ESPORTS – CURSE OR BLESSING FOR FOOTBALL CLUBS?

Establishing a common understanding, outlining strategic pathways and identifying business opportunities and threats

ECA
EUROPEAN CLUB ASSOCIATION

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Esports – curse or blessing for football clubs?

Esports – curse or blessing for football clubs?

This paper addresses precisely this question. However, one illusion must be shattered first: there is, unfortunately, no clear answer.

Esports – especially eFootball – seem to offer football clubs many opportunities thanks to eFootball's similarity to traditional football, its strong growth in user and fan numbers and the economic development and appeal of its audience, whether in terms of approaching new target groups, generating new revenues or even positioning their own club brands. Based on one or more of these factors, many football clubs have already decided to integrate an eFootball team into their clubs' activities.

On the other hand, some clubs remain hesitant when it comes to their position on esports and eFootball. Others have even made a conscious decision against any involvement in esports. They either see esports as a threat that must be averted, a topic that is incompatible with the brand values of a football club and therefore to be ignored or a temporary trend that requires no special attention.

These divisive approaches to the topic of esports reveal that, on the one hand, levels of knowledge and positions on esports are still quite varied, and, on the other hand, many clubs have yet to address the issue of esports and their own positioning in detail. Other likely reasons for this include the ecosystem's complex structure, the highly-dynamic market and the lack of transparency in many esports regulations and processes.

This paper will comprehensively outline facts and insights that are necessary for a common understanding of esports, especially eFootball, to provide a solid basis for decision making.

It will take a closer look at the aspects of the two most important eFootball game titles, FIFA 20 by EA Sports and PES 20 by Konami, and identify their opportunities and risks for football clubs.

When classifing esports, one should first make clear that esports is only a minor part – less than 1% – of the global gaming market, which is often mistakenly equated with esports in everyday parlance. When viewed in this context, the reported growth and revenue figures are relativised to a certain extent, but they are no less impressive.

In 2023, esports sales in Europe are expected to reach some $670M.

The so-called sports simulation genre, however, is only one part of esports and, compared to other genres such as real-time strategy or shooter games, is not the most significant by far. In the sports simulation genre, the FIFA football simulation (eFootball) from EA Sports is the most popular.

At present, the second most popular football simulation is Pro Evolution Soccer (PES) by Japanese publisher Konami. However, its discrepancies with FIFA are considerable (copies sold in 2019: FIFA 12 million, PES 0.5 million).

The game titles' audiences are especially attractive given their very young average age, their strong digital affinity and their above-average financial position.

In these aspects, however, they are essentially no different from the communities surrounding other esports titles. Additionally, the high level of interest in the sport being virtually represented is a factor, which is clearly not the case for other esports titles (like shooter games). All in all, the eFootball community is a challenging target group for advertisers and football clubs to reach using conventional marketing methods, which is especially noteworthy considering that many clubs are reporting declining membership figures, stadium visitors and fans in this segment.

Today, the political and social acceptance of esports still varies from country to country. Currently, a unified legal framework is lacking, which would be beneficial for the implementation of esports (e.g., easing visa requirements for esports athletes). Within the esports ecosystem, many stakeholders are well known from traditional sports (e.g., agencies, media houses, athletes, clubs). One key difference is the influential role of the publisher, which, as a commercial enterprise, practically "owns" the game in question and thereby also decisively shapes the entire value chain as well as the role of stakeholders in the ecosystem. As a logical consequence, there is no "one" esports ecosystem. Instead, each game has its own unique ecosystem, which dramatically increases the complexity and lack of transparency for outside parties like football clubs. On average, the monetisation of esports fans is only a fraction of that of other major sports ($5 annual revenue per enthusiast in esports vs. $90 in US baseball).

Sponsorships, advertising, media rights sales, ticketing and game publisher fees constitute the core revenue streams in the esports ecosystem. In all these areas, revenues have continuously increased in the past few years and, looking at trends, will continue to grow significantly in the near future.

Publishers of sports simulations (e.g., EA, Konami) rely on comprehensive licencing agreements with rights holders to ensure the most realistic presentation possible in their game titles. However, licencing structures have remained very confusing to this day, especially when compared internationally. In terms of comprehensive licencing agreements (e.g., with FIFA and UEFA, numerous national leagues and the players association FIFPro), EA dominates the eFootball market. As a result, Konami has to rely more on (exclusive) partnerships with individual clubs, sometimes paying significant amounts to the clubs involved. So far, EA has only made direct payments to clubs in exceptional cases.

Right now, FIFA 20 is far more relevant as an esports title than PES 20. EA holds many more competitions with larger money rewards for participating teams.

At the same time, FIFA 20's tournament calendar is significantly more complicated and confusing than PES'.

As far as the game modes used in the tournaments are concerned, Konami tends to act in the interests of the gaming community and participating football clubs. The Matchday mode used in PES competitions allows esports professionals to compete with the players of their own club virtually, with each virtual player set to the same skill level. Such a function satisfies the marketing interests of the football clubs by representing them as realistically as possible. Moreover, in Matchday mode, no investment in in-game purchases is necessary for successful matches. Konami's so-called "free-to-win model" is also extremely popular in the community. In contrast, EA almost exclusively uses the "pay-to-win" mode Ultimate Team. In this mode, there is no skill levelling, and every tournament participant has to assemble their team individually. As a result, a football club doesn't compete with its real professionals, but rather with a fantasy team of international stars. In extreme cases, competitors' players might even be depicted in their own club's jersey, which conflicts with their branding interests. Nonetheless, EA does offer game modes that may appeal to clubs and communities, namely their Pro Club and VOLTA modes. Furthermore, despite the perceived advantages of its game modes, PES still falls well short of EA's FIFA when it comes to commercialisation possibilities and media coverage.

Regarding the initial question about the opportunities and risks of esports for football clubs, there are strong indications that football clubs still have yet to address the topic of esports in sufficient depth or adopt a clear position on it.

This has far-reaching consequences for the current weak position of clubs in the ecosystems of PES and FIFA, the most relevant eFootball titles. Publishers exploit imbalances in knowledge and lack any explicit representation of the interests of clubs. In a multitude of obscure individual contracts and a range of extensive framework agreements with national and international associations and leagues (as well as the players association FIFPro), they establish regulations that directly or indirectly affect clubs, their IP rights and their cost and revenue potential, all without implicitly incorporating their interests or involving them in their negotiations.

The primary goal of this paper is to provide ECA Member Clubs with reliable information and to develop a common understanding of the esports industry, enabling clubs to take well-informed decisions regarding their individual positioning towards esports in general and eFootball in particular.

1 Setting the scene: what actually is what?

- Esports: how real is the hype?
- Scoping the topic: it's about esports – not gaming
- Managing expectations: market facts & figures
- On a higher level: political & social dimensions

SETTING THE SCENE: WHAT ACTUALLY IS WHAT?

Esports: how real is the hype?

The esports market is booming around the globe. We're confronted with reports of its success nearly every day: the rising number of gamers and esports enthusiasts who represent a young, digital and highly-attractive target group; the entry of major non-endemic brands into the market as sponsors or strategic investors; expanding media coverage and new platforms; and the increasing number of significant esports events being planned. It all sounds too good to be true.

Reading between the lines, however, it becomes apparent that a clear picture of the esports industry doesn't exist yet. Many talk and write about it without knowing precisely what it is – or what it's not. Consequently, misunderstandings, misinterpretations and even false conclusions and expectations result.

