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Faculteit Bedrijfseconomische Wetenschappen

master in de handelswetenschappen

Masterthesis

Sponsorship in esports

Ruben Dillen

Scriptie ingediend tot het behalen van de graad van master in de handelswetenschappen, afstudeerrichting ondernemerschap en management

PROMOTOR :

Prof. dr. Pieter VANDEKERKHOF



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COVID-19

This master thesis was written during the COVID-19 crisis in 2020-2021. This global health crisis might have had an impact on the (writing) process, the research activities and the research results that are at the basis of this thesis.

Preface

This thesis attempts to provide an answer to the increased interest of companies in the esports industry. More specifically, why they make esports sponsorships part of their marketing strategy. I myself have always been a passionate gamer and after starting my own esports organisation in 2015, this passion has only increased. The choice to study economics was therefore in response to wanting to pursue this organisation professionally. I would therefore like to thank Prof. Dr. Vandekerckhof for giving me the opportunity to research my own topic "Sponsorship in esports". Not only do I want to thank him for this opportunity, but also for his great guidance throughout this process. His hard but clear opinion was appreciated on several occasions. Furthermore, I would like to thank all the participants of this research for their valuable insights. Without them, this research and the Belgian esports industry would not exist. It is reassuring to see that there are many passionate individuals active within the esports industry. Finally, I would like to thank Maud Timmermans and Elise Dillen for reviewing and helping to improve the quality of this thesis. I wish you an exciting reading experience.

Ruben Dillen
June , 2021

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Abstract

Purpose - Companies have for a long time been engaging in sponsorship for different kinds of motives. These events and motives, however, have always been tested on the traditional sponsorship strategy. Due to the rapid growth of the internet a new industry has emerged, gaining rapid growth and value, namely esports. In recent years more companies have made the shift to investing in this industry through sponsorships. Due to the lack of academic research around esports, this study will investigate if these (traditional) sponsorship motives and efficiency factors can also be applied in this new industry.

Design/methodology/approach – A qualitative research approach is used. The data used for this study was gathered by conducting semi-structured interviews in nine Belgian companies active in a partnership involving esports. Based on the output of these interviews, data analysis will be performed by applying a pattern matching technique.

Findings – The results of this study show that the motivation factors and effectiveness factors regarding sponsorship in traditional sectors are broadly reflected in the esports industry. However, it can be stated that certain components of some factors develop differently or not at all within the esports industry. One reason for this is the current state of the Belgian esports market, which is currently in a divided state that is still in full development. This makes certain factors more or less relevant compared to the traditional industry. Increasing sales still remains the most important reason for organisations to engage in sponsorships. For a market that is still developing, it is also interesting for organisations to sponsor from a society perspective, hereby generating growth in a market in which the first movers can reap the benefits from this growth. Sponsors with intent to strengthen relationships between organizations or with intent to encourage employees was less recognized in the esports industry. However, an additional motive namely big data can be added to the current literature. This motive was not yet discussed in the literature but was put forward by the respondents of this research. The effectiveness of sponsorship in the esports industry was mainly characterized by the difficulty of reaching target audiences. To get the most out of sponsorship, it is important for organizations to find the right fit in the partnerships they establish. When this fit is missing, the brand DNA needs to be dissected to find common ground with the industry. Furthermore, the organizations need to show the respondents that they are genuinely involved in supporting the esports industry by creating brand engaging content. Esports respondents are hard to reach but possess a high level of brand loyalty, so the right campaign can create long-term loyal customers.

Originality/value - The current literature only focuses on traditional sponsorships. In general, there is still not much academic research to be found around esports. By showing the reasons why companies are taking an interest in this market, we hope to be able to activate others to further explore sponsorship aspects within the context of esports. Esports research is slowly gaining momentum but not nearly enough to keep up with the current market.

I. Introduction

Gaming is nothing new for most people in today's society. According to Statista (2020), there are currently 2.7 billion gamers worldwide. Throughout the years, gaming has evolved from coin-based arcade games to online team-based games (Tyler, 2014). This change was made possible by the rapidly developing technology within the gaming industry. The improvement of networking software and the ever-increasing number of internet users ignited the development and demand for online gaming platforms (Beasley, 2002). With the growth of these online gaming platforms, a new form of competitive gaming was born in the form of esports. To use the term esports, the gaming activity should fulfill three criteria. It has to be organised, it has to be competitive, and it has to be professional (Mangeloja, 2019). Building on these three criteria, the esports market gained more structure and became a more available source of full-time income. Not only providing economic opportunities for esports athletes to create a career in this industry, but also for companies to get involved in this rather unexplored market. This attention and dedication from the athletes as well as other actors has set in motion the official recognition for esports as an official sport (Anyang-Kaakyire, 2018).

The market that was created by the esports industry was a new addition within the economic landscape. Currently, the esports market has an economic value of 1.1 billion dollars (Atalay, & Boztepe, 2020). However, it is not only the value of the market that attracts new potential companies to get involved in this industry but also the opportunities this new market provides. A key merit of the industry are the core demographics of its customers. In 2018, the esports global fanbase consisted of 380 million fans worldwide. 37 percent of these fans are men between the age of 21-35, while 16 percent represented women between the age of 21-35. This means that more than half of the fanbase is concentrated in this segment. In addition, the average American esports viewer earns around 50,000 dollars a year (Deloitte, 2019). These demographics provide evidence of the esports market being a valuable market for companies trying to reach specific customer segments.

One way to reach these potential customers is through sponsorships. Research provided by Dolphin (2003) suggests that the value of sponsorships is highly underestimated and isn't a core part of their marketing communications strategy for many companies. This underestimation comes from the difficulty companies find in measuring the success of these sponsorship programs. However, Dolphin (2003) concludes that sponsorship programs have a significant role to play in the marketing communication strategy of these companies. By engaging in sponsorships, these companies should be able to increase their sales, enhance their corporate image and leverage employee morale. However, sponsorship as a part of the marketing communications strategy within esports isn't yet fully understood by academics and requires more in-depth academic research (Dolphin R, 2003).

Building on what is known from the traditional sports sector, it can be concluded that companies that engage in sponsoring traditional sports events are in it for the exposure. Abratt et al (1987) show that the main reason companies are providing sponsorships for sports events, is to get potential coverage while promoting their corporate image and capturing potential customers that are following the event. Companies that engaged in sponsorships anonymously or with philanthropic prospects

were rare (Abratt, Clayton & Pitt, 1987). The engagement of companies related to sports is a logical choice as their target audience is engaged with the event that they are supporting, however the phenomenon of non-sports companies getting involved is nothing new. They use these sponsorships as a form of brand promotion and creating social responsibility (Jalonen, Tuominen, Ryömä, Haltia, Nenonen, & Kuikka, 2018).

Having determined as to why companies sponsor, taking a look at the effectiveness of these sponsorships in the traditional sports industry might give us more insight in the deployment of these sponsorships. A correct fit has been proven to be a good predicting factor on how effective a sponsorship might be. Companies should focus on the segments that let them utilise their fullest potential and get the best return on investment from their sponsorship (Olson, & Thjømmøe, 2011). Once these segments are defined, it's interesting to look at how these companies try to reach these segments to their fullest potential. Not only analysing if there are differences between the segment approaches between traditional and esports sponsorships but also looking at the deployment of these sponsorships in different mediums. These days, companies have access to a variety of mediums to express their sponsorships. Evaluating these different mediums might give better insights in their perceived value to sponsors (Logan, 2013).

Since there hasn't been much research about the deployment of sponsorships in the sports industry, looking at the relationships between the sports organisations and corporations might give us a better understanding of the sponsor relationship in the esports industry (Farrelly, & Francis, 2010). Unlike sponsorship in traditional sports, various features of esports make the sponsorship unique and different from the traditional sports sponsorship: the target market, the categories of sponsors and the form of sponsorship (Xing, & Boyuan, 2019).

