

The Success of the Overwatch League: Is it Sustainable?

An Honors Thesis (HONR 499)

by

Tyler Nelson

Thesis Advisor

Dr. Khirey Walker

**Ball State University
Muncie, Indiana**

May 2020

Expected Date of Graduation

May 2020

Abstract

Esports are a growing industry across the world. This thesis reviews the history/success of several esport leagues and identifies the factors that make these leagues successful. As a result of preliminary research, the primary goal of this study will be to develop a model that could predict the success of esport leagues. These factors include mainstream appeal of esports, league structure examples, and general broadcasting reach. The model is then used to examine the Overwatch League, an esport league that began competition in 2018, and concludes that the Overwatch League is structured for sustained success in the esport market.

Acknowledgements

I want to thank my parents and Audrey for supporting me while I worked full-time and completed my schooling. Without their encouragement, it would have been difficult to complete this thesis.

I would like to thank Sarah and Norm, who took a chance on me and allowed me to work in the sport industry while I completed my degree. Their understanding with my schedule and time commitments is greatly appreciated.

I would also like to thank Dr. Walker, whose assistance and guidance has been invaluable throughout this process.

Process Analysis Statement

The route to the completion of my thesis has been long and winding, and extremely difficult for me. In the summer between my junior and senior years, I completed an internship with my current employer. I worked hard throughout the internship to understand the subject matter and to exceed the expectations of my supervisors. I was lucky enough to be in the internship at the time that my immediate supervisor was being promoted. At the conclusion of my 400-hour internship, I was offered the opportunity to stay on as a salaried staff member, even though I still had 18 credit hours to complete before I would receive my degree in Sport Administration. This was an honor, and an incredible opportunity, as jobs in the sport industry are very competitive. I jumped at the opportunity, and I have now been with my employer for two years. At the same time, I have been completing my classes through a mixture of online schooling and commuting to Muncie from Indianapolis several times a week. It has been a challenge, but I believe that I made the right decision in taking the position, rather than coming back to Ball State to be on campus for my senior year.

While I do not regret my decision, I do believe that these past semesters have taught me several things about myself. I have a genuine issue with time management and task prioritization, and it is something that I am actively working through. This thesis was incredibly difficult to complete, especially with the mounting pressures of everyday life; working a full-time job, the global pandemic, as well as, completing my schoolwork to graduate. I found it very hard to find time each evening to work on my thesis. I found that being exceptionally organized and prioritizing the thesis over the other tasks that were demanding attention, was very helpful in the creation of my thesis.

Additionally, I found that I had selected a challenging topic for my thesis. The Overwatch League is relatively new and has not been written about extensively at this point. Locating sources for the Overwatch League, along with the other leagues that I have decided to analyze, was difficult. However, I was able to locate several excellent sources, none of which analyzed the esports industry in the same way that I have elected to. I believe that this is why I am truly proud of my work in this thesis. By analyzing several of the most popular esports leagues active today, I was able to develop a model for other prospective leagues to follow. Utilizing the experiences and development of the existing leagues, I am able to establish what could make a new esports league successful.

I selected League of Legends, Call of Duty, and Counter Strike: Global Offensive as the games that to analyze for this thesis project. I selected them based on their mainstream success and esports popularity. Together with Overwatch, they have millions of players worldwide, and their success in the esports industry makes them excellent examples for developing leagues. Each league has different strengths, and the development of the ideal esports league model takes advantage of the strengths from each game.

I chose to research esports due to the growth of the industry, and the potential opportunities it can provide in the future. I believe that esports are the next logical progression of the sport industry, and that I can set myself up for success in the future by embracing esports now. The sport industry is very competitive, so having prior experience or knowledge of esports could separate me from the competition and assist me in getting a job in esports. I am also personally invested in the topic, as I watch esports regularly and play many of the games discussed in this thesis personally. I found researching the industry and developing the model for esports success fascinating.

My process involved securing primary sources for the basic esports knowledge, and secondary sources for the specific knowledge regarding the various esports leagues. At this point, I found it very difficult to find primary sources discussing the particulars of the esports leagues that I studied. For that reason, I pulled information specifically from the league's websites and other esports analysis websites to provide additional figures and context to my primary sources. I improved my research and analysis skills through developing my esports league model, as well as my business skills. The skills that I gained through my Sport Administration education helped me to determine the necessary criteria for the model, and I was able to expand my knowledge of the sport industry as well.

The Success of the Overwatch League: Is it Sustainable?

The esports industry is a rapidly growing segment of the sport industry, encompassing an estimated 557 million viewers around the world by 2021 (Koch, 2019). Esports media coverage has been growing in recent years to account for the increased interest, including being featured on major sport networks such as ESPN (Stern, 2020). Prior to the extreme popularity of esports/egaming, the president of ESPN, John Skipper, was not in favor of highlighting esports on ESPN (Keiper, 2014). This shows a level of animosity from the traditional sport public towards esports, as it struggles to gain widespread acceptance and mainstream appeal. To appeal to the average sports fan, it is logical to assume that esports will need to model many aspects of traditional sports, including the franchise model and league structure of the most popular sports in the world. This differs from how esports have traditionally been operated, as they have previously occurred between private clubs in exclusive tournaments, often for large sums of prize money, rather than competing in the traditional league year.