The confusing terminology, complexity of the ecosystem and highly-dynamic market development of esports all lead to a notable level of uncertainty throughout industry and society, especially in governing bodies and traditional sports clubs across Europe. This anxiety is exacerbated by the inconsistent position of football clubs towards esports. While some clubs host several esports teams playing various game titles, others focus on hosting eFootball teams alone. Another group of clubs hasn't yet entered the esports arena at all.

Full and clear apprehension of these issues is critical for the esports market's status quo and future outlook, as well as potential business opportunities and strategic directions for clubs.

Therefore, this analysis will ...

> ... develop a common view on the esports industry, its stakeholders and their relationships (ch. 1 + 2)
>
> ... outline the specifics of eFootball as an esports game genre (ch. 3)
>
> ... dive into the ecosystems of the leading football simulation titles: EA's FIFA (ch. 4) and Konami's Pro Evolution Soccer (hereafter "PES") (ch. 5)
>
> ... highlight concrete short-term business opportunities as well as long-term strategy (ch. 6)

Ultimately, every club will have to develop a position regarding the esports phenomenon. This positioning should rely on information and understanding along with a thoughtful strategic decision-making process. –

» Esports is a highly-attractive, continuously-growing field within the sports and entertainment industry.

» Esports seems to have pertinent answers to some critical issues in today's football club business:
- (almost) no geographical limitations
- young audience
- equal opportunities regarding sports performance and international success for competing teams
- highly attractive for investors
- growing number and volume of non-endemic sponsorships

» There is still no clear picture or common understanding of the entire esports ecosystem and its relevance to football clubs yet.

» Due to ongoing public controversy, each football club has to develop a position towards esports based on reliable information and careful strategic consideration.

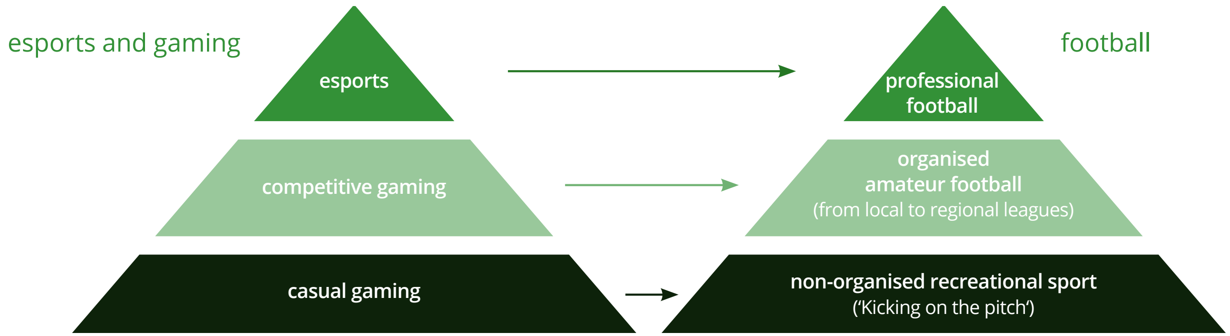
» Esports provides a diverse range of opportunities and threats – long-, mid- and short-term – for football clubs that must be identified, examined and ultimately tackled.

SETTING THE SCENE: WHAT ACTUALLY IS WHAT?

Scoping the topic: it's about esports – not gaming

T o avoid misunderstandings and interpret the facts and figures in the right context, the scope of this analysis, as well as some key terms, must first be defined. Additionally, to approach the subject of esports, we must divide the world of video games into three distinct professional levels: casual gaming, competitive gaming and esports.

Comparison of the structure of the phenomenon Fig. 1



Source: Own illustration

Casual gaming Casual gaming is the recreational use of video games, both single-player and multiplayer, without an organised competitive character. In this way, casual gaming forms the basis of esports and is roughly comparable to non-organised recreational sports participants: in other words, all those who play backyard football, jog or cycle in their free time.

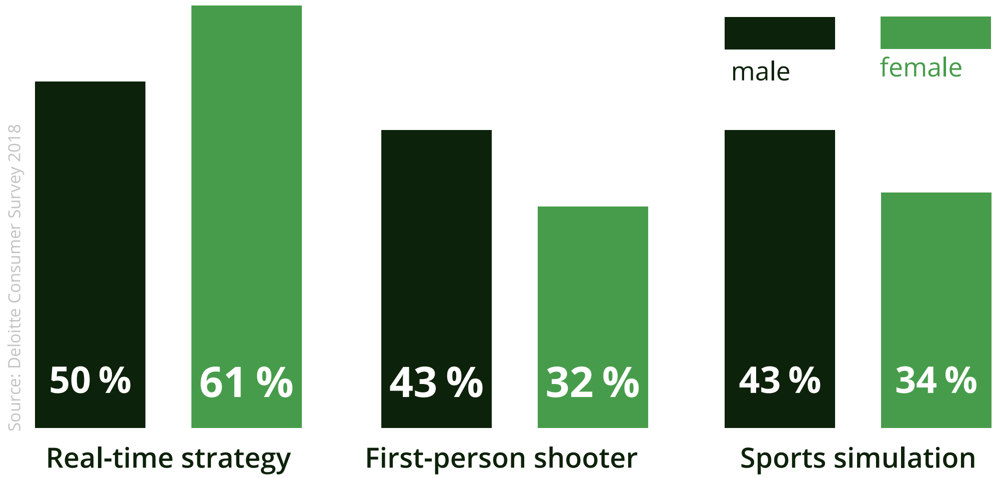
Competitive gaming In competitive gaming, the primary focus is the competition among several players, but the recreational character still predominates. This is where ambitious amateurs come together to compete in various game titles, both online and offline. Competitive gaming is the equivalent of organised amateur traditional sports at a district, regional or national level.

Esports Esports sits at the top of this "gaming pyramid" and represents professional competition among the best players of various video and computer games. Accordingly, these competitions often earn public interest among relevant spectators and fans who follow the matches live on-site or in the media. In classic sports, esports is analogous to professional athletic competition, such as a professional football game, a Formula 1 race or a WTA/ATP tennis tournament.

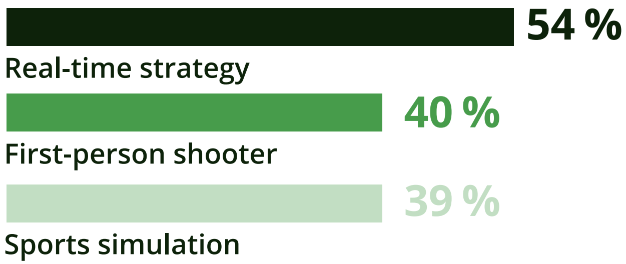
In the following, the scope of this analysis will be deliberately limited to the esports industry, excluding the competitive and casual gaming segments. In a subsequent section, the scope will then focus even further on a specific esports category – the sports simulation genre.

Preference of different game genres in esports by gender* Fig. 3

* Multiple answers possible, respondents are esports viewers



Game genre preference Fig. 2



It's about the sports simulation genre – not all esports genres

A genre encompasses all game titles that adhere to similar principles in the content and functionality of the game. The classification of esports into three main genres – real-time strategy games, first-person shooter games and sports simulation games – may seem esoteric, but it is popular among those involved in the field.

Preferred by 54% (Fig. 2) of all respondents, the most popular genre is real-time strategy games. Sports simulations captured 39% with a higher rate of male gamers (43%, Fig. 3) and a higher share of older age target groups compared to other genres (within the age group > 34 years, the preference for sports simulations is almost double that of shooter games).