The goal of this paper is developing a better understanding on why companies choose to engage in sponsorships in this new industry and how to effectively deploy their sponsorships for the maximum return on investment. This will be done by reviewing previous findings about sponsorships in the traditional sports world. Additionally, we will use semi structured interviews with companies already engaged with sponsorships in the esports industry. A qualitative research approach is needed since this rather new research topic needs to be further explored. We will evaluate the motives found in the traditional sports world as starting point but also intend to explore new motives as why they are willing to take these actions within the esports market.

II. Literature review

II.1 Sponsorships in esports

For today esports fans seeing big companies involved at the world championship of their favorite game isn't a surprise anymore. More and more companies are recognising the potential the esports industry has brought with it. However, if we look at the literature about sponsorships in esports, it is scarce. From what there is known, is that the esports sponsorship atmosphere is found as hostile. Target audiences in esports have to be convinced of the sponsor's goodwill. The audience doesn't like to get taken advantage of, so they only perceive a sponsor as positive if they express true intentions in supporting the esports scene (Huettermann, Trail, Pizzo, & Stallone, 2020). This is why sponsors who engage in sponsorships with smaller teams and lesser-known projects are perceived as showing more good will. It is therefore interesting for new sponsors looking to enter the industry to start engaging at that level. This provides the companies with lower budgets a good low-cost sponsorship deal.

Another study revealed the balance of power between two parties in esports related sponsorships. Here was concluded that both parties needed to be flexible towards each other in their engagements for a positive relationship (Korpimies, 2017). In this study we will be looking at how the concepts that determine effectiveness or the motivation behind a traditional sponsorship translates into the esports industry. With that providing a clearer image of the sponsorship construct involved in the esports industry.

II.2 Sponsorships as strategy

The engagement into sponsorships between two parties can be dated back to the ancient Greeks. The first known scholarly work on sponsorship was written by the Ancient Greek historian and philosopher Xenophon who describes the contribution of sponsorship ("choregia") to the development of private public finance and the political economy (Hakkarainen, 1997). However academic interest in sponsorships as a commercial activity didn't start until 1983. Around that time marketing and communication scholars started to take an interest in sponsorships as an active marketing communication practice (Meenaghan, 1983)

Trying to put a definition on sponsorship might be a difficult task due to the changing nature of the concept. There isn't a general consensus among scholars but Meenaghan defines it as "The provision of assistance either financial or in-kind to an activity by a commercial organisation for the purpose of achieving commercial objectives" (Meenaghan, 1983:9). Building on this definition, it was further refined to: The provision of resources (e.g., money, people, equipment) by an organisation directly to an event, cause or activity in exchange for a direct association to the event, cause or activity. The providing organisation can then engage in sponsorship-linked marketing to achieve either their corporate, marketing or media objectives (Lee, Sandler, & Shani, 1997).

Having defined sponsorship, the next step is looking at the reasons why companies take part in sponsoring activities. The competitive advantage that sponsorships offer can be divided into two levels according to Fahy, Farrelly and Quester (2004). It argues that two levels of competitive advantage need to be considered, namely the competitive advantage in sponsorship and competitive advantage in the market. Competitive advantage in sponsorship includes the measures taken to let the sponsorship rise above the clutter and differentiate itself from the competition. The competitive advantage in the market explains the fact that a sponsorship can be competitive but must result in value or value creation for the customers. When these two levels are recognised, sponsorships assume a more strategic role within a company and its marketing strategy (Amis, Slack, & Berrett, 1999). Recognising sponsorship as a part of a company's marketing strategy is an important part to the role sponsorships play within companies these days. These deals are not just generous donations to events to support their activities. It rather is a tool used by companies to communicate different messages to their customers. Because that is what these companies want: another platform to communicate to their potential and current clients.

Shown in previous research as Dolphin (2003), many companies still don't recognise sponsorship as a component of the company's marketing strategy. When it has been shown in his work that it does have a positive impact on the sales, image and motivation of the employees. The reason why companies hesitate to engage in these sponsorships was their shortcomings in measuring the impact of their sponsorships and being afraid of not gaining positive return on investment. Therefore, being able to determine what makes sponsorships effective and being able to measure these criteria might provide companies a clearer picture to engage in these sponsorship activities (Dolphin R, 2003). So after being recognised as an active part of the company's marketing strategy, the companies need to evaluate other factors to determine the effectiveness of these sponsorships.

II.3 Effectiveness of sponsorships

Looking at previous works, a study by Speed and Thomson (2000) divided the factors that influence the sponsorship in three categories: the event, the sponsor and the sponsorship. The event factor can be further divided into two subcategories: the status of the event and the personal liking of the event. The status of the event refers to the perceived status of the event from the receiver's perspective. It taps into the benefit an individual responded subconsciously receives from the event. Events like the Olympics create opportunities for sponsors since the high status of this event rubs off on the sponsors involved and might create a greater appreciation for the brands involved (Stipp, & Schiavone, 1996). The personal liking of the event are the effects the target audience directly receives from the event. When people are interested in an event themselves, the sponsors involved in these events will automatically be perceived as attractive to these people. They will make a connection between their liking of the event and have a sort of "gratitude" effect towards the sponsors involved (Crimmins, & Horn, 1996).

The sponsor factor can also be divided into three subcategories: attitude to sponsor, sincerity of sponsor and the ubiquity of sponsor. Attitude towards sponsors can be linked back to Pavlov's theory of conditioning (1929). Pavlov (1929) was able to show that animals can be conditioned by a specific sound. He was able to make his dogs drool at the sounds of a bell by previously rewarding them with food whenever they heard that bell ring (Pavlov, 1929). This conditioning theory can now be applied to people's attitude towards a sponsor. If the respondents have heard bad things about your brand and therefore associate your brand with negative feelings, then this will negatively impact the effectiveness of your sponsorship. This works the other way around as well: when you have established a positive image for your brand, people will associate your brand with positive feelings which will positively impact the effectiveness of your sponsorship (Javalgi, Traylor, Gross, & Lampman, 2013).

The sincerity of sponsor is the second subfactor of the sponsor factor. This factor evaluates the commitment the sponsor is taking towards the sponsorship. As earlier research shows that the motivation behind the sponsorship has an impact on how the respondents perceive the sponsor, sincerity of the sponsor is crucial (D'Astous, & Bitz, 1995). If the sponsor is motivated by philanthropy or in other words trying to improve the community without financial gain as a goal, he will receive a more positive response from his respondents than when a sponsor is purely motivated by the act of a commercial activity (D'Astous, & Bitz, 1995). The stronger the perception that the sponsorship has been made out of a pro-social aspect, the more favorable impact on the sponsor's image (Stipp, & Schiavon, 1996).

Ubiquity of sponsor reflects the frequency and the selectiveness of a sponsor (Speed, & Thompson, 2000). Sponsors who are involved in multiple sponsorship deals that are diverse are perceived by respondents as less committed. It is perceived as if the sponsor sponsors everything and is not committed to these different sponsorships. This goes hand in hand with the sincerity of the sponsor. When a sponsor is diversifying its sponsorships, he/she will create the feeling that they are in it for the commercial gain and not supporting the social aspect of their sponsorships. On the contrary sponsors who associated with one or two events were seen as more committed and involved with the activities they were supporting with their sponsorship (Speed, & Thompson, 2000).

The last factor for determining the effectiveness of the sponsorship is the sponsorship factor also known as the sponsor-event fit. The perception of congruence between the sponsor and the event it is sponsoring has shown to have a direct impact on the conditioned response by the respondents. The effect two compatible factors have on the conditioned response can be found in the work of Mitchell, Kahn and Knasko (1995). They showed that two compatible factors, for example the scent of baked goods in a bakery have a positive stimulus on the respondents in that bakery. By being exposed to the pleasant scent of baked goods, their subconscious respondents will associate that pleasant smell with the bakery and attach positive feelings to the bakery. Following this, incongruent matches seem to have a negative effect on the positive associations the respondent makes with the product or company. To reuse the example from before, if there had been a burnt scent in the bakery, the respondent would subconsciously associate negative feelings with that bakery.