Generally, if a league is financially viable, then it will be able to continue operation. Esports have attracted a wide variety of advertisers and sponsors, which lend credibility to the leagues, as well as attract influential investors to the teams. Particularly, technology (i.e., tech) companies have found a place in esports, specifically providing intricate hardware for the games to be played on. Intel[©] in particular has been an esports sponsor since 2006, when it began sponsoring the Intel[©] Extreme Masters, which is a series of high-level esports tournaments held across the world (Nalli, 2019). Some of the most popular esports titles differ greatly in their league structures, which can affect the growth potential of the league and the industry as a whole.

General Overview of Esports History

Esports rose to prominence in the 1990's in South Korea, when a game titled "Starcraft " began to dominate the Korean market and then led to the implementation of competitive tournaments (Ingram, 2019). Starcraft is a space-based strategy game, owned by Blizzard Entertainment, where competing races of aliens work to build armies and eventually destroy their competitors. From these beginnings, esports has only grown. Although the early existence of esports was not overly successful, the expansion and growth in gaming technology and visibility, as well as the increased interest and acceptance of video games as a source of entertainment, has helped recent success.

Esports, as an industry, are projected to be worth \$1 billion in global revenue in 2019, and could reach \$1.4 billion by 2021 (Anderson, 2019). And while South Korea is the origin of large scale esport tournaments, the United States now accounts for roughly 38 percent of the global esports revenue (Tagle, 2019). This domination of the global market is largely due to the various professional esport organizations that have established themselves within the United States, including the Overwatch League, the LCS (League of Legends), and the NBA 2K league, to name a few (Kane & Spradley, 2017). The United States is also the market where many of the game developers are located. Activision Blizzard, which developed Overwatch, Starcraft, and Call of Duty, is located in the United States (Kane & Spradley, 2017).

Esport competitions have typically been held between individuals at local/regional tournaments, but in the years since the 1998 Starcraft tournament, various esport organizations have been formed that enable these competitors to access new resources and competitions, allowing for competitors to truly make a living from esports. Some of these teams have one focus, winning in a certain league or competition. For example, the Overwatch League teams are largely privately owned, so many players are entirely focused on competing in the Overwatch

League (Higgins-Dunn, 2019). However, there are some larger professional esports organizations that own teams in multiple leagues, allowing players to compete in multiple games under one banner. Team Liquid “...is the name of a professional organization that contains fourteen teams competing in different games.” (Ingram, 2019). These teams operate as a business, with the players being paid a salary, and the team taking in a portion of all prize money won by the players at the various tournaments that they compete in (Ingram, 2019 p. 491). These organizations are located all over the world, however many are located in California, near the headquarters of the game developers (Anderson, 2019).

Esports could not have grown to the level that it has reached today without the simultaneous growth of live streaming. Specifically, Twitch is a live streaming platform that has skyrocketed in popularity over the years. So much so, that Amazon acquired Twitch in 2014 for a total of \$970 million. The accessibility of these live streams allow for commentators to break down the competition, allowing for esports fans to easily follow the action where they may otherwise be confused. The number of unique viewers that may view a livestream can dwarf the number of fans in attendance in these esports tournaments as well. Ingram (2019) stated:

“The current viewership record was set in November 2017 at Riot Games’ League of Legends World Championship in China. According to Riot Games, the tournament finals attracted 57.6 million unique viewers. In comparison, the final game of the 2017 NBA Finals had a peak viewership of just 29.5 million” (p. 499)

The players in esports have also come a long way in the more than two decades since the first major Starcraft tournament in Korea. As esports grew, and it became possible for competitors to support themselves on the winnings from their tournaments, esports organizations and teams began to sign players to contracts as professionals (Kane & Spradley, 2017). To this

date, contracts in esports are largely undisclosed, so the amounts are not readily available to the public in the same way that an NFL or NBA contract is. However, the top esports players can earn upwards of \$100,000 a year, as is evident from Jay “Sinatra” Won's contract that he signed with NRG eSports (Ingram, 2019 p. 497). Additionally, esports players will often live together in a “gaming house” (p. 495) where they can practice daily, at any time during the day. Ingram states, “The gaming house model was established by professional Starcraft teams in South Korea in the early 2000s” (Ingram, 2019, p. 495). This model is still alive and well, with many of the major esports organizations either building facilities for their players to live and practice in, or purchasing properties for them to live in.

Esport League Model

To determine whether the success of the Overwatch League is sustainable, several esports leagues have been analyzed, and key concepts from each league were used to create a template for a successful esports league. These concepts include mainstream appeal, the structure of the league, and the broadcasting reach of the esports. The presence of these three concepts does not necessarily guarantee the success of an esports league, but they can be used to gauge the viability and potential sustainability of a league.

The first concept necessary for the success of an esports league is mainstream appeal. For a league to have success, it needs to be able to draw in fans of other esports, as well as fans of traditional sports. Without developing a solid consumer base, the league does not have any chance of succeeding in the market. To have mainstream appeal, it is helpful for the game to be from a recognizable franchise or developer. This familiarity will assist with normalizing the league and drawing in any fans of the game from both electronic and traditional sports fans. The Call of Duty World League will be analyzed to support this concept.

Secondly, the league structure must be recognizable and easy to understand to an outside observer. The average sport fan will not want to devote time and energy to understanding a complex scoring structure, ruleset, or league setup when there are other entertainment alternatives in the market that they are likely familiar with already. Fans of esports will likely be more familiar with the traditional rules and league structures of other esports leagues, but fans of traditional sports will not have that knowledge base. If the league structure is too foreign to traditional sport fans, then the esports will not translate to that audience, and the league will suffer. One of the most popular esports in the world, League of Legends, is an excellent example of an accessible league structure.

