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The Emergence of Esports through the Last Five Years

By

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ABSTRACT

Esports has been a significant new topic over the past decade but their place in the sports industry has not been specifically defined over the years. The birth of what we know as Esports came upon us in 1972 and has only had exponentially grown in the success it has had over the past fifty years. It all started with a popular little arcade game that is still played to this day, Space Invaders. Space Invaders has evolved over the years, laying the foundation and the blueprint for success for companies to follow. Esports easily had a drastic take off when companies like ESPN, Twitch, and even YouTube were in coemptions to stream and support these athletes. Electronic Art Sports and NCAA were two companies that did collaborations to be successful in the gaming world until a case came upon with Ed O'Bannon. O'Bannon sued for being used with his likeliness and image without consent ultimately changing the landscape of things for NCAA and their athletes. The development over the last five years for Esports has changed the whole scope and for everyone within the industry.

TABLE OF CONTENTS

| | Page |
|--|------|
| INTRODUCTION | 4 |
| LITERATURE REVIEW | 5 |
| Beginning of Esports | 5 |
| Space Invaders | 6 |
| Defining Esport through the Sport Industry | . 8 |
| Commercialization | 8 |
| Media Rights | 9 |
| NCAA Incorporation of Esport. | 11 |
| ESport Implications on NCAA | 11 |
| End of Esports in the NCAA | 13 |
| IMPLICATIONS AND CONCLUSIONS | 15 |
| REFERENCES | 17 |

INTRODUCTION

Over the years we tend to face change in society. Change isn't always comfortable or the ideal thing for anybody, but it is showing growth. A thing that has changed tremendously over the years and will grow even more as the equipment around it advances in technology and sports. The combination of these two has created the foundation of what we know as Esports. Esports has been around for much longer than most have imagined but recently in the past decade has really solidified its purpose in society, even cracking its way to be talked about in the sports industry. Over the last five years has become the focal point for the esports industry and it's happening in front of the world's eyes. I decided to take a deeper look into Esports and see the birth of something that has become relevant within the last decade alone.

LITERATURE REVIEW

Diving into esports and the growth in popularity behind the newly specified industry. It all starts with the history of the game and where it all began. Arcade games were initially the birth of the esports industry specifically the game Space Invaders. With the development of Space Invaders and its series of games set up for the future development of new games, gaming consoles, and how video games are perceived. With the birth of esports and the sports industry, the two worlds collide to aid the other in success. The two worlds collide in terms of commercialization and media rights to make sure the esports industry has a positive correlation behind everything their producing

Another thing to cover when looking at esports, commercialization, and media rights is the NCAA. Esports has taken over the modern NCAA, bringing in their own teams and leagues. Several universities support their gamers and want to allow them the opportunity to showcase their skills. On the other end of the spectrum, the NCAA had several series of games that were very popular within the sports community. It all came to an end in the early 2010s with the lawsuit filed by Ed O'Bannon. A small disagreement ended a legacy of something that could have been special even to this day, but we may never know. The lawsuit also hindering the income for many colleges and universities while also changing the scope of how both industries operated.

Beginning of Esports

According to Phillips (2020), the start of Esports officially began back on October 19, 1972, when there was an official video game hosted at Stanford University. The event was held for people to compete in a game called Spacewar, which was developed in 1962 that dealt with space combat. Students put together the idea to compete against each other and see who,

potentially, was the best player at the game. This was all fun and games where they competed to win a yearlong subscription from the famous magazine Rolling Stone. Sports competitions began to become a trend in the 1980s thanks to the company Atari. Atari decided to host a championship for the game Space Invaders, hosting a tournament only a few years after the initial release of the game in 1978. This championship had a miraculous number of attendants with 10,000 participants, due to its household name. This tournament was the foundation based solely on the widespread it had gained from people who didn't even play this game. Atari would be the catalyst for other companies to bring more attention to their video games by giving out recognition to their players. Several different companies would go on and keep a record of high scores on their video games. For example, a company named Twin Galaxies promoted video games and publicized high scores and records on publications. A publication that was well known back then and is still popular to this day is the Guinness Book of World Records. With the help of the advancements being made in the industry, when the 1990s came it ultimately became the time for Esports to solidify its spot with the world wide web with the internet being created.