Categorisation of most relevant esports titles Fig. 4

Source: The Esports Observer 2020

GAMES' INDEX SCORES BASED ON

KPI	Impact
Monthly active PC players	**30 %**
Distributed winnings	**25 %**
Esports hours watched	**20 %**
Gaming hours watched	**15 %**
Concurrent streams	**5 %**
Number of tournaments	**5 %**

Another way to categorise approximately 50 of the most popular esports game titles is not by genre but by size or relevance of the game title to the current esports market. Using the main criteria "annual prize pool" and "monthly hours watched," the landscape of esports game titles can be divided into different game tiers.

With a cumulated annual prize pool surpassing $10M for its events and more than 20M hours of content watched on average every month, the most relevant single game titles are the real-time strategy games "League of Legends" (hereafter "LOL") and "DOTA2", alongside the shooter games "Counter Strike: Global Offensive (hereafter "CS:-GO") and "Fortnite" – all classified as Tier 1. The most successful sports simulation is FIFA 20, which is classified as a Tier 3 game, with over 1M hours watched monthly and an annual prize pool above $500k. –

» The top of the esports "gaming pyramid" stands for professional competition among the best players of various video and computer games.

» The variety of esports titles can be classified into three main categories or "genres": real-time strategy games, shooter games and sports simulation games.

» FIFA 20, the most relevant eFootball and sports simulation game, is classified as a Tier 3 esports title Its annual prize pool is above.

» $500k and over 1M hours are watched monthly.

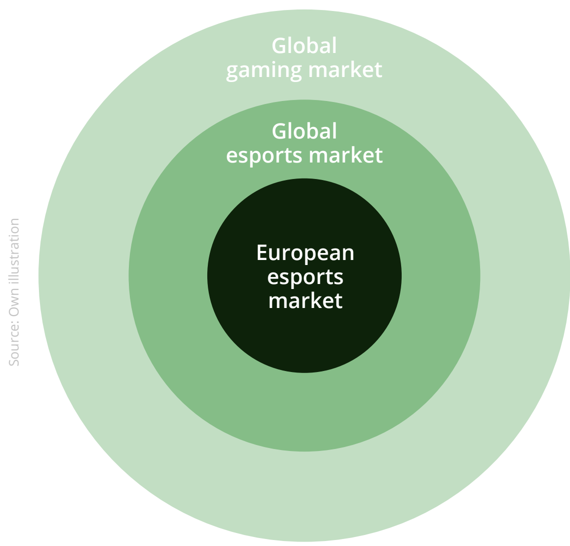
» There are numerous subcategories of sports simulation games for all types of real and fantasy sports. eFootball is by nature the sports simulation that is closest to the core business of football clubs.

SETTING THE SCENE: WHAT ACTUALLY IS WHAT?

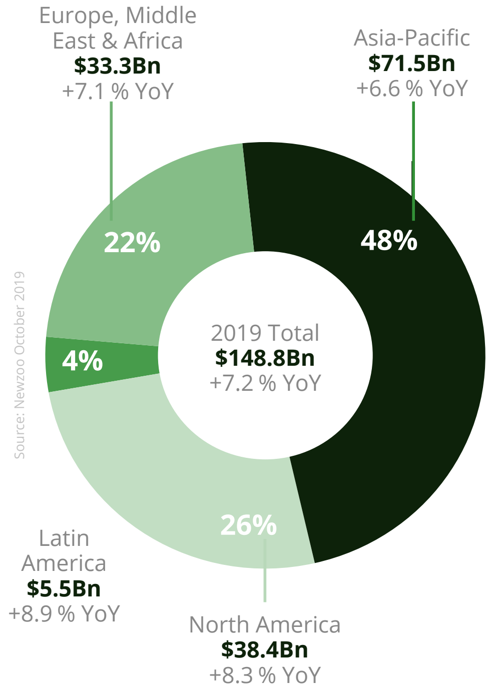
Managing expectations: market facts & figures

To reach a basic understanding of the relevance of esports – especially eFootball – the underlying facts and figures will be progressively substantiated in the following three steps, starting with the global gaming market as a whole and moving down to the European esports market.

Sizing up the market Fig. 5



Global gaming market Fig. 6

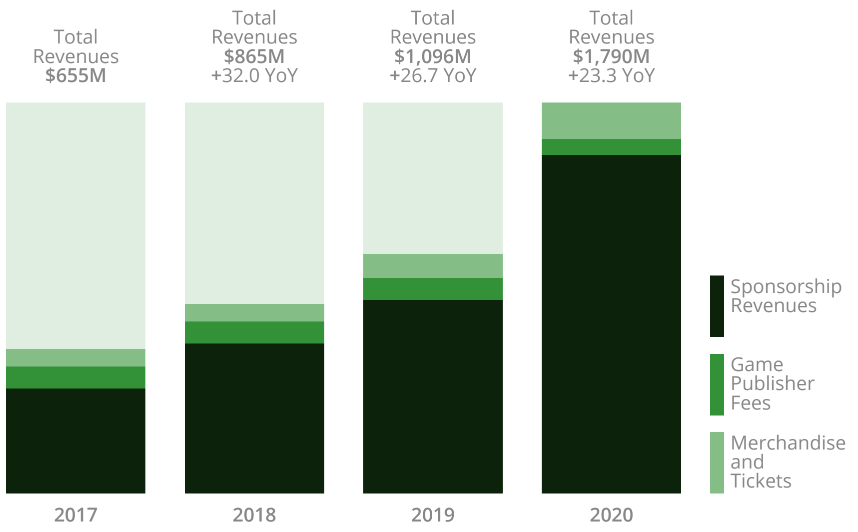


Step 1: Sizing up the global gaming market

The global gaming market – i.e., the entirety of casual and competitive gaming as well as professional esports – generated some $150B last year (Fig. 6). Initially, this figure seems exceptionally high, especially compared to traditional sports sales. It should, however, be noted here that the overwhelming majority of revenues are generated by the “recreational sports” segment of casual gaming.

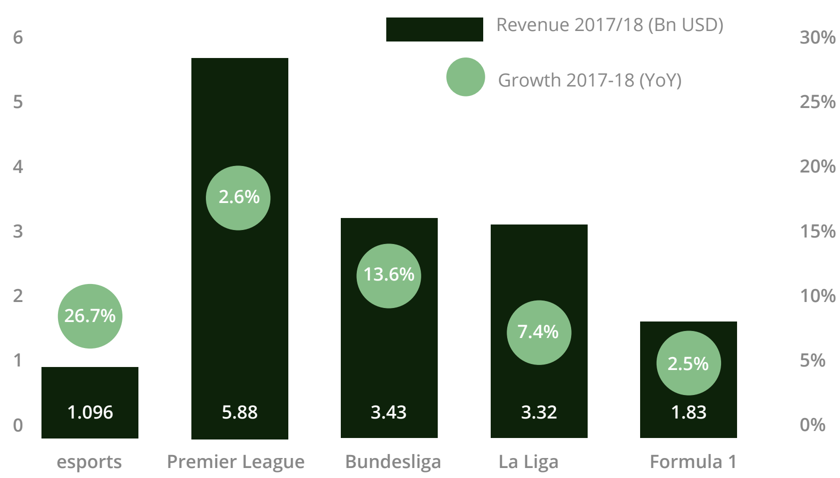
These sales are attributable in particular to revenues from the purchase of the game itself or of various virtual goods within a game (so-called “in-game purchases”). In contrast, classic sports offer no comparable revenue streams. Proceeds from the sale of goods and services such as athleisure, sportswear, football shoes or private coaching sessions for tennis would otherwise be included here.