Finally, esports have the capability to be viewed anywhere through streaming services and online viewing. If an esports league does not take advantage of the broadcasting reach of the esports, then the league is doomed to fail. Additionally, as esports are a global phenomenon, the extent to which an esports supports a global audience can also impact the overall success of the league. Southeast Asia, in particular, is a key demographic for esports leagues to appeal to. Success in that region of the world can greatly improve the viability of an esports league. Counter Strike: Global Offensive is one of the highest viewed esports titles at this time, and is a clear example of how the broadcasting reach of the esports can affect the long-term viability of the league.

Overwatch Background

Overwatch is a team-based first-person shooter (FPS) developed by Blizzard Activision in 2016. Per Activision Blizzard's website, Overwatch is the winner of more than 100 "Game of the Year" awards, and now boasts more than 50 million players worldwide (Blizzard, 2020). The game features a roster of 32 playable characters, all with a wide range of fighting and support

abilities. Teams of six square off in a variety of game modes, with all of the fast-paced action and strategy of a successful FPS game (Blizzard, 2020).

Activision Blizzard, the company that developed Overwatch, is a successful video game developer with multiple popular games, including World of Warcraft, Starcraft, and the Diablo series. Activision Blizzard as a company generated \$6.489 billion in yearly revenue in 2019 and is also widely regarded as the entity responsible for the popularity of esports today. In 1998, Blizzard Entertainment (prior to merging with Activision) launched Starcraft, a real-time strategy game, which differed significantly from its competitors in the esport industry at the time (Ingram, 2019 p. 485). The competitive games that existed at that point revolved largely around reflexes and quick thinking, rather than the slow and methodical strategy that Starcraft supported. Starcraft dominated the esport landscape, particularly in South Korea, where the game has become part of the country's culture. Starcraft would remain a contender for the most popular esport throughout the early 2000's, and into the 2010's as Starcraft II was launched. As a game developer, Activision Blizzard has been actively expanding into the esports market in recent years, with the launch of the Overwatch League in 2016 and the Call of Duty World League in 2019.

As an esport, Overwatch focuses on the team dynamic, balancing damage dealing characters with support-style characters and tank heroes to shield everyone from incoming damage. In the Overwatch League, the balance between these roles are emphasized even more. Teams will communicate and work to capture an objective from the other team, or complete multiple tasks in order to secure victory (Blizzard, 2020). Quick thinking, teamwork, and muscle memory are essential to the success of an Overwatch League team.

As stated previously, Overwatch has won a multitude of awards, including the 2016 Game of the Year award, and the 2017 Esport Title of the Year award from the Game Awards (Blizzard, 2020). Overwatch is widely accessible, able to be played on all of the major gaming platforms (PC, Playstation, Xbox, and Nintendo Switch). With over 50 million copies sold, the game is also popular worldwide. In addition to the United States, China and South Korea are two large markets for Overwatch. In particular, South Korea is utterly dominant in international competition. The Overwatch World Cup is held between nations annually at Activision Blizzard's conference, BlizzCon. South Korea has placed first in three of four tournaments, with the United States winning the gold medal in 2019 (Garst, 2019). The Overwatch League is also filled with South Korean players, due to the league's policy against region-locking, or restricting the areas from which local teams can sign players. Per ESPN, "A team representing London could sign two full rosters of South Korean pro players, which was exactly what Cloud9's Overwatch League team, the London Spitfire, did..." ("Culture Shock: The Multinational Mosaic of Overwatch League.", 2018)

In Overwatch, there are several game modes, each centered around a specific game map. The available modes are control, assault, escort, and hybrid (Blizzard, 2020). In the control mode, the two teams compete to hold a single objective area of the map for a set amount of time. After the objective is reached once, the map is reset. The first team to two victories will win the map (Blizzard, 2020). In assault maps, there are two separate objectives, and an attacking and defending team. The attacking team attempts to seize control of the two objectives. If they are able to take the two objectives, they win. The defending team is tasked with stopping the attacking team from taking control of the objectives. If they can stop the attackers for a certain amount of time, they win (Blizzard, 2020). In escort, the attackers are given a "payload", or a

slow-moving cart of sorts that only moves when a member of the attacking team is nearby. The attacking team is attempting to move the payload to the end of the map, while the defending team is attempting to hold the attackers back for a certain amount of time. The map is won when the payload reaches its destination, or the attacking team runs out of time (Blizzard, 2020).

Finally, the hybrid map is a combination of the assault and escort maps. The attacking team has to take control of an objective, and then move a payload, in the same way that they would in an escort map. The defending team has similar goals as the assault and escort maps as well. They need to stop their opponents from seizing the objectives, and, failing that, they need to stall the payload before it reaches the end of the map (Blizzard, 2020).

Overwatch has also implemented a “role lock”, forcing a “2-2-2” team configuration beginning in 2019. Every match must have 2 damage dealing characters, 2 support characters, and 2 tank characters (Blizzard, 2020). This particular change addressed an issue that can often plague various esports, what esports players call the “meta” or the metagame (Richardson, 2019). This crucial aspect of the game impacts the strategies that take place and is not exclusive to Overwatch as an esports. The meta, in all esports, could potentially lead to stale gameplay, where one particular strategy reigns supreme. Attempting other strategies is often useless against a “meta” strategy, as esports differ from physical sport. In esports, the developers dictate the strengths and weaknesses of certain aspects of the game and can change them at will. This will lead to shifts in the meta, sparking new strategies and tactics along with them. In physical sport, the tactical side of the game is often overshadowed by the athletic prowess of the athletes. The most carefully laid strategy can be ineffective if the participants are not athletic enough to enact it. In esports, developers can decide how powerful a specific character or ability is, therefore dictating how viable they will be in competitive play.