Which leads to a need of similarity between the sponsor and the sponsored event. This similarity is then called the fit. This fit can be made on different bases but for the simplicity we use a general fit. The general fit used in this study will be the perception the respondent has of how well the sponsor and sponsored event fit directly and indirectly. Directly meaning how well the sponsor and the event they are promoting fit. With indirect meaning how the sponsor is shown and promoted at the event combined with the perceived prestige of the event. Combining the prejudices of the respondent with the unfolding of how the sponsor is active in the sponsored event will determine the sponsor-event fit (Allen, & Janiszewski 1989).

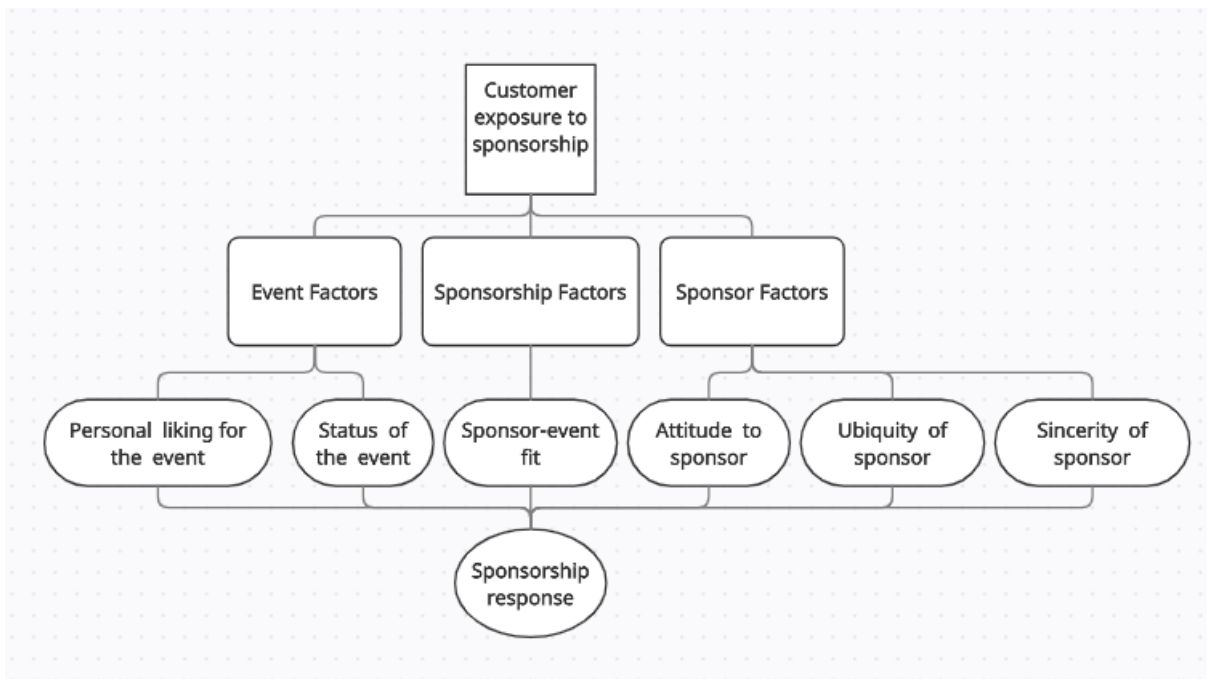


Figure 1 - Source: Speed, & Thompson (2000)

II.4 Motives to sponsor

Having seen the factors that determine the effectiveness of a sponsorship, it might be interesting to look at what motivates the sponsor who is sponsoring an event. According to the literature we can divide the motive to take part in a sponsorship in two fundamental pairs of orientation. The first pair are the internal versus the external motives to conduct sponsorships. The second pair are the opportunistic versus altruistic motives to engage in a sponsorship. These four fundamental motives for sponsoring have then been used to create a sponsorship motive matrix. This will help create a framework to categorise sponsors' motivation to sponsor sports events. Out of this matrix can be derived four categories of ideal motives for firms to engage in a sponsorship. These motives categories are labelled as follows: Market, society, bond and clan (Slåtten, Svensson, Connolley, Bexrud, & Lægheid, 2017).

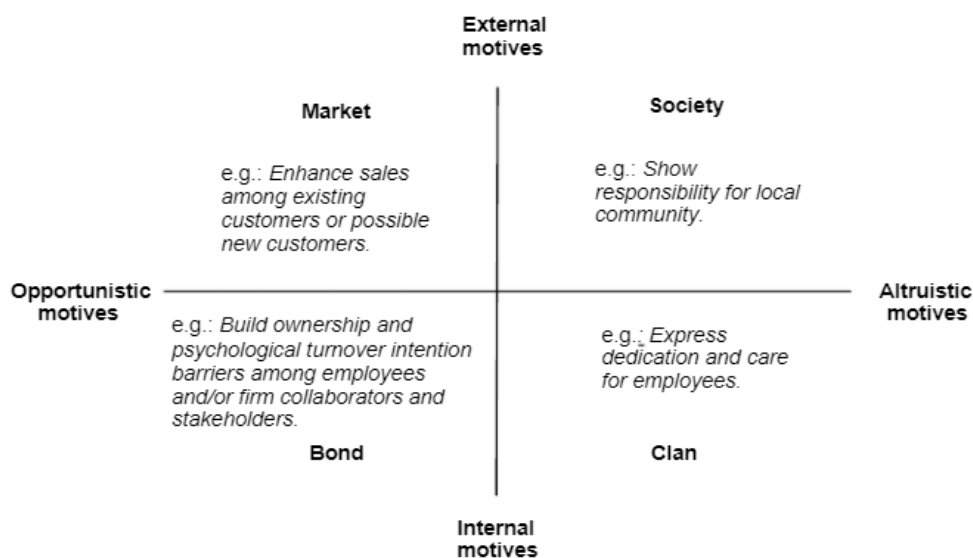


Figure 2 - Source: Slåtten, Svensson, Connolley, Bexrud & Lægheid (2017)

The market motive represents the underlying will to enhance sales with their current customers and the opportunity to attract new customers. Previous research has shown that the market motives are in most cases the dominant motive for companies to engage in sponsorships (Shank, 2001). He states that the objective for nearly all organisations involved in sponsorship programs is an increase in sales (Shank, 2001). Trying to increase sales by using sponsorship has been shown to be effective in the past. Therefore, it should be considered as part of the firm's market strategy when focusing on increasing sales (Davis, & Tsiantas, 2008). By looking back at the effectiveness of sponsorships, the sponsor-event fit was a determining factor of the effectiveness. This can be seen in the market motive as well. Sponsors who are trying to increase their sales have to evaluate the event they are sponsoring. Sponsors who have a natural linkage with the event will sell products that are complementary, substitutes or supplementary to the products used in the sponsored event. Sponsors who have an unnatural link will have to play the long-term game and add to the value of their brand building. Since sports appeal to a large number of people, firms that have unnatural links might profit from sponsoring these events in the long run (Shank, 2009).

The society motives represent motives that are quite broad and don't really have a target audience. These motives can be seen as a helping hand. Their primary goal is to support the event and the community it takes place in. When this is a company's primary motive, they don't expect to make any profit. Making a profit is always welcome but it is the support they give to the community that matters. This altruism has a bigger effect on people who identify less with the sponsored event than on the people who do identify strongly with the event (Joo, Koo, & Fink, 2016).

The bond motive is the company's motive to achieve specific goals with a specific target group. The target stakeholders can be divided into two groups. The first group is the target group that contains the company's stakeholders. Sponsoring sports events in which their dealers and partners are engaged in, can return a positive impact on the relationship between the two. Through this empowering their networking capabilities which will in return improve their competitive advantage (Smith, 1998). Following this, companies that invite their stakeholders to engage in a sponsorship with them, will improve the stakeholder's gratitude towards the company which in turn will improve the relationship (Walraven, Koning, & Van Bottenburg, 2012). The second group that a company should pay attention to, are the employees. As employees are an important stakeholder in the company's well-being and it is crucial to keep them satisfied (Grönroos, 2007). The research on this subject is limited but using what is available it can be concluded that, the employees form a sense of pride if the company engages in a specific sponsorship. The pride created through seeing their company's logo on sports events improved their willingness to satisfy customers (Hickman, Lawrence, & Ward, 2005). These two groups explain why a Firm A3an engage in a sponsorship following a bond motive.