Global esports revenue growth Fig. 7



Source: © Newzoo, February 2019

Esports vs. traditional sports revenues & growth paths Fig. 8



Source: Deloitte Annual Review of Football Finance 2018; 2019 / Reuters 2019

Step 2: Assessing the global esports market

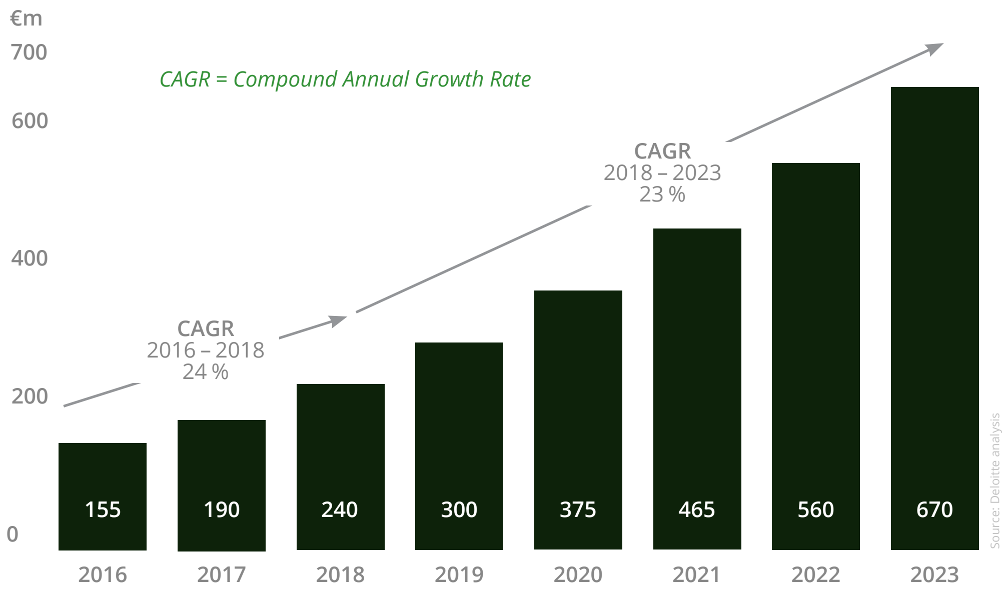
The facts and figures of the esports market are substantially illuminated here. In 2019, global sales exceeded $1B (Fig. 7), which is less than 1% of total gaming sales (Fig. 6). That figure includes the revenues of professional market participants such as organised leagues, esports event organisers and clans (esports organisations that operate multiple teams). These, in turn, consist of sponsoring, advertising, media rights (including streaming), ticketing and merchandising along with prize money and publisher fees.

The total turnover of nearly $1.1B in 2019 indicates a growth of over 26% compared with the previous year ($865M). A comparable increase in revenue to around $1.8B is also forecasted for the years leading up to 2022, which constitutes an average annual growth rate of 22.3% over five years (Fig. 7), although the ongoing global COVID-19 pandemic may affect these projections. However, as far as we know now, the esports industry is not likely to be hit as hard as traditional sports, due to its digital nature.

Despite these impressive developments and future prospects, the numbers must be put into perspective by comparing them to the sales figures of traditional sports. For example, comparable sales of major European football leagues in the 2017/18 season were: Premier League $5.88B, Bundesliga $3.43B and La Liga $3.32B. Formula 1 sales in 2017 came to $1.83B. Sales growth rates in professional football ranged from 2.6% (Premier League) to 13.6% (Bundesliga) and were thereby significantly lower than those experienced by esports (Fig. 8).

These esports figures are remarkable, but the magnitudes achieved are not yet on the scale that some "experts" at times lead the public to believe. It's also essential to bear in mind that esports revenues are the total of the proceeds from all relevant game titles (i.e., disciplines) from various genres, leagues and events. In contrast, the comparative numbers from football and Formula 1 only refer to individual sports leagues, sports types and single sports event series.

European esports market – development & outlook Fig. 9



Step 3:
Sizing the European esports market

Currently, Europe has a market share of 16.9% of global esports sales (Deloitte, "Let's Play"), lagging behind the leading markets of Japan, South Korea, China and the US by several years, both in terms of absolute figures and stage of development. However, the tendency of the numbers indicates that the European market is in line with the global development rate of esports.

From this perspective, an average annual growth rate of 23% in esports sales is also expected for Europe in the upcoming years (Fig. 9). Additionally, the number of people in Europe who watch esports is likely to rise from around 86M in 2018 to an estimated 105M, including occasional esports viewers and fans, by 2020 (Newzoo, 2019). –

» Revenue-wise, esports is not yet as big as some headlines lead us to believe. It accounts for less than 1% of the global gaming market.

» Putting absolute numbers aside, the relative growth path of esports is impressive (surpassing growth in football up to tenfold).

» The European esports market is about 5 to 10 years behind global market development.

» Growth rates of esports viewers indicate that Europe is in line with global esports development.

On a higher level: political & social dimensions

Acceptance of esports as sports across Europe Fig. 10

Source: Gaming Grounds 2019

- approved as sports
- not approved as sports

Due to the importance of a comprehensive understanding, this chapter will explore the political and social dimensions of esports across Europe. It will outline the positioning of governing bodies towards esports and the general acceptance of the industry as a form of sports.

The approval of esports as an official form of sports by national governing bodies is not only relevant for its acceptance and positioning in society, but also tangible reasons such as tax benefits, common public interest and visa and travel regulations for professional players.

Especially in Asia (South Korea and China in particular) and the USA, esports is already a mainstream phenomenon. There, esports is not only accepted socially as a form of sports but also recognised officially by national sports governing bodies and national law. In Europe, the current situation is different and quite varied.

Some countries and their leading national sports associations have officially recognised esports as sports, and even subsidised its development financially, educationally and socially (e.g., France, Sweden, Great Britain, Netherlands, Russia, and Bulgaria). Other countries refuse to recognie esports in general or limit its acceptance to the sports simulation genre. As of today, about 30 nations worldwide have approved of esports as a sport, and this number continues to rise. However, as the decision is one of national legislation, an international, transferable proceeding is not possible.

Over the past few months, the most relevant European sports associations have displayed a shared open-mindedness towards sports simulation, allowing them to get in touch with respective stakeholders to better understand their ecosystem, business model and motivation and thereby determine their strategic position. –

» European governing bodies vary in their opinions regarding esports as an officially-recognised form of sports.

» Legally treating esports as an official form of sports directly influences its feasibility and associated costs.

» In general, Europe lags behind Asian countries and the US in its acceptance of esports as official form of sports.

» Sports simulations – eFootball in particular – seem to be the most readily-accepted form of esports socially and politically in Europe.