For example, the Overwatch League was mired in a meta nicknamed the “Goats” meta, named after the professional team that first used the strategy (Richardson, 2019). This tactic utilized three tanks, and three support characters, prior to the implementation of the role lock. This character set used characters with large health pools and a lot of healing and support, in order to sustain fights. With no significant damage dealers, fights ended up being drawn out and repetitive. While this was the technically advantageous strategy at the time, it was not interesting to watch, and the fans and players of Overwatch pleaded for changes to certain characters in order to change the meta. The role lock concept was released while the Goats meta dominated and assisted with the downfall of this meta (Richardson, 2019).

In the standard Overwatch League match, two teams will square off in a series of individual maps, and the first team to three map wins is the winner of the match. They will utilize the various game modes discussed prior; control, assault, escort, and hybrid. There will be a break after every two maps, in order for the teams to strategize (“About- The Overwatch League,” 2016).

The Overwatch League is divided into the Pacific and Atlantic Divisions. Each team will compete in a total of 28 regular season matches over the course of 26 weeks, including one match against each out-of-conference team and two against all in-conference teams (“About- The Overwatch League,” 2016). There will be a midseason tournament and the All-Stars match between weeks 12 and 13. The two teams leading their respective conferences, as well as the next two teams with the best records from each conference will be able to compete in the midseason tournament.

The postseason begins after week 26, and starts with a play-in tournament between the

teams ranked 7th or lower in their conference. The winners of this tournament are then able to play in the double elimination playoff as the seven and eight seeds. The top two teams per conference are the top seeds, with the total map wins as the tiebreak to decide the seeding. The next four teams from both conferences will fill in the tournament as the three to six seeds. This tournament will culminate in the Grand Finals, held between the two teams that advanced out of the double-elimination tournament (“About- The Overwatch League,” 2016).

The Overwatch League structures itself similar to other major sporting organizations, using the franchise model. When the league was founded, there were a total of 12 franchises. These franchises were spread out from Seoul, South Korea, to London, to New York and Los Angeles. The widespread popularity of the game has allowed for an international audience to take part in the League, which in turn has spurred the growth of the league further. Since the inaugural season, the Overwatch League has added an additional eight expansion teams, six of whom are internationally based (“Your Complete Guide to the Overwatch League's Expansion Teams.”, 2018).

Another noteworthy aspect of the Overwatch League’s franchise system is the ownership in place in the franchises. The Overwatch League has drawn significant investors from mainstream sport.

“The Overwatch League operates as a franchise with owners such as Robert Kraft, who also owns the New England Patriots; Jeff Wilpon, COO of the New York Mets; and Stan and Josh Kroenke, who together own the Los Angeles Rams, Colorado Avalanche, Colorado Rapids, Denver Nuggets and Arsenal F.C.” (Higgins-Dunn, 2019)

This level of investment from well-known sport investors lends credibility to the Overwatch League, which helped establish the league’s legitimacy.

The defining trait that sets the Overwatch League apart from other esports organizations is its determination to run the league like a traditional sport, including home and away matches. Traditionally, esports organizations focus their efforts on cultivating an online following, due to the ease of access for fans. However, the Overwatch League has been building towards making the league a true spectator sport with the inclusion of homestands for the local teams. Rohit Gupta, the cofounder of the New York Excelsior, told Business Insider “We've been bringing our team into the market to do meet-and-greets with our fans. We've been supporting the collegiate [esports] circuit as well as the high school circuit. Those are just some of the ways we've been engaging the local community specifically around Overwatch.” (“The Overwatch League Is Getting Its First Big Test...”, 2020). This line of thinking differentiates the Overwatch League from its competitors, as it is truly seeking to utilize its international status and geographical advantages to develop fan loyalty to their local teams. Through the first two years of the League, matches were held at Activision Blizzard’s headquarters in California. However, 2020 was to be the year that the teams would travel to home and away matches.

At the time of writing, the league has suspended travel due to COVID-19, effectively delaying plans to establish the travelling aspect of the league. When the league resumes travel, teams will be hosting matches in their home cities, utilizing local facilities while many are building facilities dedicated to their Overwatch League team. The Philadelphia Fusion are in the process of building Fusion Arena in the same sports park as the Philadelphia Eagles, Phillies, 76ers, and Flyers. This stadium will seat 3,500 and will serve as the “largest new-construction, purpose-built esports arena in the Western Hemisphere” (“ESports Arena in Philadelphia: Xfinity Live!”, 2018).

The Overwatch League has proven its viability and has grown in popularity since its inaugural season. Using AMA (average minute audience), the Overwatch League can accurately track the number of viewers at any given point of their broadcasts. The Overwatch Grand Finals, the final tournament of the season, drew 1.12 million average viewers worldwide. This represented a 16% increase from the 2018 Grand Finals, displaying the clear growth of the league. This included the 472 thousand AMA from the United States, which represented an astounding 41% growth over 2018 for the Grand Finals (“Overwatch League's Grand Finals Grows 16%...”, 2019).