The last motive is the clan motive. None of the companies that took part in the study done by Slåtten, Svensson, Connolly, Bexrud and Lægreid in 2017, put this as their primary motive. This motive consists of the overall network of people working together. It explains how firms use sponsorships to give their employees positive experiences and positive outcomes. This expresses itself in special care for the employees and differs itself from the bond perspective with a broader view and extensive focus. These can be divided into three types: health-related, motivation and social. To explain these types, a sponsored company football event will be used as an example. Since it is a sport related event it motivates its employees into moving and taking an active part in sports and thus increasing the employees' health through stimulating physical activities. With this opportunity, companies try to involve as much of their branches as possible to engage in social interaction between them, empowering their social engagement between branches. These kinds of company sponsored activities fulfil the three types which are important for the clan motivation.

These four motives to engage in sports events can provide a company a sense of what to focus on and concentrate their attention to. Combining these with the factors that make a sponsorship effective should provide a clearer picture of what to consider improving in deciding on sponsorship engagement.

III. Methodology

Research methodology

This paper will use a qualitative research method to explore the world of the esports industry. We will use a multiple case study approach. The choice for a multiple case study approach is supported by the research of Yin (2003). He claims that a case study design should be considered when the focus of the study is to answer “how” and “why” questions. Since the goal of this paper is to explain why companies are getting involved in the esports industry and through which channels or “how” they get involved, it complies with both questions asked. Following the same research by Yin (2003), there will be looked at different cases in similar settings. Yin (2003) describes how multiple case studies can be used to either, “(a) predict similar results (a literal replication) or (b) predict contrasting results but for predictable reasons (a theoretical replication)” (Yin, 2003, p. 47). However, since there is not yet much academic research on the subject of sponsors getting involved in the esports industry, the claim could be made that in this case it would be better to use an instrumental research. As Stake (1995) puts forward, that this research is used to accomplish something other than understanding a particular situation. It is known that companies have been engaged in sponsorships for a long time, so the concept of sponsoring is nothing new. This research form helps to refine the theory about sponsoring and adds the esports industry as another playing field. The case is of secondary interest; it plays a supportive role, facilitating our understanding of why companies make the switch to the esports industry (Stake, 1995).

Sampling

Since the goal of the paper is to find out why companies with different backgrounds get involved in the esports industry, it's important to pick out the right cases. Therefore there will be made use of purposive sampling, also known as targeted sampling (Patton, 2015). Through this method it is possible to choose companies that have affiliation with the esports industry further in this research referred to as endemic companies. The companies that aren't directly active in the esports industry but are still engaged through sponsorships in the industry will be further referred to as non-endemic companies. Companies that have an affiliation with the esports industry can be seen as companies that have a direct connection to the concept of gaming, for example computer manufacturers. Companies that are engaged in the esports industry but don't have an affiliation with gaming can be seen as companies that provide goods or services not directly associated with gaming, for example a car company. In order to present a balanced result, the goal is to reach five endemic companies and 5 non-endemic companies.

Data collection

The data for this paper will be gathered through the use of semi-structured interviews (Lee, Mitchell, and Sablynski, 1999). These semi-structured interviews will be conducted through the use of a digital medium, due to the still ongoing covid-19 pandemic. Digital communication platforms like Zoom, Google meet or Discord can be used. The interview contains questions about the company's

background and their level of familiarity with esports. The questions that follow provide a clearer view on their motives to sponsor, why specific in the esports industry and how they deploy their sponsoring. Trying to provide as accurate answers as possible, these interviews will therefore be conducted with either the CEO of these companies, or marketing/public relations representatives. By targeting these persons, there is a higher chance of getting representable answers that are in line with the companies' policies on this subject. The reason there will be made use of interviews is due to the fact that the esports industry is fairly unexplored and the reason or motivation behind the companies' choices may differ. Hereby leaving room for flexibility, in this manner questions can be transformed to fit the narrative (Lofland and Lofland, 1971; Yin, 1994). The interviews will be recorded with an online recording device if the interviewee allows this and will be removed at the time this paper is finished. The endemic respondent will be referred to by Firm A followed by a number. The non-endemic respondents will be referred to by Firm B followed by a number.

Firm	Since	Sector	Gender	Function
Firm A1	2016	Endemic	Male	CEO
Firm A2	2010	Endemic	Male	Director of operations
Firm A3	2016	Endemic	Male	Business developer
Firm A4	2019	Endemic	Male	CEO
Firm A5	2016	Endemic	Male	Business developer
Firm A6	2004	Endemic	Male	CEO
Firm B1	2019	Non-Endemic	Male	CEO
Firm B2	1997	Non-Endemic	Male	Sponsoring Manager
Firm B3	1954	Non-Endemic	Male	Marketing Manager
Firm B4	1930	Non-Endemic	Male	Content strategist

Table 1 – Respondents

Data analyses

To analyse the data, Yin (2003) describes five techniques for analysing case study data. The technique that fits this study the most is the pattern matching technique. This technique is one of the most desirable to use when working with multiple case studies. This technique compares an empirical pattern with a predicted pattern (Trochim, 1989). Thus, we compare the findings about getting engaged in sponsorship from our literature study to the once received through our interviews. These results will be reviewed within each case to see if they comply internally with what has been found. But also, they will be compared with each other to explain any differences in thinking and motivation between the gaming-related companies and the non-gaming-related companies.

IV. Results

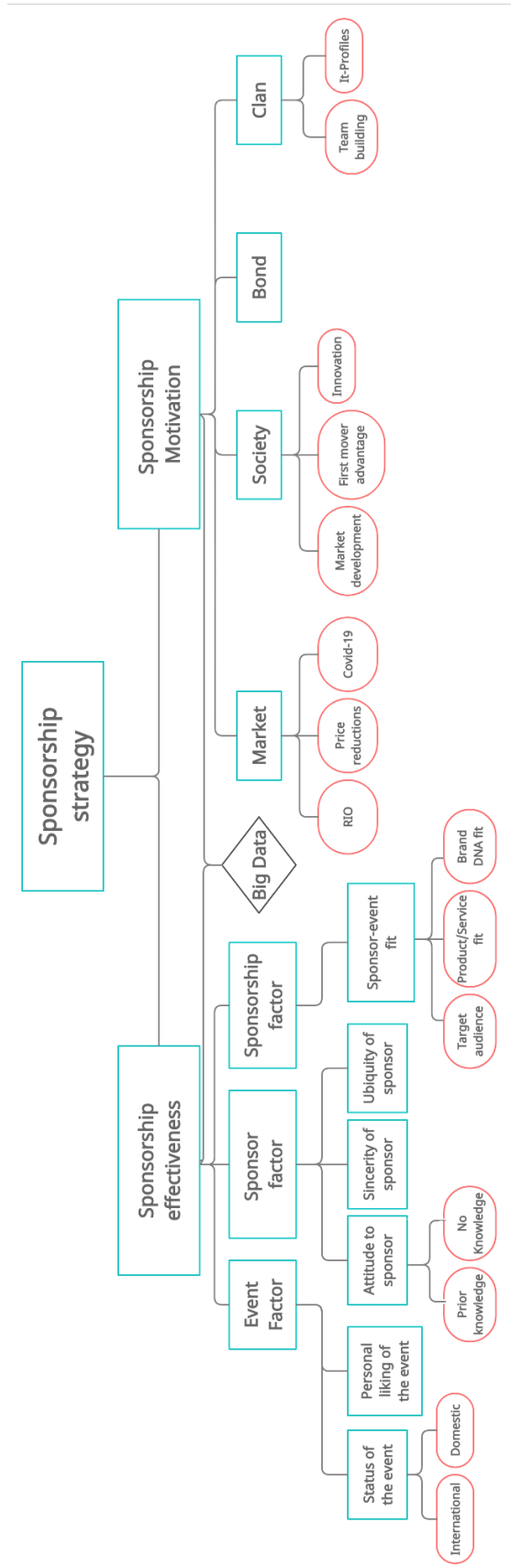


Figure 3 - Results

Effectiveness of sponsorships

Event factors

Status of the event

Regarding the event factors, the respondents gave different answers. Before following up on these answers, it is important to note that not all of the respondents are active in the international market. The interviews were conducted with firms focusing on the Belgian market. This study has shown that both markets are in different stages of development. The results are therefore most accurate for the Belgian market.