2 Exploring the esports landscape

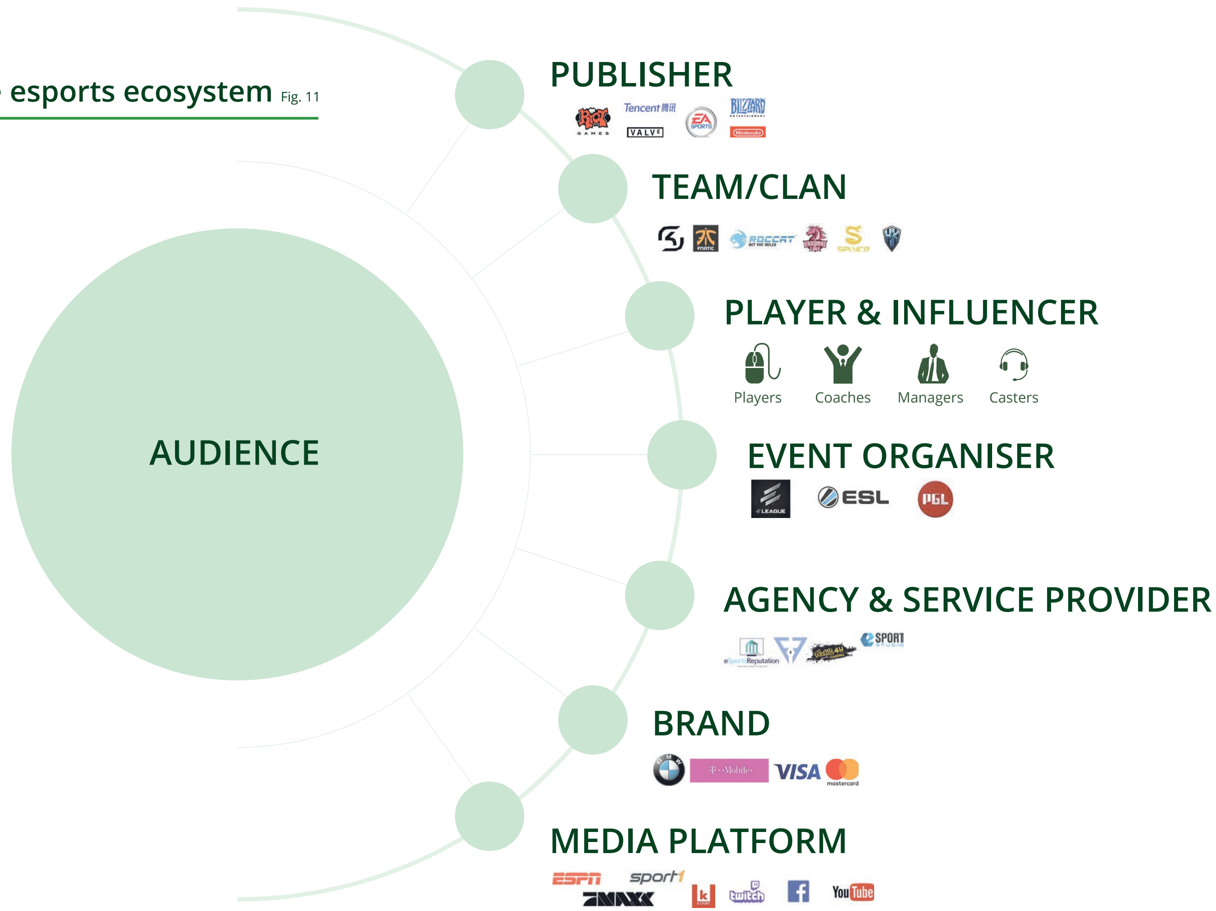
» The ecosystem: general overview & roles of key stakeholders

» Where the money flows: generation & allocation of revenue streams

The ecosystem: general overview & roles of key stakeholders

First, it must be known that a singular esports ecosystem doesn't exist. Each esports title has its own ecosystem that is more or less created and defined by its publisher. Consequently, the ecosystems of esports titles differ from each other to a certain extent, as illustrated in chapters 4 and 5 about FIFA and PES. However, they also have some basic findings and assumptions in common when it comes to stakeholders and key roles within the ecosystem.

The esports ecosystem Fig. 11



Source: Own illustration

Publisher When comparing the esports ecosystem to that of established European football, it's important to note that, unlike football, a commercial company owns the esports game title. The publisher develops the game, releases it and holds all the original rights linked to it. They are both the starting point and key player in each game title's ecosystem. The most relevant and well-known publishers are Riot Games (LOL), Valve (DOTA2, CS:GO), Blizzard and EA.

Team/Clan Teams or clans within the esports ecosystem play a similar role to traditional football teams in the sports industry. A single clan often runs several professional squads for different game titles, just like sports clubs run teams in various sports or various teams in a specific sport. Most teams have an international line-up in their professional rosters. Currently, there are three main types of teams: traditional esports teams that have been active for several years (e.g., SK Gaming, Fnatic, G2), teams that were founded through brand investments (e.g., Red Bull, Roccat, Kinguin) and teams that are directly or indirectly linked to traditional sports teams (e.g., Schalke 04, North / FC Copenhagen).

Player & Influencer There are only a few significant differences between professional esports players and other professional athletes. In general, contract durations are shorter and salaries lower than in traditional football. Transfer fees are very uncommon in esports at this point in time. Because all professional esports players are 100% digital natives, they generate vast amounts of digital content daily. As a result, most of them act as streamers and powerful influencers within their specific audience via their own streaming channels, on Twitch or through other platforms.

Event Organiser This stakeholder type runs leagues, event series and single tournaments. Events can be hosted by the publisher itself or be licenced to third-party operators. The IP rights (media, marketing, etc.) belonging to the event organiser depends on the licence agreement with the respective publisher and differs from event to event and publisher to publisher. The most relevant third-party event organisers are the Electronic Sport League (hereafter "ESL"), Dreamhack, PGL and eLeague.

Agency & Service Provider Similar to traditional football, we also see an increasing number of specialised agencies for various services (e.g., sponsorship sales, research, PR, content production) entering the esports industry. Some current players are well known from the traditional sports business (e.g., Nielsen Sports, Lagardère Sports, Infront) while others are quite young and fully dedicated to esports (e.g., Freaks4U, Storymob, esports Reputation).

Brand Brands participate in the esports ecosystem predominantly as sponsors (see revenue stream sponsoring in more detail in II.2). In general, brands can sponsor almost all the ecosystem stakeholders mentioned above: single players and streamers, esports teams (single or multi-game teams) or events and competition series and leagues. Brands can also use established advertising forms on esports streams and broadcasts or place in-game advertisements in the publisher's original game. Nevertheless, such advertising spending is still quite rare. In addition, some brands take part in the industry by investing more directly in esports teams. As a result, these brands become minority or even majority shareholders of different esports organisations. Famous recent brand investments include Telekom's 25% acquisition of SK Gaming, Red Bull's signing of a diverse squad of individual athletes and Airbus' investment in founding a new LOL team OOB from scratch.

Media Platform The development of broadcaster media platforms in esports differs substantially from that of traditional sports. In particular, all esports content has always been distributed digitally, globally and 100% free of charge. Historically, its core media channel was and still is Twitch, which is owned by Amazon. There are, however, a number of upcoming streaming platform competitors, particularly YouTube Gaming and Facebook Gaming, as well as more and more traditional sports broadcasters entering into esports (e.g., ESPN, FOX, Sport1). In the future, companies will continue to differentiate their business models (free vs. pay) and territorial exclusivities as well as increase the average price of esports media rights.

Audience Like any other sport, the audience is the basis for generating revenue within the esports ecosystem. Because of this key role, it's worth taking a closer look at some of its specific sociodemographic characteristics. The illustration at the right compares the esports community, fans of traditional football and the general population.

The esports community is driven by a passion for all things online. This goes beyond esports and gaming activities; it extends into every aspect of their daily life, from media consumption to shopping to significant parts of their social interaction.