The Overwatch League does well with the 18-34 demographic, with over 182 thousand viewers in this age group from the United States alone watching the Grand Finals. This is a 13% growth over the grand finals last year, however the total viewership in the 18-34 demographic grew 11% for the entirety of the season (“Overwatch League's Grand Finals Grows 16%...”, 2019).

Activision Blizzard has been aggressive in pursuing broadcasting options for their esports properties. Both the Overwatch League and the Call of Duty World League are exclusively streamed on YouTube, with the Overwatch League’s deal being worth \$160 million over three years. However, this deal was only agreed to in 2019. In 2018, the Overwatch League matches were shown live on ESPN and Disney XD (“Overwatch League Strikes a Milestone Deal with Disney and ESPN.”, 2018). These two channels would appeal to sports fans, as well as the younger demographic that makes up a significant portion of Overwatch’s player base. The deal was not renewed at the conclusion of the 2018 season, and Activision Blizzard instead pursued YouTube as their digital streaming partner.

Overwatch also has a developmental league, called the Overwatch Contenders series (The Overwatch League, n.d.). Per the official Contenders rulebook, “Overwatch Contenders will provide a cohesive global competitive Overwatch ecosystem as a platform to showcase the best competitive Overwatch players in the world and serve as the penultimate step in the “Path to Pro” (The Overwatch League, n.d.). In the Contenders series, professional gamers will compete within one of seven regions for prize money and notoriety. As stated above, Contenders serves as the league’s recruiting grounds and farm system, where Overwatch League teams can scout new recruits and prospects as they compete against similarly skilled opponents. The players in the Contenders series are also able to compete for significant prize money as well.

The Contenders series culminated in 2019 with the inaugural Contenders Gauntlet. This 10-team tournament featured the elite Contenders teams, as only those who performed well in their region’s playoff were invited to potentially compete in the main tournament. The winners from the United States and Korea regions were given a bye in the first round of the tournament, but it was otherwise a standard double-elimination tournament. To win a match, the teams would have to win three maps. In the winner’s finals, loser’s finals, and Gauntlet finals, the team would have to win four maps in order to win the match. Ultimately, Element Mystic, an esports team from South Korea, won the Gauntlet tournament and were awarded the \$100,000.00 grand prize.

League of Legends

“League of Legends is a team-based strategy game where two teams of five powerful champions face off to destroy the other’s base.” (“How to Play - League of Legends.”) League of Legends was developed by Riot games in 2009, and its expansive roster of characters and competitive gameplay has drawn players in ever since. With over 140 characters to choose from,

the game offered a creative challenge to players and was widely popular among casual and competitive fans alike.

The first major League of Legends competitive tournament was held two years after the game's release (Medina, 2020). Eight teams competed in the League of Legends World Championship, culminating in a championship match. 1.69 million unique viewers watched this initial tournament, and the tournament had a total prize pool of \$100,000. League of Legends has been arguably the most popular esports ever since. In 2019, the World Championship would attract approximately 100 million unique viewers, and the prize pool was \$2,250,000 (Ingram, 499).

When League of Legends began as an esports, it revolved around regional tournaments or local play. Major global competition did not begin until the World Championship in 2011 (Medina, 2020). After the tournament, Riot Games developed the esports further. The League of Legends Championship Series (LCS) was founded around the world, with leagues in North America, Europe, China, and South Korea, among others. These leagues were structured around a promotion and relegation system, where the best in the league were able to compete in the global Championship tournament (Medina, 2020). However, in 2018, the LCS in North America moved to a franchise model, and no longer uses promotion and relegation as part of their league structure (Medina, 2020).

As part of the franchise model adopted by the LCS, 10 teams compete in an 18-week regular season, divided into two "splits", a Spring Split and a Summer Split ("2020 LCS Format," 2020). After nine weeks, the teams compete in a tournament playoff, with the winner of the Summer Split playoff being crowned Champion of the LCS. However, the top three teams in

the Summer Split tournament also qualify to compete in the World Championship tournament (“2020 LCS Format,” 2020).

Call of Duty World League

Activision Blizzard, the owner of the Overwatch League, also owns the rights to Call of Duty, one of the highest grossing video game franchises of all time, behind only Mario and Pokémon (“The 50 Biggest Video Game Franchises by Total Revenue,” 2020). “Call of Duty: Modern Warfare” had sales of over \$600 million in its opening weekend in 2019 (Kain, 2020). Following the success of the franchise, the Call of Duty World League held its inaugural season with 12 teams in 2019 as well (“Call of Duty League - official site of the Call of Duty League,” n.d.). Following the Overwatch League’s model, the teams in the Call of Duty League will travel internationally, playing in their opponent’s venue as a type of international tour. The teams are located across the United States, as well as London, Paris, and Toronto. All teams hold “Home Series” events, which involve multiple teams traveling to their city and utilizing their venue for the week for the League matches (“Call of Duty League - official site of the Call of Duty League,” n.d.).

The league will support its players with a base salary of \$50,000 annually, and are also provided with healthcare and retirement benefits. The teams can also earn additional prize money during the season on top of the player salaries. The franchise is required to split a minimum of 50% of all prize money received with the players (“12 Teams Reportedly Paid \$25 Million Each to Join,” 2020).

The matches are held between teams of five, and the first team to win 3 games wins the match. The season will last 28 weeks, split into two halves, the Spring split and Summer split (“Call of Duty League - official site of the Call of Duty League,” n.d.). The top teams from each

split will qualify for the double-elimination postseason. The finalists from the double-elimination tournament will compete in the Call of Duty League Championship at the end of the Summer split (“Call of Duty League - official site of the Call of Duty League,” n.d.).