International firms

Starting with the respondents who are internationally active. For these respondents, the prestige of the event did matter. They explained that the quality and prestige of the event translates to their products or services. Therefore, it is interesting for them to collaborate with respected tournaments or teams in the esports scene. As the CEO of Firm B1 put it: *"Big impact, you can see it at tournament level as well at the team level. There is a reason why BMW prefers to sponsor bigger teams. Just because they want to make clear they are used by the best."*

Domestic firms

For the Belgian market, this was different. Throughout the interviews, some created the same picture of the Belgian esports market in its current state. The esports market is too divided and too small as of this moment. Therefore, it was not interesting to hold the prestige of the event in regard when choosing activities to sponsor. As Firm A3 puts it: *"If your market isn't yet mature, you can't make that choice. Then you have to be satisfied with what you get. However, you have to make sure there is a match because they have to be happy with the ROI it provides"*. The Belgian esports market has to be developed and consolidated further before this factor becomes relevant. The fit with their product prevails.

The status of the event in the Belgian market is not relevant at this moment, due to the current divided state of the market. As the market matures further, the status of the event will become a more important factor for organizations. That is because the better quality of the event will be projected onto their product.

Personal liking of the event

People associated with esports were described in the interviews as a "hard-to-reach target group" by different respondents. But also, once they are reached, they are fiercely brand loyal. This loyalty can be translated to the personal liking of the event. As put forward by Firm A3: *"The esports market is a hard one to reach. People filter normal ads out. It's important to get integrated in the whole story. But from the moment you have that, then you have brand loyalty, from the moment an esports player is loyal he stays with the brand"*. Most gamers/esports players will not follow every single

gaming event that is out there. It is therefore important for the organisations to have sufficient knowledge in their teams of what types of people play which kind of games. This is closely associated with the sponsor-event fit. For example, sport game events will receive more personal liking from people who are interested in sports. Organisations that sell sports products or services will have a higher return on investment when they get involved with events that reach their target audience. Some of the interviewed organisations lack this knowledge and are attracting esports consultants to gain these insights. As shown in this statement from Firm A2: *"That's actually where we offer the possibilities to companies, together with us, we know that market, we have that expertise. To go and see what would fit in that mix for your budget, timing, target group"*. They based their company around this lack of knowledge. Providing companies insights into the esports industry and how to best translate their product to the targeted audience.

Sponsorship factors

Sponsor-event fit

The answers for this factor were the same for both endemic and non-endemic organisations. The sponsor-event fit was for all interviewees one of the most important factors. The sponsor-event fit effectiveness depended on three different aspects: The target audience, The product service fit and the brand DNA fit.

Target audience

Being able to first define and then reach their target audience was one of the main reasons why the sponsor-event fit is such an important factor, as shown here by Firm A2: *"The match for me is very important, that's the role we try to play getting to know the brand and locate the target audience"* and Firm A4: *"100%, The party which we are going to cooperate with, has to be in line with the campaign we want to undertake."* As mentioned before, the esports/gamer community is a hard-to-reach audience. They grew up with technology and are extremely proficient with it. Ad blockers and selective reading are no new concepts to these people, so trying to reach them in the traditional way is not very effective. However, they are very brand loyal. Once captured they generally have a high return on investment. As mentioned before, most companies do not have the knowledge to determine which audience belongs to a certain game. Therefore, they seek new talent or outside help to identify which games capture certain audiences. For example, FIFA will attract people who are interested in sports, while Fortnite is an opportunity to reach a younger audience as stated by Firm B1: *They will have to look at the target audience that play these games. If they want young people, they should look at Fortnite. If they are looking for older people, they should look at another game."* By being able to identify which target audience is involved in which game, the organisations are able to deploy and streamline their partnerships.

Product/service fit

Complementary products were also an advantage when getting involved in certain partnerships. If there was the possibility that an organisation's product or service could be used in a way related to the game or event, it provided greater effectiveness. This way the audience could first-hand

experience how the product or service provided performs when used. If the audience perceived the use of the product or services as pleasant, it would be noticed in the return on investment. For example, Firm B2 provides internet services since the internet is the life source of online gaming. There was a clear service fit. When the audience used their product through the partnership, they could first-hand experience how good their internet connectivity and speed was leading to more people wanting to use the high-speed internet, providing them with the optimal gaming experience.

Brand DNA fit

Not every organisation has a product or service that fits completely into the use of gaming. However, this is not the only way an organisation is able to reach a fit with a certain event or partnership. The DNA of a brand or the way they present themselves to the outside world was also a factor that can possibly create a fit with a certain party, as put forward by Firm B3: *"Indeed, we also got into esports also because our brand dna allows it. As a brand we are very malleable."* In the gaming industry, there is a culture of being "edgy" and not taking everything too seriously. If a brand can capitalise on that aspect their product doesn't have to fit exactly but the way you communicate is the key to capture the audience. Firm B3 was one of the firms which incorporated their brand DNA in League of legends. League of legends doesn't incorporate any burgers in their game but they do incorporate a flaming dragon. This flaming dragon is used to link Firm B3's flame grilling to League of Legends a MOBA. Every time you see the Flaming dragon spawn you get to see Firm B3's logo reminding you that they also flame grill their burgers. Through this creative use of certain aspects of the game they fused their DNA with the game.

To conclude, the effectiveness of the sponsor-event fit begins with being able to determine what audience the organizations want to reach. When the target audience is defined, the organisations have the define if their product or service is compatible with the event. In the case that the organization doesn't provide a product or service that is compatible with esports events, they have to dig in their brand DNA to seek out aspects of their brand that are compatible with esports. The more precisely organizations can determine these factors the more effective the sponsorship will be.

Sponsor factors

Attitude to sponsor

Organisations getting involved in esports and the effect it has on the perception of those organisations can be divided into two groups: the people who already have prior knowledge about esports and the people who are new to esports.

Prior esports knowledge

The attitude of the first group with prior esports knowledge grows more positive towards the organisation getting involved in esports as put forward by Firm B3: *"You do feel that the people who are intertwined with esports, that they do appreciate this"*. These people have the opinion that esports is underrepresented for the number of players involved. Seeing organisations taking note of this underrepresented market is perceived as a good thing, providing more growth opportunities as

an effect of these new partnerships. It also shows an organisation's ability and interest in innovation. Since it is a fairly unknown industry, the companies that are pioneering these partnerships are valued for the risk they take by going into the unknown waters.

No prior esports knowledge

On the other side of the spectrum, there are people who have no prior knowledge of esports. To them, these involvements don't improve the perceived value of the organisations getting involved in the esports industry. An Interviewee told us that it even had an adverse effect in the beginning from their partnership. The people who lacked knowledge of the esports industry were not able to see the value the industry captured. They took a more sceptical approach by asking questions if those resources were not better located somewhere else, as told by Firm A6: *"Problem with older generations and generally people not involved in that world. For them it is sometimes hard to understand why and what exactly we are trying to do"*. However, these people consisted mostly of an older generation that didn't grow up when gaming was around. By interacting with younger people and their own kids they were also able to see the potential this industry could provide.

The attitude towards the sponsor is positive when the respondent has prior knowledge of esports. These respondents appreciate the initiative of companies to invest in this industry. Respondents without prior knowledge of esports have a harder time understanding why an organisation chooses to use esports. However, this can be remedied when these people have people in their personal circles who do respond positively to esports.