The comparison can be summarised as follows:

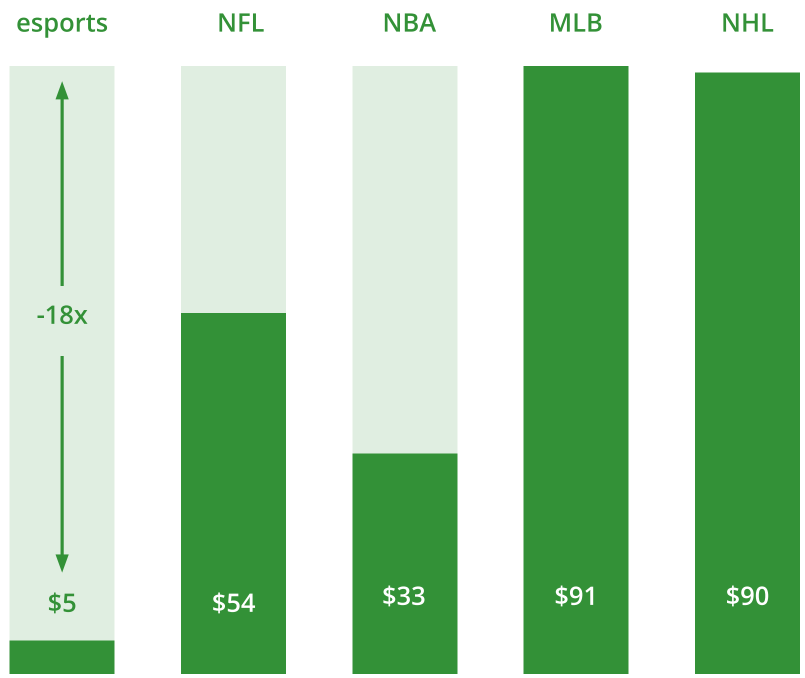
- The esports audience differs substantially from the football audience in average population demographics.
- The most significant discrepancy is the age bracket of the esports community. More than 40% of esports fans are under 29 (with the survey only counting people age 16 and older), while for football fans this is true only for around 25%.
- The esports audience is characterised by an above-average education, employment rate and income. This is even more remarkable considering the younger age of esports fans.

Comparison of target group profile analysis – esports vs. football Fig. 12

Esports Fan	Total Population		Football Fan
42%	25%	16 – 29 years	26%
44%	40%	30 – 48 years	41%
14%	36%	50 – 68 years	33%
63%	49%	Male	58%
49%	49%	Married	53%
67%	59%	Chief income earner	64%
75%	68%	Employed	72%
58%	53%	High education	55%
39%	33%	High income	37%

Source: Nielsen Sports SportsDNA May 2019

Comparison of annual revenue per enthusiast – esports vs. American major sports leagues Fig. 13



Source: Astralis IPO Report 2019

These characteristics make the esports community a highly attractive audience in many respects and thereby complements the traditional target group of an association in a positive way. They are not only clients for game publishers and esports event organisers, but for advertising brands, media platforms and potentially even traditional sports rights holders as well – all of which are looking for ways to connect to precisely these target groups of generations X, Y and Z. The potential for future revenue is seemingly massive and has not yet been systematically exploited. A comparison of the current spending of an esports enthusiast with that of other sports fans bolsters this impression. While the American major leagues generate annual revenues of up to $90 (e.g., MLB, NHL) per fan, the monetisation rate per enthusiast is around 18 times lower in esports (Fig. 13).

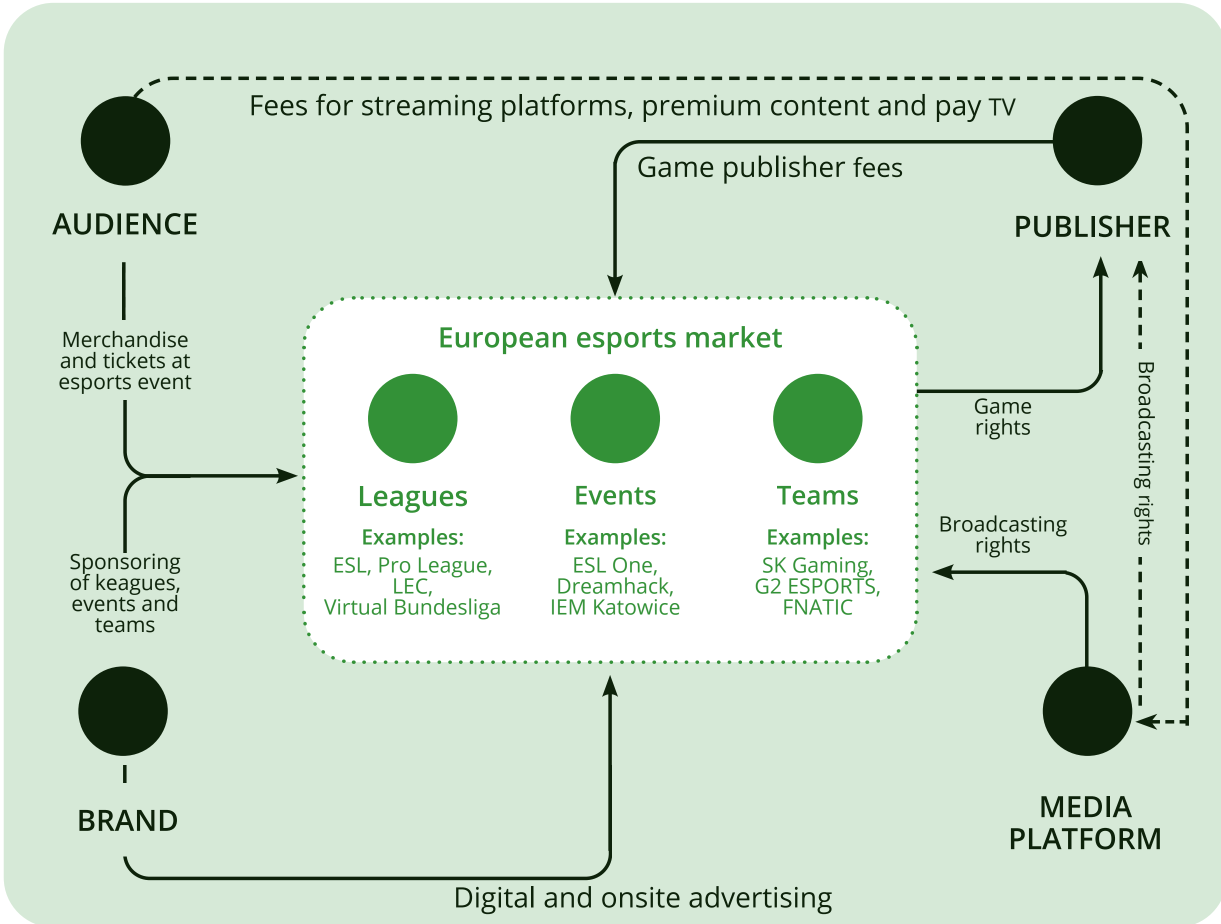
These initial monetisation numbers lead directly to the analysis of concrete revenue generation and allocation within the esports industry. The revenue streams will first be explained in general and then broken down into segments. –

- There isn't one ecosystem for all esports games, rather a specific one for each game.
- The ecosystem of an esports game is primarily determined by the publisher of the game, a commercial company.
- Most stakeholders are comparable to those of the football ecosystem at first glance, although they all participate in this ecosystem more digitally and less location-bound.
- The esports audience is highly attractive for sports stakeholders (especially brands), as they are a target group that is difficult to reach via established modes of communication.
- Due to the early stage of the industry's lifecycle, the esports audience hasn't yet been adequately monetised.