Space Invaders

Space Invaders was a game created in 1978 by Taito. Developed by Tomohiro Nishikado, he developed a shooting game that would be the foundation for many games to come. He gathered this idea from other outlets from media that inspired him such as Star Wards, Breakout, and The War of the Worlds. The game grew in popularity in a short window of time and laid the foundation for the video game industry to go from a novelty to the global industry that is known for today. Space Invaders was seen as an immediate success, it was shocking to see the game grow in popularity in such a fast time frame. In 1980 it gained licensed to be used in the United

States, releasing in coin-operated arcades. It was seen through mainly through the Atari 2600 and the Nintendo Entertainment System generating more than 500 million dollars in revenue in its lifetime (Space Invaders (n.d.). It became so popular when it first came out that it caused a coin shortage in Japan until the yen supply was quadrupled. They even had whole arcades that were open solely to play Space Invaders. The popularity of this game even brought about crimes, including a young lady who was caught stealing \$5000 from her parents just to have money to play the game. There were also instances where youth gangs would rob grocery stores just to have money to play Space Invaders (Space Invaders (n.d.). Space Invaders is a two-dimensional playing field game that consists of several different stages where you, the player, are protecting the planet earth from forty-eight different aliens trying to reach and destroy the earth. Once you eliminate all forty-eight aliens you move to a new stage that progressively gets harder and harder. The aliens also can even shoot back at the player increasing the difficulty while the player moves on from stage to stage. Due to the high demand and increased popularity in its early years of gameplay, helped it become updated and released on various platforms to grow. The sequels of the games include new gameplay mechanics and new powerup abilities to aid the player compared to the original design to improve the game. Over thirty years since its initial release there have been eight additional versions released including Space Invaders Part II, Space Invaders II, Return of the Invaders, Invader, Super Space Invaders '91, Space invaders DX, Space Invaders '95, and Space Invaders the Beat Attacker. The various different versions of Space Invaders laid the foundation for the games to come over the years. Esports games have followed this same trend and have achieved a great amount of success through the series of releasing games. For example, popular games like NBA 2k, EA Sports Madden, and Call of

Duty are only a few names who have adapted this idea of continuously improving and altering games to draw people back to their game every release.

Defining Esport through the Sport Industry

One may ask, is Esports even worth being mentioned in the sport industry? Esports can be defined as the competitive world of organized video games. Esports defined through oxford languages is a multiplayer video game competitively for spectators, typically by professional gamers. When looking at the definition of sports, it is defined as all forms of usually competitive physical activity, through casual or organized participation, aim to use, maintain or improve physical ability and skills while providing entertainment to participants, and in some cases, spectators. When looking at Recreation and Sport Management, the topics of recreation, sport, and leisure are all included under one umbrella. Therefore, where does Esports fall under? Esports fits into all three categories, leisure because people do it in their free time, recreation because people find enjoyment in playing esports, and sport due to the competitiveness. Esports has only recently taken the world over by storm by its miraculous growth.

Commercialization

Esports has had such tremendous growth in popularity with competitors and spectators that a new incitive has been introduced to this unique activity. When dissecting esports over the last five years there has been an exponential increase in the awareness of the tournaments. For example, there have been celebrities, professional athletes, and even gamers who are known to take off with esports. These all come along with the help of the two major platforms YouTube and Twitch. YouTube and Twitch both give streamers the possibility of making revenue off their streams and gameplay. Some players can gain anywhere between one million to about three million dollars in a single year, playing something that was originally made for someone's

leisure. Esports has become so serious over the years that these two platforms are the way some people try out for a team. When putting it in terms of football or basketball this is the combine for Professional Esports teams to find new members to add on to their team. Soon after ESPN noticed the amount of money and purpose that Esports brought around, they started to take part in the Esports broadcasting. It all started back in 2014 at the Shrine Auditorium in Los Angles, California. ESPN decided to Broadcast "The International" Defence of the Ancients 2 Championship on their alternate station ESPN3. (Burroughs & Rama 2015, p. 2) Within the following years, the evolution of Esports tournaments became evident and grew in popularity to even reach mainstream ESPN, upgrading from the alternate stations.

Media Rights

Over the year's development of different sports such as College Football, College Basketball, and the professional leagues that are loved by many people have created many new avenues. These avenues are ways to bring in revenue for both parties and in this case, it's the streaming platform and the participants. For example, college sports have become so popular especially in the last twenty years, that college conferences have been working on creating their own networks. SEC Network and ACC Network are programs that have adopted this idea, generation more revenue for their conference instead of working through a different network where they cannot collect all that profit. When comparing Esports and sports it is similar in how the participants want more profit for themselves compared to missing out on a percentage of their money. Esports can be seen as an individual activity or team activity but there are vast amounts of players who go out on a limb to do it on their own and become very successful. A major Esports gamer whose name has grown over the years is a player named Tyler Blevins, known as Ninja, he became an overnight sensation through the game called Fortnite. Blevins simply

broadcasted himself on media platforms such as Twitch and YouTube, giving him instant success in the esports industry. YouTube is a general media platform where you can post anything and even monetize it to make money as a way of revenue. YouTube has grown over the years as a big streaming platform for players to post content for their fans and people to watch as they play. Twitch has become that streaming platform that is known for people who want to stream their gameplay. These are two platforms that players rely heavily on to be successful. Shockingly in the midst of everything that has gone on in 2020, the rise of Facebook gaming has been big in the esports industry.