Sincerity of the sponsor

Being able to show your audience that you care about a cause has a positive effect on the effectiveness of the partnerships. The organisations getting involved in esports are more than aware of this concept, as shown in an example put forward by Firm B1: *"A good example is BMW. They sponsor different teams, and you can see that. It is not from: "here is 1000 euro, now stick our logo on everything".. No, they make active social media content for them"*. This is how they are actively showing the community that it isn't just a quick cash grab for them. They are willing to put in time and work and build with the community on this esports industry. Just putting large amounts of money into a partnership to display their logo has little or no effect, as mentioned that the target audience is a hard-to-reach group that is proficient in filtering out ads. Therefore, the organisations have adopted a different approach in which they provide exposure for the teams and gamers involved in their partnerships. Through their own media channels, they stimulate the intent to follow or take an active part in esports activities. There are even organisations that are specialised in providing gamification and making the brand an active part of custom game modes or in-game texture. This brand engaging content is welcomed by the esports industry as it provides more exposure for esports as a whole.

The challenge is to create brand engaging content for the respondents. In this way, it does not feel as if the organisations want to shove advertisements down the respondents' throats. Providing an opportunity to show that they want to immerse themselves in esports and gear their marketing to

the sector. The better they can get their brand to engage with the content, the more effective the sponsorship will be.

Ubiquity of sponsor

This factor wasn't seen as a problem for the interviewees, as long as the sincerity was clearly reflected. Since it is a new industry most brands were already involved in other partnerships. The community in general welcomes every brand that is willing to sincerely expand the esports industry. The esports market isn't mature enough to be picky and it is grateful when organisations want to provide their time and resources to further develop this industry.

Motive to sponsor

Market motive

The market motive contains the intention of an organisation to sponsor with the aim of increasing its sales. This motive was recognised by all the interviewees and got the number one importance ranking throughout all of the interviews. In the end the organisations still have to make ends meet by increasing their product or service sales. However, there was a difference in how they deployed their partnerships to increase their sales. The three main reasons put forward by the organisations were: high return on investment, price reductions and the covid-19 pandemic.

High Return on investment

Compared to other options, engaging in a partnership in esports is very cost-effective. Since esports activity takes place online, they can use this medium to reach a large group of people for a relatively small investment. The barrier for people to be engaged with their partnership is just a few clicks away. Since the esports industry isn't yet a mature market, prices for advertising are nothing compared to other mediums like television or traditional advertisements. They are often getting an even bigger reach than they could have had on television for just a fraction of the investment.

Price reductions

Compatible products can be used to immediately increase sales, by engaging in partnerships that buy a certain amount of your product told by Firm A1: "*We never do full sponsorships, we give price reductions on the amount they buy from us.*". If the product or service can be used actively in esports it is interesting for some organisations to offer a price reduction as a partnership. Through this, they increase their sales and provide more exposure for their products being used for certain events or games. The target audience can then first-hand experience their product or service and like mentioned before, esports audiences are perceived as brand loyal. When the first experience is a pleasant one, it might capture a new customer.

Covid-19

The pandemic has shown corporations the importance of online presence. Since esports mostly takes place online, corporations have seen the stability of investing in this market. For all the negative

effects people had to experience during the pandemic, this created an opportunity or for some even the necessity to enter unknown markets. Through this they found a new industry that can generate sales for them which was previously unknown to them, shown here by Firm B2: *"Now more and more and for sure with the covid crisis, sponsorship means we will make money so indeed one of the reasons they will sponsor is to make money"*. After the pandemic they will have to finetune their strategies and see how they can incorporate esports in their strategy when everything goes back to normal.

In conclusion, the market motive is characterised by the high return on investment in the esports sector. Online platforms offer the opportunity to reach many people at a relatively low cost. Organisations with compatible products implement the market motive to bring more of their products to the market at price reductions for certain quantity purchases. Covid-19 also played a role in lowering the threshold for certain organisations to make the switch. By looking for other channels to reach their respondents, they were able to experience the potential of the esports brands. The market motive was the most important motivation for the organisations, as shown in this quote by Firm B3: *"Let's not be Holy, If we can't increase our sales we won't do it."*

Society motive

The society motive is to invest in a market in order to grow and support the community around it. While examining the society motives, there has to be noted that these views concentrated on the Belgian market. This market is yet in its development stage so there should be taken into account that the society motives might be therefore stage specific. The reasons companies invested in with esports with the motive of society were: To further develop the market, The first mover advantage and for showing innovation

Market development

Trying to develop and further consolidate the Belgian esports industry was for many of the interviewees a reason to commit to partnerships. Companies are starting to see the potential that is hidden in the esports industry. However, to be able to exploit this potential to its fullest there has to be done some consolidation and expansion of the market. The current state of the industry resembles a formation of tiny little islands that are all operating individually. To increase the potential of this industry, all these small organisations should work together more closely. In this way, they create more attractive opportunities for non-endemic companies to invest in the industry, as told by Firm B4: *"We support something that with our support can develop itself. The fact that our company invested had a positive impact on other companies so they would make the step to the sector as well"*. These attractive investment opportunities ensure that capital from non-endemic companies flows into the esports industry, which in turn will ensure further development.

First mover advantage

Supporting on the aspect of further trying to improve and develop the market, the organisations getting involved are well aware of the fact this first mover advantage might provide for them. By

getting involved before all the other organisations they can show the society around the esports community that they truly care about them shown here by Firm B3: *"I didn't want to wait to be one of the later entrants. I really did want to be there at the beginning and have our brand be a pioneer. Another important thing to know is that we got in before the corona"*. They are willing to take the risk to invest in an unknown market before anybody else. This has the effect of showing the people in the esports industry that they really care about them capturing their loyalty.

Innovation

To a smaller extent, the society motive was used to show respondents that certain brands are open to innovation. They are not afraid to enter new waters and are able to adapt to newer concepts. However, the market development and first mover advantage had a bigger impact on the society motive.

To summarise, the society motive was ranked second in importance for the step to sponsorship. Organisations that have already entered the esports sector see the potential that still exists in this market and therefore try to stimulate its growth. This growth is also beneficial to them because they are seen as pioneers in this sector due to their first-mover advantage and because of this position they win the respect of the respondents. Further growth of the market will only increase their share, which is why the social motive was also definitely perceived as a sponsor motive.

Bond Motive

In traditional theory, the bond motive includes the intention of sponsoring with the aim of strengthening ties between organisations. The bond motive does unfold differently in the esports sector than suggested in theory. This too can be related to the fact that the Belgian esports market is still in its development stages as told by Firm A3: *"I think that's a model we don't have but that is a part of a mature market."* It is used to further develop an organisation's network instead of fortifying it. Since the market is in its early stages and everything is still divided, organisations invest from the bond perspective to explore the market. Hereby taking note of the different players and taking note of their operations in the esports industry. By mapping out the various parties, the organisations know to whom they can turn for support in matters focussed on the esports market put forward by Firm A6: *"We use our activities to further increase the connections and network we use to operate on a daily basis"*. As this market develops, the non-endemic companies have already noted that it will take the form known from the theory. Due to the fact that these non-endemic companies recognised the bond motive from their non-esports related sponsorships. In conclusion the esports market itself has not yet developed to the point where the bond motive is an active investment motive.

Clan motive

The clan motive includes the intention of a company to engage in sponsorship in order to boost the company's internal image and make its employees feel proud. This motive was the only one to alternate with the bond motive for the last place in the ranking throughout the various interviews.

Due to the fact that this motive was not seen as a motive but rather as a side effect of investing in the esports sector. It was therefore perceived as not an active motive to invest in at this stage of the market. However, esports has brought some new clan related opportunities with it like: Teambuilding and the recruitment of IT-profiles.

Teambuilding

Compared to the other options available right now in the market, esports is a cheap option to bring people together. By holding online competitions between employees and managers or even just playing casual together creates a better bond. During the covid-19 pandemic this option was able to show its full potential with games like "Among us" taking over in the early stages of the pandemic. There are even companies that specialise in creating virtual reality games for businesses. Showing that esports can be used to make employees more engaged with their department or company as said by Firm A3: *"Also many companies that also want to do team buildings a la gaming or tournaments for their staff"*.