The Call of Duty League is also implementing two separate developmental leagues. The Call of Duty Challengers circuit will feature highly skilled amateur players. This serves as a scouting opportunity for the Call of Duty League teams, as the Challenger circuit will largely be held online (“Call of Duty League - official site of the Call of Duty League,” n.d.). They can watch promising amateurs compete, and even hold their own challenger circuit events in order to support the amateur players in their region. The Call of Duty City circuit is one step below the Challengers circuit. This circuit gives true amateur players the chance to compete locally for prize money, and potentially represent their city in the City circuit finals that takes place during the Call of Duty League Championship weekend (“Call of Duty League - official site of the Call of Duty League,” n.d.).

Counter Strike: Global Offensive

Counter Strike is a first-person shooter game launched in 2000 by the video game developer Valve. The game is a realistic military simulator, where tactics and positioning around the map reign supreme. As an esports, its origins can be traced back to the early 2000’s, but it was not the global juggernaut that it is now until the release of Counter Strike: Global Offensive (CS:GO) in 2012.

“The game itself revolves around two separate teams, one designated as the “Terrorists” and the other “Counter-Terrorists” (“Esports Essentials: The Legacy of Counter-Strike.”, 2018). The two teams purchase weapons, customize the tools available to them, and then enter combat. The “Terrorists” attempt to plant a bomb and defend it, while the “Counter-Terrorists” work to

stop the bomb from being planted or defusing it if necessary. The individual rounds are very fast, so a normal competition is typically best-of 30 (“Esports Essentials: The Legacy of Counter-Strike.”, 2018). Players can earn money during a round, and spend it prior to the start of the next round on equipment upgrades or new weapons. Communication becomes key for CS:GO teams, as it takes a concentrated effort from the whole team to continue to win rounds, as well as manage the economy of the game (“Esports Essentials: The Legacy of Counter-Strike.”, 2018).

The primary league for CS:GO currently is the ESL, or the Electronic Sports League. Particularly, the ESL Pro League features the best CS:GO teams in the world, as they compete in short seasons and tournaments for large pools of prize money (“ESL Pro League - Season 11,” 2020). The ESL also utilizes a promotion and relegation system with its development league, the Mountain Dew League. They also utilize the ESL World Rankings to identify the top teams by region, and allow them the opportunity to advance to the Pro League as well (“ESL Pro League - Season 11,” 2020).

The ESL differs in its implementation, in that their “seasons” are extraordinarily short, spanning the course of four weeks, with a three-day final tournament for the top teams (“ESL Pro League - Season 11,” 2020). This is due to the existing esports ecosystem surrounding CS:GO, specifically the tournament culture that was in place prior to the ESL. CS:GO teams will compete in qualifiers and attempt to enter high profile regional and national tournaments, all with their own prize pools. Some of these tournaments are put on by the ESL, while others are put on by third party entities. These tournaments allow for constant, year-round competition and the opportunity for prize money. Some of the largest prize money pools, like the prize money offered at the World Electronic Sport Games in 2016 and 2017, can reach as much as \$1.5

million (“Counter-Strike: Global Offensive Top Players & Prize Pools - Esports Tracker: Esports Earnings.”).

Advantages/Disadvantages of the League

The greatest threat to the Overwatch League moving forward is content fatigue. If the game grows stale, the league will not be able to survive. Previously, the issues with the Overwatch “meta” were discussed (Richardson, 2019). This type of overwhelming strategic advantage can lead to two opposing teams deciding to follow the same strategy, leading to a bland and uninteresting match. This issue was partially resolved with the role lock function, but there is always the risk of a new strategy dominating the competitive scene. If this does begin to happen, the developers at Blizzard will need to act quickly to make alterations and improve the viability of other strategies.

Additionally, Overwatch is not an extremely customizable game. As opposed to League of Legends, where there are 148 available characters at the time of writing, Overwatch has 32 (“How to Play - League of Legends,” n.d.). This, like the issue with the meta, could lead to stale gameplay where the fans are seeing the same thing happen multiple times without deviation. Luckily, Overwatch has been releasing new characters fairly regularly, roughly 2 or 3 per year. They are also releasing new maps as well. At the time of writing, this is enough to keep the game fresh and exciting.

The success of esports largely will depend on the amount that the average viewer can understand the game, and the league structure. To highlight this fact, it is best to examine the most popular sport in the United States, American Football (NFL in a nutshell, 2005). Football, at its core, is a game played between two teams of 11, each trying to either advance into the endzone or stop the other team from advancing. Teams on offense can pass or run the ball, and

the play stops when the runner is tackled by the defending team. The game is divided into four quarters, with a longer break between the second and third quarter. The premier football league in the United States, the NFL, plays a 17-week season, with a four-week playoff following the last game of the season (NFL in a nutshell, 2005). When the league is broken down into simple terms, the average viewer would be able to follow the individual games, as well as the league as a whole.

Esports can have a tendency to be more complex than the average sport. Counter Strike has multiple tournaments throughout the year, which could be difficult to keep up with for the average viewer (“ESL Pro League - Season 11,” 2020). The ideal esports league should be similar to popular physical sport leagues, to attract viewers of traditional sport. The most common traditional sport league structure operates based on the franchise model, with teams based in individual cities. This model is familiar to the average consumer and would lend the leagues credibility with the wider viewing public. It also makes esports more friendly to spectators, as it is customary to have a “home” team to support.

