

ESPORTS



Competitive video gaming is growing. This form of digital competition—known as esports—involves skill, strategy and dexterity and can be played by individuals or teams for rankings, prizes or fun. Over the past 20 years, esports has grown from a small, underground hobby to a massive, billion-dollar ecosystem. There are now professional teams and leagues in the U.S. and throughout the world with sponsorship and endorsement opportunities, as well as exclusive programming deals with traditional mainstream media and online streaming platforms. Most importantly, there is enormous public engagement. Without question, the millions of people watching and playing video games through esports are helping to reimagine the future of entertainment.

Esports Is Growing Faster Than Many Traditional Sports Leagues

Esports, which is also known as competitive gaming, is revolutionizing how consumers watch, follow and engage with video games. Esports competitions provide an outlet for millions of fans and a meaningful way to connect with others. For perspective, the 2019 world championship final for League of Legends, one of the biggest esports games, drew 100 million viewers. That's more than the combined viewership of the final games of each of the 2019 National Basketball Association final (26 million viewers), the final of the 2019 World Series (23 million viewers) and the 2018 National Hockey League Stanley Cup final (8.7 million viewers). According to some analysts, the global esports market exceeded \$950 million in 2019 and could grow to \$1.1 billion in 2020, with audiences reaching more than half a billion people in 2021.

Great Video Games Provide the Foundation for Esports

The global fascination with esports begins with compelling video games. Without the excitement and immersive experience of the game—which draws millions of loyal and passionate players and fans—there would be no esports.

Developing games that capture competitive attention requires creativity and technical expertise. It also requires significant investments. Today's major video games often cost as much as blockbuster movies to develop and produce and can take years to launch. Published estimates suggest production costs have increased between 200 and 300% in the last 15 years alone. Video game publishers combine storytelling, design, graphics, music and sound to attract players and viewers from all over the world to watch elite esports athletes compete at the highest levels.

The ESA's member publishers are the IP owners of some of the world's most popular esports games. These games are at the center of the esports phenomenon. Without video games, there would be no esports. Unlike traditional sports, each game is the unique creation of a specific

publisher, which owns the underlying IP to that game. As creators and owners of the games driving global esports growth, video game publishers are uniquely positioned to define the parameters of how their games are best used in the marketplace.

Esports Creates Educational and Career Opportunities and Energizes Local Communities

Esports has transformed not only the player experience at home but also in educational and local settings across the globe. More than 200 colleges and universities in the U.S. alone now have varsity esports programs. Some schools offer courses in esports management and business—a recognition that the esports ecosystem provides strong career opportunities. Participation in esports also helps students learn team-building skills, interpersonal communication skills, fluency in technology and strategy development.

Players gather to watch and cheer on teams in physical stadiums dedicated to esports, as well as in malls and movie theatres. Cities around the nation also compete to become new sporting hubs for esports competitions, with local officials recognizing the benefits of partnering with the video game industry and welcoming the opportunity for economic growth.

Adopting a Market-Driven Approach to Grow Esports

Given the trajectory of this industry, a market-driven approach is essential to support innovation and growth for esports. Game publishers, teams, event organizers and venues continue to innovate with different business models to meet consumer demand. Incentivizing growth will benefit local economies and support the educational advancement of students who pursue careers in this field. Already, states are competing to be the epicenter of esports because of the untapped value esports presents. The economic footprint associated with esports is enormous and includes not only the competition itself but also a host of ancillary benefits, including jobs and revenue associated with higher education and tourism.

The Global Video Game Industry Promotes a Safe, Fair and Welcoming Esports Environment

In 2019, the major U.S. video game publishers and their international counterparts worked together to develop a set of four guiding principles for esports.

- **Safety and Well-Being.** All esports community members deserve to enjoy esports in safe spaces, free from threatening or harassing language or behavior.
- **Integrity and Fair Play.** Cheating, hacking or other dishonest behavior detracts from the experience of others, unfairly advantages teams and players and tarnishes the legitimacy of esports.
- **Respect and Diversity.** An open, inclusive and welcoming environment is essential. Esports brings together players from all backgrounds, cultures and perspectives. The diverse player

base contributes to the overall success of esports. Everyone deserves respect and courtesy from others.

- **Positive and Enriching Gameplay.** Esports builds self-confidence, interpersonal communication and teamwork. They bring people together through strategic play to collaborate and think critically and they lead to lasting friendships among teammates, competitors and the broader esports community.

Simplifying Complex, Inconsistent and Inefficient Visa Rules Helps Advance the Growth of Esports

Because esports includes global competitors, U.S. travel visa policies should be simplified for esports athletes to train and compete internationally and for companies to host major international tournaments. Reforms should include: (1) streamlined and efficient application procedures with reasonable turnaround times and increased government support, including appeal support and fast-tracking; (2) expanding visa eligibility beyond esports athletes to include those who support or work closely with esports competitors, such as coaches, team managers, commentators and technical operational staff; and (3) permitting the use of P-1 (athlete) and B-1 (business worker) visas for esports athletes.