IT-profiles

Many companies are actively looking for more IT profiles in this world that is growing more and more digital. A nice side effect of these esports partnerships is that the games these organisations get involved with, contain a lot of IT profiles. These IT profiles are made aware of the fact that these organisations are actively taking part esports, which might be the critical factor for attracting these IT-profiles put forward by Firm B3: *"I do not think that is a motive but a reaction. It sometimes comes up that it's good that we do this. Also young graduates see that we are involved in this and that we take this pioneer role."* This was however not yet an active motive to engage in partnerships but a consequence.

To conclude, the clan motive was not really considered important by the organisations at this stage. The consequences were rather seen as side effects. For example, gaming was used as a team-building activity within companies and the recruitment of IT profiles was stimulated as a result.

Big Data

In the second interview the interviewee wanted to add an extra motive why companies get engaged in partnerships with the esports industry. Since this was early on in the research, this factor was incorporated in the interview as to evaluate if the other interviewees saw this as a relevant factor. This fifth factor was big data. As became clear through the other interviews, other interviewees recognised this factor as well and Firm A3 provided the following opener: *"That's factor number one, or it will become number one"*. Cause *"measuring is knowing"* in a world where most of our time is spent online. Some of the interviewees tailored their activities around the gathering of big data and providing their partners with accurate feedback over certain aspects they wanted to get mapped. After all the interviews there were two distinguished kinds of data gathered.

Marketing data

Data gathered with the intent to improve an organisation's marketing and effectiveness in reaching their clients is an important tool in an ever-growing digital market. How many clicks their ads got and which certain channels are the most effective for them to pursue their clients are some examples of data gathered. This doesn't differentiate much from your standard online marketing data, just specific for the esports industry. As there is a great interest from organisations to be able to reach this specific target audience, data can provide the opportunity to show how well they are succeeding in this set-up and where they may need to make adjustments. shown here by Firm B3: *"It's a very pleasant additional effect. Because we are targeting a hard-to-reach audience. So yeah, big data is a very important one in that"*.

Player data

Player data includes all data collected for the purpose of improving individual players or teams. This data reflects how well a player or team is performing and gives them the ability to focus their efforts on certain skills that need improvement. This is not only a great feedback opportunity for players and teams. It has also opened the path for teams to actively scout good players by gaining access to the data certain organisations collected. One of those organisations is Firm A4: *"We are in first instance a party that processes a lot of data. We track the performance of our players but that's product specific data we use for scouting purposes or to improve training routines."* By making use of certain training programs that track your skill, pro teams are able to recruit players who have pro potential faster.

Big data has not yet been defined in traditional sports and is a new factor in the sponsor motivation model. This factor is or will be the most important factor for the sponsorship motive. In a digital world, companies are already eagerly using online marketing data to optimise their marketing strategies. The fact that esports mainly takes place online makes this factor very attractive to organisations. Not only can the data be used for marketing strategy, but the data has also been collected by some organisations with the aim of improving the industry's athletes.

Quotes

Determinants	Who Quote	Quote
Status of the event	Firm B1	Big impact, you can see it at tournament level as at the team level. There is a reason why BMW prefers to sponsor bigger teams. Just because they want to make clear they are used by the best.
	Firm A4	How we differentiate is pure from a marketing perspective, best value for your buck. But specific with Fnatic it's about building personal relationships with people. Specific with Fnatic the CEO that I now know personally.
	Firm A3	If your market is not yet mature, you can't make that choice. Then you have to be satisfied with what you get. However, you have to make sure there is a match because they have to be happy with the ROI it provides
	Firm B3	To be honest, at a certain moment it doesn't provide revenue when you are active in fast food. Your product needs to fit.
	Firm A1	We see everybody as equal and for us, it's just how much reach do we have.
	Firm A2	They listen to the advice cause quite frankly they don't know the difference between the Belgian competitions
Personal liking of the event	Firm B3	Esport studies show that it's a huge engaging community that's very young but is also defying sponsorships
	Firm B2	My firm had an idea for entering esport. But they didn't know anything about esports so that was a big plus on my CV
	Firm A2	That's actually where we offer the possibilities to companies, together with us, we know that market, we have that expertise. To go and see what would fit in that mix for your budget, timing, target group".
Sponsorship factor	Firm B1	They will have to look at the target audience that plays these games. if they want young people they should look at Fortnite if they are older people they should look at another game
	Firm A4	100%, The party which we are going to cooperate with has to be in line with the campaign we want to undertake.
	Firm A3	Very important, When a certain sponsor arrives we look at where is the match with their brand. every game has another target audience.
	Firm B3	Indeed, we also got into esports also because our brand DNA allows it. As a brand, we are very malleable.
	Firm B2	They have no knowledge of the sector so they just have to rely on my knowledge
	Firm B4	We were able to show the demo of fibre and 5g there we were able to make a lot of activation.
	Firm A1	For us it is very important, We do have something our product are gaming products so we sponsor gamers.
	Firm A2	The match for me is very important, that's the role we try to play getting to know the brand and locate the target audience

Sponsorfactor Attitude	Firm B1	Yes, the people who actively follow esports. the casual viewer probably not but the daily viewer yes.
	Firm A3	The esports market is a hard one to reach. People filter normal ads out. It's important to get integrated into the whole story. But for the moment you have that then you have brand loyalty but from the moment an esports player loyal is he stays with the brand
	Firm B3	You do feel that the people who are intertwined with esports that they do appreciate this
	Firm B4	The best example is that we choose to give exposure to the teams and players. We were the first to show something on tv live.
	Firm A6	Problem with older generations and generally people not involved in that world. For them, it is sometimes hard to understand why and what exactly we are trying to do.
Sponsorfactor Sincerity	Firm B1	A good example is BMW. They sponsor different teams, and you can see that. It is not from: "here is 1000 euro, now stick our logo on everything".. No, they make active social media content for them.
	Firm A4	We as founders are gamers and the idea started from out of necessity for the players
	Firm A3	Not yet all brands understand that. That you have to imply engaging marketing. You have to pull your brand in the story, cause it's like I said if you just put up a banner esports enthusiast won't notice.
	Firm B3	Finding a link and trying to link a usp for your brand to the content and not just place your logo somewhere
	Firm B4	There are numbers that show we got a reach that was very high. We can be satisfied because our competition was chosen as the best competition.
	Firm A1	The easiest is to show our customers directly that we are 24/7 reachable. In the bigger view, we notice that all feedback is good.
	Firm A2	It's a very important factor in esports, the most successful campaigns are the ones that embrace esports
Market	Firm B1	Short through the turn, it will come down to that
	Firm A4	We are part of the esports ecosystem. we are bound to the industry
	Firm A3	The smaller your company, the less you focus on awareness and more on performance and conversion. The end goal is always to sell more of your product.
	Firm B3	Let's not be Holy, If we can't increase our sales we won't do it. The market and the brand DNA just fitted so that was a natural match
	Firm B2	Now more and more and for sure with the covid crisis, sponsorship means we will make money so indeed one of the reasons they will sponsors is to make money
	Firm B4	There is a need for our product but also being always connected you need a connectivity and that is our core business
	Firm A1	We never do full sponsorships, we give price reductions on the amount they buy with us.
Society	Firm B1	What I do see happen, is that the esports sector for sure in the Benelux very small is. That the conculegas are working closely together. The

		people who are already with one leg into esports that they really fast try to engage other players to grow the esports sector.
	Firm A4	Our mission is to inspire gamer to go next level. We want gamers to be able to keep developing themselves.
	Firm A3	This is a really important one, for sure in this market the BeNeLux. it's still a growing market. so the early adaptors do have that advantage if they invest in market growth they benefit from it.
	Firm B2	Of course, one of the pillars of the sponsorship is to engage with the fans. It's a way to be better seen by the community.
	Firm B4	We support something that with our support can develop itself. The fact that our company invested had a positive impact on other companies so they would make the step to the sector as well
	Firm B3	I didn't want to wait to be one of the later entrants. I really did want to be there at the beginning and have our brand be a pioneer. Another important thing to know is that we got in before the corona
Bond	Firm A6	We use our activities to further increase the connections and network we use to operate on a daily basis
	Firm A4	We need to build out a brand in esports. We need to engage in activities to build credibility in the esports industry. We are constantly looking for parties to engage with.
	Firm A3	I think that's a model we don't have but that is a part of a mature market.
	Firm B3	We do not want to push advertisements down their throat, we want to put players in the spotlights and help build the community. By helping or facilitating them.
	Firm B2	
	Firm B4	It's not a direct return on investment. We have chosen to support the development of the ecosystem and show them step by step that our product is the best for the task.
	Firm A1	organising events together strengthens the bond
Clan	Firm B1	I can totally imagine it, but I can't give an example at this time of a company that would do it for that reason
	Firm A4	When we collab with certain brands it creates a certain amount of proudness amongst our employees
	Firm A3	Also, many companies that also want to do team buildings a la gaming or tournaments for their staff
	Firm B3	I do not think that is a motive but a reaction. It sometimes comes up that it's good that we do this also young graduates see that we are involved in this and that we take this pioneering role.
	Firm B2	Yes we did some sponsorship sole to increase the intern image
Big Data	Firm A4	We are in the first instance a party that processes a lot of data. We track the performance of our players but that's product-specific data we use for scouting purposes or to improve training routines.
	Firm A3	That's factor number one, or it will become number one