Tyler Blevins is one of the athletes who has used these platforms, back in 2018 he was generating roughly 1 million dollars a month solely off the streaming of his gameplay. He had made almost 10 million dollars in 2018 just off his games he streamed on twitch and posted through YouTube which only accounted for seventy percent of his income. His Success was so large that he was even featured on ESPN, becoming the first gamer featured on their setting the standard for gamers to come. The other thirty percent would come from his sponsorships Red Bull, Samsung, and Uber eats. The Esports industry and their athletes are no different from any other athlete, they can generate the same type of deals and endorsements to be successful. These brands partner with these big times and well-known athletes in the esports industry because they can simply throw in a quick shot of them sipping their drink or talking about their product as an advertisement. Media has advanced so much that even the most subtle techniques can be effective.

NCAA Incorporation of Esport

Colleges and Universitas are known for their athletics for players being recruited and receiving Scholarships. For ordinary students, their glory comes from intramural and club sports. Sports that come from these two organizations that are common to be NCAA sports as well are basketball, baseball, lacrosse, and many others. Esports has dominated as a club activity for years and it has only affected college athletics in these past few years. There and some colleges and universities that are offering scholarships for esports as they are treating it as a varsity-level sport alongside the major sports like football and basketball. There has even been the birth of the National Association of Collegiate Esports with 175 colleges and universities within their organization ("Esports Colleges" (n.d.). NACE was founded on July 28, 2016, with only 7 colleges and universities with a varsity Esports team. Within three years they have developed a list of benefits for these teams to benefit from through NACE and collected 94% of all Varsity Esports teams under their belt ("About – Collegiate," 2019).

Esport Implications on NCAA

Ed O'Bannon was born in Los Angeles California in 1972, he grew up and played for his hometown at UCLA. He had a rocky yet successful career at UCLA playing there for four years and winning a national championship in 1995 against the University of Arkansas. His freshman year he tore his ACL not expecting to ever play again but was fortunate to receive a graft from a cadaver to return to the game he loved. His second and third seasons were the years he became a vital piece to the team's success. His senior season was the final piece to the puzzle where he won several awards for his performance such as the John R. Wooden Award, Oscar Robertson Trophy, and the CBS/Chevrolet Player of the year. UCLA would soon to go on to retire his number the year after he left, induct him into their Athletics Hall of Fame in 2005, and inducted

into the Pac-12 Basketball Hall of Honour in 2012. Ed O'Bannon after his years of playing at the collegiate level became bothered by the idea of how much profit the NCAA was making off of their athletes. College athletics has grown to become a multi-billionaire industry and the issue that has arisen was that the athletes weren't even getting paid for everything they do to generate this money for the NCAA. Of course, they get scholarships that cover tuition and books, so they go to school for free. Bannon went out on the limb to share that that simply isn't enough for student-athletes because there are more things to pay for outside of what is provided. Ed O'Bannon noticed himself through a video game and he was bothered. By the fact that his. Image and likeness were being used without any return or consent. It makes the players feel like the NCAA has the control over athletes to use their athlete's name, likeness, and image to generate more revenue when simply giving a free education in return to be seen as a fair trade. O'Bannon was so upset by this; he took it upon himself to go out on a limb and file a lawsuit against the NCAA back in 2009. O'Bannon and his lawyers worked to prove that the NCAA was violating antitrust laws alongside with EA Sports to block these collegiate athletes from generating revenue for their name, likeness, and image in television broadcasts and especially in Video Games. Once the case was presented the NCAA wanted to argue that the whole purpose of being a collegiate athlete falls on amateurism. Therefore, if the rules of amateurism are compromised before or during their time will jeopardize their future with the NCAA. They also argue that the NCAA rules protect competitive balance among the conferences, it also allows to provide fairness when dealing with scholarships amongst schools.