Where the money flows: generation & allocation of revenue streams

This analysis focuses on the esports industry's core ecosystem and therefore only discusses revenue streams directly associated with the key stakeholders. Esports leagues, events and teams function as platforms for revenue generation and, as such, form the heart of the ecosystem. Surrounding these stakeholders, there are five main revenue streams that must be outlined.

Overview of revenue streams in esports Fig. 14



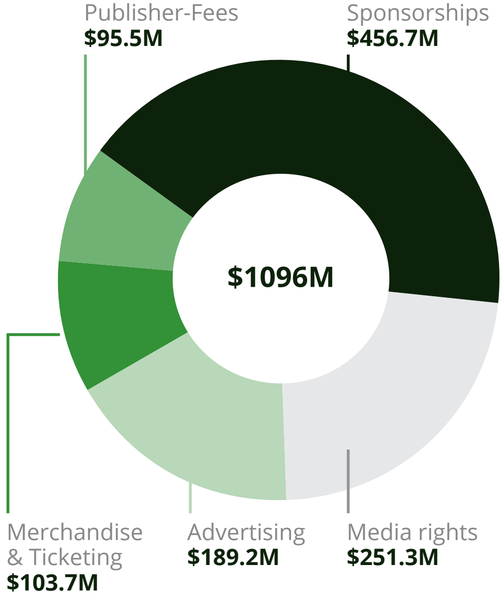
Source: Deloitte Let's Play (2019)

Sponsorships Revenues are generated through sponsorship deals by esports teams, leagues such as the ESL Pro League or League of Legends European Championship by Riot Games, as well as events (e.g., ESL One, Dreamhack events in various European countries or the ESL Intel Extreme Masters in Katowice, Poland). Early on, so-called endemic partners dominated the esports sponsorship market. These were brands with direct relationships to the esports industry, such as hardware and software providers, peripheral producers and so on. In recent years, however, non-endemic brands, as well as a host of traditional sports sponsors from various industries have entered the scene. The latest examples include luxury brands such as Louis Vuitton and Joop, car manufacturers such as Mercedes, Porsche and BMW, logistics provider DHL, FMCG producer Nestlé and insurance company DKB. Over the last five years, the number and volume of sponsorship deals has continuously increased to nearly 1,200 deals with a total volume of more than $450M (Fig. 15). These brands have been drifting away for traditional football for many years. Esports activities may help to win these kinds of companies back as club partners.

Advertising Revenues generated by advertisements are distributed to esports viewers via live streams on dedicated online platforms, video on demand, and TV broadcasts of esports content.

Media Rights & Streaming Revenues generated through media coverage, including all revenues paid to event organisers, leagues and teams to secure the rights for esports content on a certain channel fall under this category. This also includes income from premium content fees. Combined with sponsorships and advertising, these streams represented over two-thirds of entire revenues in 2019.

Global esports revenue streams 2019 Fig. 15



Source: Newzoo 2019

Merchandise & Ticketing Revenues generated by the sale of tickets for live esports events as well as team and event merchandise sales like caps, jerseys and chairs.

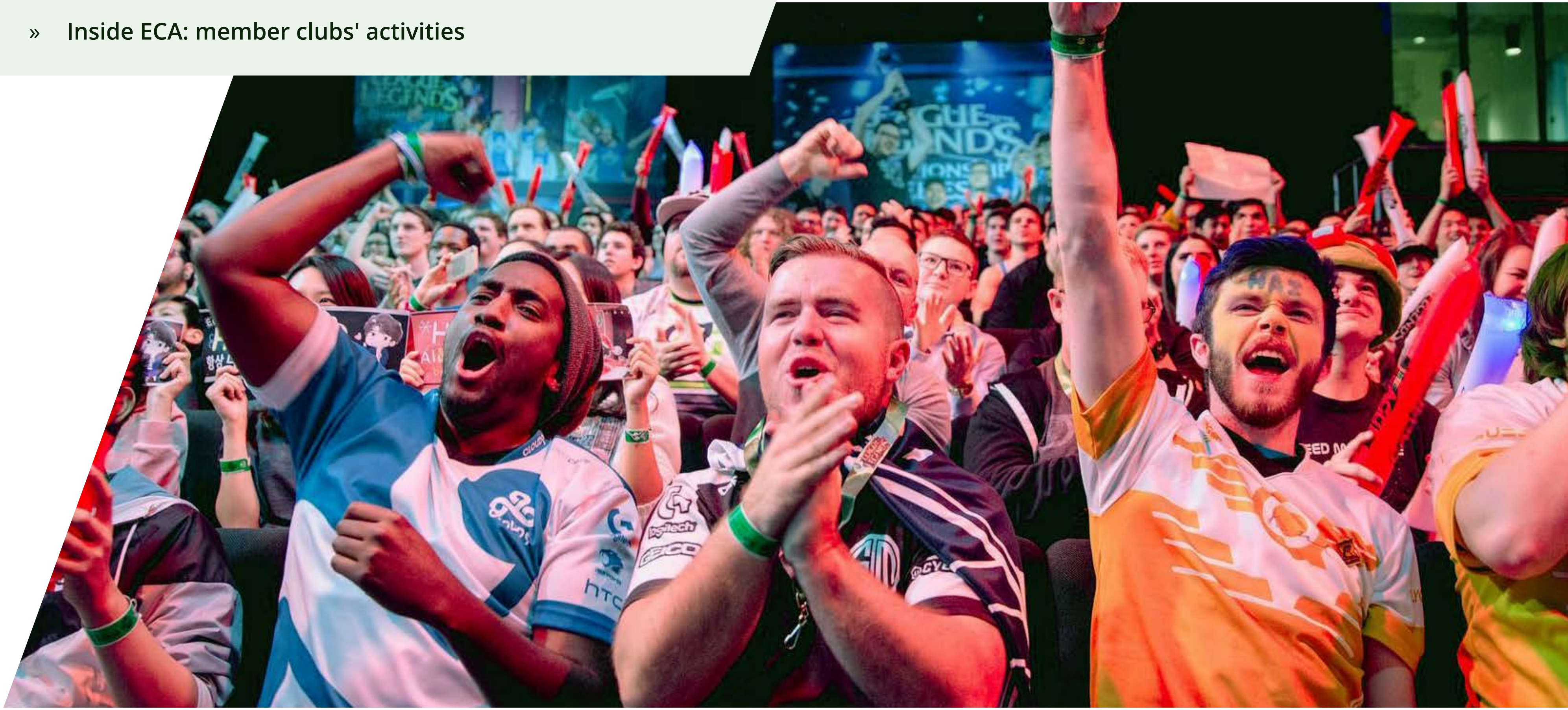
Game Publisher Fees Revenues paid by game publishers, such as Riot Games, to independent esports organisers for hosting events.

Descriptions of these revenue streams illustrate that sponsorships are the most relevant revenue segment, accounting for approximately 40% of revenues, followed by media rights with over 20% and advertising sales at 17%. Merchandise, ticketing and publisher-fees make up only about 10% of revenues (Fig. 15). All revenue streams still appear to offer significant growth potential. –

- » Esports teams, leagues and events are the underlying platforms for revenue generation.
- » The main revenue streams are sponsorships, media rights and streaming, followed by advertising, ticketing, merchandise and game publisher fees.
- » Esports attracts brands that are hard and sometimes impossible for traditional sport clubs to reach. The number of non-endemic sponsors is continuously rising.
- » All five revenue streams offer significant growth potential.