	Firm B3	It's a very pleasant additional effect. Because we are targeting a hard to reach an audience. So yeah big data is a very important one in that
	Firm A2	I want to add one motive it's a data-driven motive.
	Firm A6	in today's world measuring is knowing. So yeah I can see why companies would invest in this

Table 2 - Quotes

Discussion

This paper is trying to answer two interrelated research questions: why do companies choose to engage in sponsorships in the esports industry? And how do they effectively deploy their sponsorships for the maximum return on investment? From the literature review two determinants were determined that would be examined in this research paper: the effectiveness of the sponsorship and the motive to sponsor. The effectiveness was determined by event factors, sponsor factors and sponsorship factors. The motive to sponsor was determined by the following motives: market, society, bond and clan. This study contributes to the exploration of the recently developed industry around esports. Due to the lack of academic literature around this subject, this research paper can be used as a catalyst to encourage further research into this unexplored field.

The studies conducted before concerning why organisations sponsor traditional sports, are not applicable to the esports industry since the setting is different (Slåtten, Svensson, Connolley, Bexrud, & Lægreid, 2017). Therefore, By changing not the nature of the factors but the industry in which they are used, it can be inferred how they behave in the esports industry compared to the traditional industry. The market motive that concerned the increase in sales of service or product was put forward as the most important one by the interviewees. The benefits esports offers for this factor in contrast to the traditional sector is the high return on investment trend in esports. As shown by previous research, engaging in online marketing instead of traditional has a high return on investment and a relative low-cost overall (Mehrdad, Kuala & Aghaei, 2012).

The society motive had so far only been applied to a fully developed market. With this motive organisations try to improve their CSR image and reap benefits through engaging in these partnerships (Luo & Bhattacharya, 2009). With a still developing esports market organisations are focussing on gaining the first mover advantage. This first mover advantage can be used to enhance the firm's image and reputation with the buyers and most importantly builds customer loyalty in that market (Channon & Sammut-Bonnici, 2015).

The bond motive in traditional sports has been used many times as the main motive to engage in certain partnerships. The bond motive in the traditional market is used in order to improve the network and relationship between the parties engaged in that partnership (Cobbs, 2011). As esports is yet developing this motive relied more on the goodwill of the different actors active in the esports sector. Instead of engaging in targeted partnerships just to improve their network, they are able to see the long-term perspective and the benefit they gain from helping each other out without a sponsorship motive as its core. The organisations are indeed expanding and strengthening their networks, but as a consequence rather than a main reason.

When a company engages in certain partnerships, these partnerships also have an effect on the employees. These effects have to be taken into account when choosing the right partnership for a company, since the chosen event reflects a value orientation (Khan, Stanton & Rahman, 2013). This is also shown in the esports industry when working with non-endemic companies. However, it was

not seen as a motive by the interviewees of this research. This motive was also seen as a reaction due to the fact that they did get feedback from their employees supporting the value orientation claim. Older employees had a more difficult time understanding why their company made an entry into the esports industry while younger employees were motivated by this new endeavour.

Through this research there has been found a fifth factor, Big Data. As a result of the findings from this study and the digital evolution that sponsorship has also experienced in recent years, big data would be a valuable addition to the motif model developed by Slåtten, Svensson, Connolley, Bexrud, & Læg Reid, (2017). In a world that is going further and further digital, this fifth factor has become a crucial part of the current marketing industry (Nazarov, 2019). Interviewees were claiming that this has become the number one factor for organisations to get involved in the esports industry, by the fact that measurements with representative data can generate new unique insights or reveal certain weaknesses and strengths.

The factors that involve how a perfect partnership match is chosen and the effects this has on the effectiveness of the partnership have also been thoroughly researched for the traditional sports industry (Speed, & Thompson, 2000). It shows that the way the target audience perceives the event and the prestige linked to this event influences the brand image with the target audience. The higher the prestige of the sponsored event in traditional sponsoring, the higher the quality of your product is perceived by customers (Doyle, Yiran & Thilo, 2020). Here we saw a difference in the DNA of the companies. Companies that wanted to show that their product is the best product out there took notice of this prestige factor, hereby supporting the upper layers of the esports industry. The companies that didn't have the "we are number one" mindset got involved in all the layers of the esports industry.

How well the brand fits with the event and the way it portrays itself towards its target audience was the last aspect tested in this research. Showing that when a product doesn't fit with the sponsored event, it raises confusion with the target audience and loses effectiveness (Sangchul & Yuhei, 2018). Combining this with the devotion a company has to a certain sector when there is a mismatch, the company involved can be perceived as not genuine (Shih-Tung, King & Chang, 2015). Companies entering the esports industry are well aware of this and have taken measures to combat this ineffectiveness. The way their product fits with certain events is extremely important to them. Following these brands that don't find a natural fit are using certain aspects of their brands DNA to incorporate into their sponsor strategy. As they soon noticed that just adding their logo on something had little effect, they started engaging and providing a platform for the community to push this esports idea together with them. Esports is not just a money dump, it's a way to use their capital and reach, to get this esports idea out there. By doing so, they stimulate growth and credibility in the market, making it more interesting for other organisations to enter this market as well. (Jukić, 2020). To be able to take esports to the next step in Belgium there will be a need for consolidation of the different parties operating on small islands. By consolidating the playing field, it becomes more interesting for more players to invest in this market. Hereby creating an influx of capital followed by more opportunities to develop to its fullest potential.

Limitations and avenues for future research

This research was mainly focused on the Belgian market and is therefore not exactly applicable to a market that is already more developed, such as the American or Asian market. This study looked at the effectiveness and motives for sponsorship from the traditional sports sector, with the intention of translating these to the esports world. I hope to have laid a foundation on which to base further research into these factors within the esports sector. Some interesting paths to explore further is the need for external capital in the esports market. Non-endemic companies are starting to see the potential in the esports market and are establishing themselves in this sector. However, it became clear from the interviews that there is still a great need for external capital to get the full potential out of this market. A topic of interest to explore would be how to encourage companies with no experience in esports to enter this market. Another opportunity to research is the divided state of the current Belgian esports market. It was mentioned that if the market wants to evolve into a full-fledged sector there is a need for consolidation between all the different small players. An opportunity to research would be to find out why the market is in this state at the moment and how consolidation between the different parties can be stimulated.

The fact that non-endemic companies are already positioning themselves within the market means that the ball is starting to roll, but we are certainly not there yet. There is still a lot of potential hidden in this market that organisations are not aware of because of their lack of knowledge about this market. By promoting academic literature on the subject of esports, I hope that companies can acquire this knowledge and become aware of the opportunities. At the same time, academic literature provides for entrepreneurs within esports to move through the economic landscape. Many people have a passion for esports but lack the economic underpinnings to sell their idea to outside companies. The ability to pitch an idea with KPIs instead of passion could also provide positive growth.

Traditional sports are a huge part of our society today. I personally believe that with this digital generation, esports also has the potential to grow into an entity that cannot be ignored in our daily lives. Nice examples of this are the already developed markets of America and Asia.

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