End of Esports in the NCAA

The Ed O'Bannon case was presented in 2009 to the United States District Court and it took over five years to get taken into a trial and receiving the ruling. Both sides included witnesses that hold weight in their industry, representing the players were Oscar Robertson, Bill Russell, Tyrone Prothro, and Chase Garnham, which all were former players in basketball and football programs at the highest level. The NCAA consisted of witnesses such as NCAA president Mark Emmert, Senior executive Diane Dickman, and Big ten's commissioner Jim Delany. These are only a few of the witnesses who had the opportunity to testify each side and as the case progressed District Judge Claudia Walker had finally made her ruling. Judge Walker ultimately ruled in favour of Ed O'Bannon and required that the NCAA pay \$46 million in attorney fees than an additional \$1.5 million to the lawyers for the plaintiffs. The biggest hit that came with this was the discontinuation of NCAA sports-related games which were partnered with Electronic Arts Sports. Which took a major hit on their market and ultimately slowed revenue for a while, losing a steady income. Smith's (2013) study found that:

NCAA football had been licensed by the NCAA since 1998, and in 2014 was the last version of the game. NCAA Football was bringing revenue of almost \$75,000 a year for top teams in the NCAA rankings. EA Sports had a four-tier program in which teams would receive a minimum amount of money. First-tier teams were looking at about \$78,000, Tier two around \$47,000, tier three could expect at least \$31,000, and tier four could expect at least \$7,500. Teams in the power five conferences such as the Southeastern Conference, Pac 12, Big 12, Big 10, and Atlantic Coast Conference were the main beneficiaries from the game.

Thanks to the Ed O'Bannon lawsuit it caused the NCAA to walk away with their partnership with EA Sports. In one of the last copies of the NCAA Football game Louisville and Clemson received pay-outs of about \$86,000 while Wisconsin received \$143,000. NCAA College Basketball was a game that was similar to NCAA College football, but it didn't gain the same popularity over the years that NCAA football did. EA Sports released NCAA March Madness in 1998 and competed with 2k Sports with their game called College Hoops. The game that sparked the Ed O'Bannon case was indeed NCAA March Madness 98 when he saw him and his brother on the game receiving no compensation. During the year 2008 2k Sports announced the discontinuation of College hoops and EA sports changed the name of their game to NCAA Basketball. The downfall of these games came solely from the small number of sales that they were making. They didn't have the same budget for the basketball games to improve as they did for college football, so they took it upon themselves to just discontinue it on their own. This was only a few years before the O'Bannon case received its ruling so there was not that much they were missing out on.

IMPLICATIONS AND CONCLUSIONS

When looking back through the research and the things and information that was gathered it can be seen that the Esports industry has no ceiling. It grew at a slow pace and has recently taken off especially in the last five years. There is no ceiling for the industry because even with a few road bumps and altercations, from the O'Bannon case, there have still been major ways for the industry to generate profit. The growth in popularity over the country also aids in the success of the industry. There are 175 schools that have their collegiate Esport teams, and the growth has even produced schools to recruit and adding notoriety under their name ("About – Collegiate," 2019). The players for the colleges can be the foundation for a professional Esports league, just like we see for basketball, baseball, football, and many more. Even though there are teams that are already formed, and people compete together, they are only scratching the surface for what's about to come. The biggest asset in the growth of the industry is the recognition by ESPN. The first streaming of the tournament appeared on EPSN3 but has been a catalyst for events to come. ESPN is the source for everything athletic and the addition of Esports allows them to be a billion-dollar industry one day, if not already. Hopefully one day since the changes within the NCAA and the Ed O'Bannon case there will be a production of NCAA sports games again. The decline of it came from using the likeness of the players after the discovery that they were using the player's likeliness without consent after identifying Georgetown center number fifty-five resembled Roy Hibnbet, the actual player (Brennan 2013). Now since the rules have changed where athletes are able to receive compensation for their name and likeliness. California, where O'Bannon attended college, was one of the first states to pass the Fair Pay to Play Act able to be implemented in 2023 (Kaur 2019). This may be the return of EA Sports and the NCAA partnership bringing in revenue for everyone in the sports industry.

When looking at everything just stated, should the sports industry worry? There is no need for the sports industry to worry, if anything the two will aid each other. Esports may be its industry but it stills a form of sport due to the level of competitiveness between the competitors. Also, there will always be true love for the real aspect of going to an actual game and being a part of a crowd. I think this what makes Esports unique, you can want a true fan experience but if you're streaming gameplay or rewatching the gameplay it is as if you're doing it yourself. It is unique in many different ways and there are many different perspectives to see it from. Esports doesn't hinder the success of anybody or anything in the sports industry. When looking at the birth of the sports industry, it has not only created a new industry but helped an entire industry get its surge to take off. All these media platforms for game streaming are popular through esports and have created a competitive market through different options. Using platforms like Twitch and YouTube makes it a competitive market for these athletes. Twitch dominated the market in terms of gaming streams but has taken a blow with the partnership of YouTube and Google (Khalid 2020). When looking at the bigger picture and the things to come from the development of esports, it provides endless opportunities to only bring more success to the industry. When looking at the development over the last five years and what it has done in a small window is significant but when looking five or ten years ahead the projected outcomes of what is to come are unthinkable. The foundation that esports has laid has been tremendous in terms of helping them in the long run.

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