A second issue that esports leagues can experience also impacts the average fan. In many esports leagues, the team is named after the organization that operates the team, which can lead to team names that can be difficult to follow for fans of traditional sport. For example, some of the teams that compete in the LCS are 100 Thieves, Cloud9, and Team Liquid. These teams are not traditionally named, compared to physical sport leagues, and that can be a barrier to entry for fans. Leagues like the Overwatch League and the Call of Duty World League have embraced traditional franchise names. The Overwatch League has the London Spitfire, Seoul Dynasty, and Los Angeles Valiant, while the Call of Duty World League has the Chicago Huntsmen, Paris

Legion, and Seattle Surge. These naming conventions are familiar to sports fans and can make the league easier to access for new fans.

Conclusion

A sport league, regardless of whether it is traditional or electronic, should have a structure that is easy to follow for their fans. The Overwatch League has a simple, easy to follow structure that is an excellent example that an esports league could model. As opposed to other esports titles, namely Counter Strike: Global Offensive, the Overwatch League's season structure is simplified, with two divisions and the best records from each division determining the seeding of the teams during a midseason and postseason tournament ("About- The Overwatch League," 2016). This structure is familiar to the average sport fan and will ease the transition for fans from the traditional sport leagues to esports. Additionally, Blizzard is planning to release Overwatch 2 in the coming years, which can invigorate the existing fanbase, as well as attract new fans to the franchise.

As the esports industry continues to grow, the model developed through this study can be used to predict which esports franchises have the potential to become industry leaders. In order to predict success in the esports industry, all three concepts detailed in the model need to be met.

After examining the Overwatch League and their competitors in the esports market, through the research detailed in this study, it can be concluded that the Overwatch League does currently meet all three concepts necessary for success. Overwatch is a game that is readily accessible for a wide range of fans, from all age groups and demographics. The League also has a league structure that is easy to understand and familiar to traditional sport fans, as it follows the standard league year, complete with a regular season and playoffs ("About- The Overwatch League," 2016). Finally, Overwatch has a global audience and player base, with franchises from

six different countries represented in the league (“About- The Overwatch League,” 2016). All of these qualities lead to the logical conclusion that the Overwatch League is poised for growth and sustained success in the future, provided that the League continues to build on their existing foundation.

References

2020 LCS Format. (2020). Retrieved from

<https://nexus.leagueoflegends.com/en-us/2020/01/2020-lcs-format/>

About- The Overwatch League. (2016). Retrieved from <https://overwatchleague.com/en-us/about>

Activision Blizzard announces fourth-quarter and 2018 financial results. (2019, February 12).

Retrieved from <https://investor.activision.com/news-releases/news-release-details/activision-blizzard-announces-fourth-quarter-and-2018-financial>

Activision Blizzard revenue 2006-2019: ATVI. (n.d.). Retrieved from

<http://www.macrotrends.net/stocks/charts/ATVI/activision-blizzard/revenue>

Anderson, D. (2019). Investigating fandom, motives, and consumption patterns of esports consumers (unpublished Master's Thesis). Sam Houston State University, Huntsville, Texas.

Ashton, G., Murray, T., Seck, T., & Hitt, K. (2018, September 4). Esports essentials: The legacy of Counter-Strike. Retrieved from <https://esportsobserver.com/how-esports-works-counter-strike/>

Bhatt, N. (2019). ESPORTS: The next big thing for parks and rec. *Parks & Recreation*, 54, 62-67.

Blizzard Entertainment. (2020). Overwatch [PC, PS4, Xbox One]. Irving, CA: Blizzard Entertainment.

Bond, P. (2016, November 6). Activision Blizzard to create eSports league for 'Overwatch' video game. Retrieved from <http://www.hollywoodreporter.com/news/activision-blizzard-create-esports-league-overwatch-video-game-944096>

Call of Duty League - official site of the Call of Duty League. (n.d.). Retrieved from <https://www.callofdutyleague.com/>

Counter-Strike: Global Offensive Top Players & Prize Pools - Esports Tracker:: Esports Earnings. (n.d.). Retrieved from <http://www.esportsearnings.com/games/245-counter-strike-global-offensive>

Crecente, B. (2019, October 27). League of Legends is now 10 years old. This is the story of its birth. Retrieved from <http://www.washingtonpost.com/video-games/2019/10/27/league-legends-is-now-years-old-this-is-story-its-birth/>

Crook, J. (2018, July 12). Overwatch League strikes a milestone deal with Disney and ESPN. Retrieved from <https://techcrunch.com/2018/07/11/overwatch-league-strikes-a-milestone-deal-with-disney-and-espn/>

ESL Pro League - Season 11. (2020, April 22). Retrieved from <https://pro.eslgaming.com/csgo/proleague/>

ESports Arena in Philadelphia: Xfinity Live! (n.d.). Retrieved from <https://fusionarenaphilly.com/>

Fortier, S. (2018, July 27). Overwatch League's first Grand Finals provide a crucial esports lesson: Adapt or die. Retrieved from <http://www.washingtonpost.com/news/sports/wp/2018/07/27/the-overwatch-leagues-first-grand-finals-provide-a-crucial-esports-lesson-adapt-or-die>

Garst, A. (2019, November 3). South Korea fail to win Overwatch World Cup for first time. Retrieved from http://www.espn.com/esports/story/_/id/27992020/south-korea-fail-win-overwatch-world-cup-first-ever

