW BRANDS I MAY NOT HAVE THOUGHT ABOUT BEFORE



THE BRANDS THAT SPONSOR THE TEAMS I FOLLOW IMPACT MY BUYING DECISIONS ON PRODUCTS I BUY



SPONSOR CATEGORIES THAT RESONATE WITH AUSTRALIAN ESPORTS FANS

MOST APPROPRIATE CATEGORIES (excluding endemics)

- Technology brands
- Internet service providers
- Energy drinks
- Mobile carriers
- Sportswear manufacturers
- Snack foods



LEAST APPROPRIATE CATEGORIES

- Financial service providers
- Insurance companies
- Liquor
- Beer
- Car brands



NIELSEN ESPORTS

Through our collective intelligence in sports, games, media and consumer behaviour, Nielsen Sports and Entertainment is the premier provider of data and insights for maximising investments in esports.



The global standard for **quantifying value and benchmark media performance** in esports across multiple platforms and screens.



Deep **understanding of the fan nuances** in different types of esports.



Extensive **custom esports research and consulting** experience.

FAN INSIGHTS

Consumer survey data featured in this report is a small subset of the full data set available in our new Nielsen Esports Fan Insights product, which provides an in-depth look at the global esports fan across a range of topics, including:



ESPORTS ENGAGEMENT

- Content Types
- Platform Usage
- Lifestyle
- Drivers & Limitations



GAMING BEHAVIOUR

- Device Ownership
- Playership by Platform, Genre and Game Titles
- Gameplay Social Sharing



FOLLOWING ESPORTS

- Awareness Habits
- Interaction Preferences
- Event Interest



BRAND & SPONSORSHIP

- Recall & Impact
- Brand Fit
- Fan Openness



VS. TRADITIONAL SPORTS

- Engagement
- Fandom
- Platform Usage

METHODOLOGY

- **Nielsen Sports and Entertainment (AU) proprietary online survey**
- **Sample:** N=1,000 Australian esports fans ages 13–40



ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.

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