- Handrahan, M. (2016, November 7). Blizzard's Overwatch eSports league to emphasise financial stability. Retrieved from <https://www.gamesindustry.biz/articles/2016-11-07-blizzards-new-overwatch-esports-league-to-emphasise-financial-stability>
- Higgins-Dunn, N. (2019, September 29). Six-figure salaries, million-dollar prizes, health benefits and housing included-inside the Overwatch League. Retrieved from <https://www.cnbc.com/2019/09/29/what-its-like-to-be-a-professional-gamer-in-the-overwatch-league.html>
- How to Play - League of Legends. (n.d.). Retrieved from <https://na.leagueoflegends.com/en-us/how-to-play/>
- Ingram, J. A. (2019). Kicking it new school: Applying the FIFA regulatory model to the esports industry. *George Washington International Law Review*, 51(3), 483–523.
- Kane, D., & Spradley, B. (2017) Recognizing esports as a sport. *The Sport Journal*, 19, 1-9.
- Kain, E. (2020, May 05). 'Call Of Duty: Modern Warfare' breaks franchise records as Activision posts big Q1 earnings. Retrieved from <https://www.forbes.com/sites/erikkain/2020/05/05/call-of-duty-modern-warfare-breaks-franchise-records-as-activision-posts-big-q1-earnings/>
- Keiper, M. C., Manning, R. D., Jenny, S., Olrich, T., & Croft, C. (2017). No reason to LoL at LoL: the addition of esports to intercollegiate athletic departments. *Journal for the Study of Sports and Athletes in Education*, 11(2), 143–160.
- Koch, L. (2019, February 5). Global esports market 2019. Retrieved from <https://www.emarketer.com/content/esports-disrupts-digital-sports-streaming>
- Lahti, E. (2015, April 13). Blizzard's blueprint: Overwatch as a competitive FPS. Retrieved from <http://www.pcgamer.com/overwatch-game-interview-jeff-kaplan/>

- Lu, M. (2020, March 23). The 50 biggest video game franchises by total revenue. Retrieved from <http://www.visualcapitalist.com/50-biggest-video-game-franchises-revenue/>
- Medina, K. (2020, March 10). The history of League of Legends esports. Retrieved from <http://www.pinnacle.com/en/esports-hub/betting-articles/league-of-legends/history-of-league-of-legends/8sz2h2z4rrk83vs4>
- Mitreviski, L. (2018, October 1). Your complete guide to the Overwatch League's expansion teams. Retrieved from <https://esportsinsider.com/2018/10/overwatch-league-expansion-teams/>
- Nalli, J. (2019). Effect of esports and future development of esports. *Oulu University of Applied Sciences*.
- NFL in a nutshell. (2005, October 19). Retrieved from http://news.bbc.co.uk/sport2/hi/other_sports/american_football/3192002.stm
- Ozanian, M. (2019, February 21). The world's most valuable esports companies. Retrieved from <http://www.forbes.com/sites/mikeozanian/2018/10/23/the-worlds-most-valuable-esports-companies-1/#cfd0366a6e7b>
- Rand, E. (2018, July 22). Culture shock: The multinational mosaic of Overwatch League. Retrieved from http://www.espn.com/esports/story/_/id/24168436/culture-shock-multinational-mosaic-overwatch-league
- Reyes, M. S. (2019, December 18). Esports ecosystem report 2020: The key industry players and trends growing the esports market which is on track to surpass \$1.5B by 2023. Retrieved from <http://www.businessinsider.com/esports-ecosystem-market-report>

- Richardson, L. (2019, February 12). What is the Overwatch GOATS comp? Retrieved from <https://dotesports.com/overwatch/news/overwatch-goats-explained>
- Russ, H. (2019, February 12). Global esports revenues to top \$1 billion in 2019. Retrieved from <http://www.reuters.com/article/us-videogames-outlook/global-esports-revenues-to-top-1-billion-in-2019-report-idUSKCN1Q11XY>
- Samples, R. (2019, November 4). Overwatch: number of players worldwide. Retrieved from <https://dotesports.com/overwatch/news/overwatch-player-count>
- Stedman, A. (2019, October 3). Overwatch League's Grand Finals grows 16% in average viewers from last year. Retrieved from variety.com/2019/digital/news/overwatch-league-grand-finals-viewership-2019-1203357584/
- Stern, A. (2020, April 2). Sources: Activision Blizzard esports in talks for Overwatch League TV deal. Retrieved from <https://esportsobserver.com/actiblizz-talks-owl-tv-deal/>
- Tagle, U. (2019). As North American esports levels up, its players lag behind. *Texas Review of Entertainment & Sports Law*, 19(2), 81–87.
- The Overwatch League- Home. (n.d.). Retrieved from <https://overwatchleague.com/>
- Webb, K. (2020, January 24). 12 teams reportedly paid \$25 million each to join a new esports league that starts today - here's everything you need to know about Call of Duty League. Retrieved from <http://www.businessinsider.com/call-of-duty-league-teams-schedule-salary-rules-format-2019-11>
- Webb, K. (2020, March 4). The Overwatch League is getting its first big test as an international esports organization this season and investors have millions on the line. Retrieved from <http://www.businessinsider.com/overwatch-league-international-esports-investor-owner-team-value-breakdown-2020-3>

Webster, A. (2016, November 4). Blizzard is launching an ambitious new Overwatch league for pros. Retrieved from <http://www.theverge.com/2016/11/4/13524364/blizzard-overwatch-league-esports>