3 eFootball: Looking at the sporting side of things

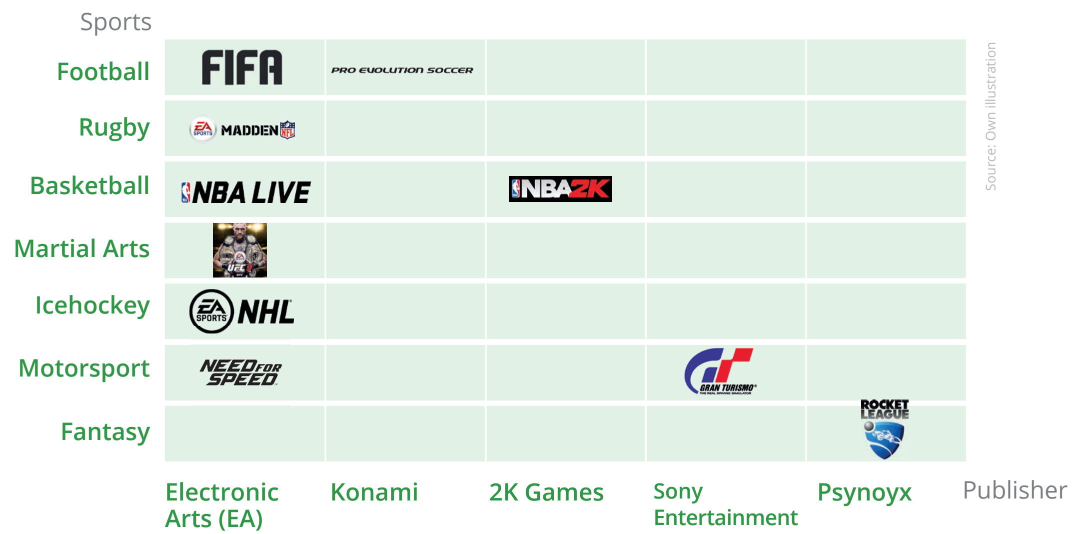
- Main characteristics: key success factors of eFootball
- The incumbants: introducing FIFA & PES
- Inside ECA: member clubs' activities



Main characteristics: key success factors of eFootball

Among sports simulation games, there are virtual reproductions of real sports (football, American football, basketball, hockey, etc.), racing games (which don't necessarily imitate reality, e.g., the game "Need for Speed") and pure fantasy games with a sports character (e.g., Rocket League).

Most relevant sports simulation titles and their publishers Fig. 16



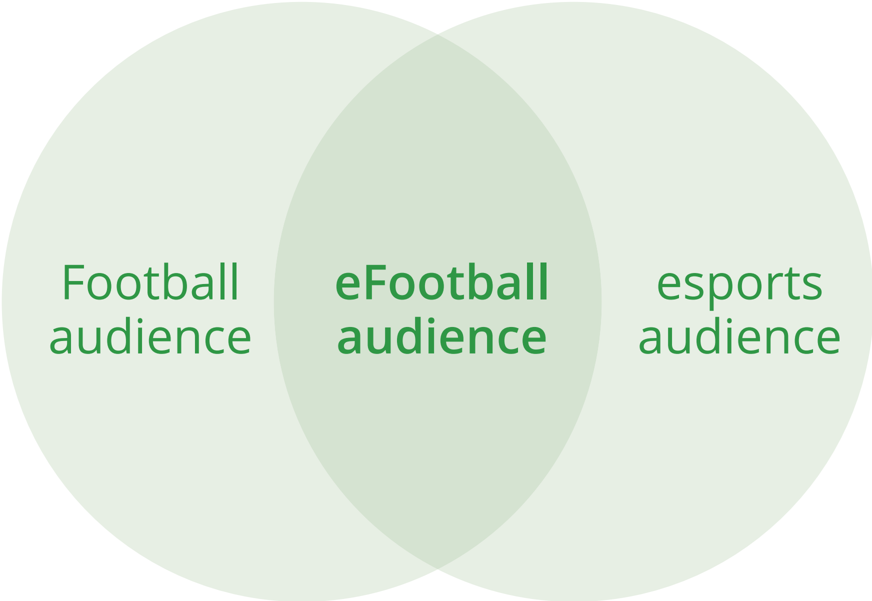
The most relevant sports simulation esports title by far is the football simulation FIFA by EA, followed by the basketball simulation NBA 2K released by 2K Sports. It is obvious that the publisher EA has a market dominating position regarding sports simulation titles.

The following analysis will focus on a small group of eFootball games that attempt to virtually reproduce real football matches as closely as possible. By nature, this characteristic is the most relevant success factor as well as the principal constraint of eFootball games.

Four key factors drive their success:

- high-quality graphics reproducing the reality of the pitch
- easy handling of the game and high-end usability
- opportunity to play favourite stars or teams
- opportunity to outperform with a team that is not so successful in real sports

Composition of eFootball audience Fig. 17



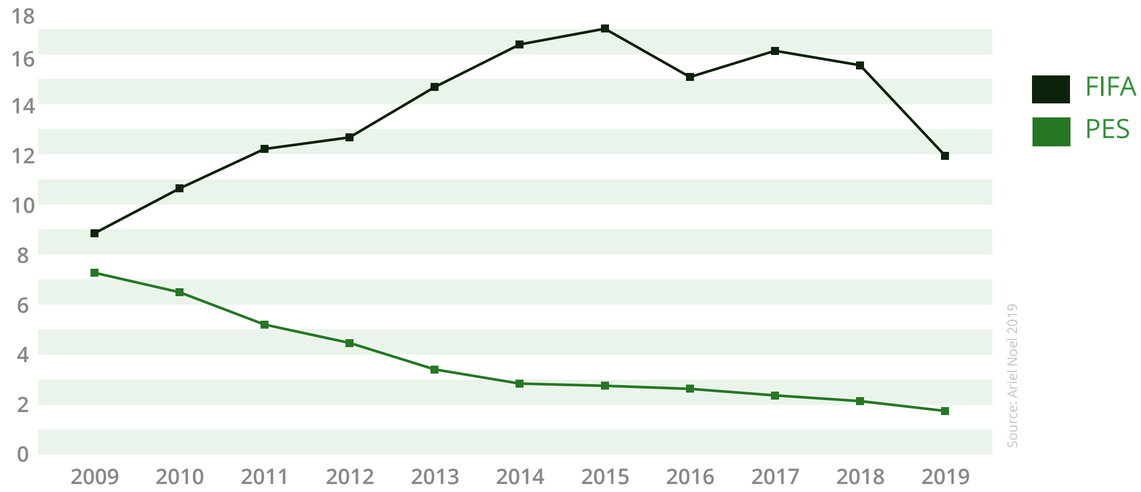
Source: Own illustration

Nevertheless, there are also limitations to consider when discussing the potential audience size of a sports simulation title. For example, a person generally must possess a minimum level of interest in a traditional "offline" sport to be or become interested in its video game counterpart. This prerequisite limits the potential audience of a sports simulation title to some extent. –

- The main characteristic of sports simulation game titles is the virtual representation of real players of the reference sport or tournament and teams within the game.
- EA has a market dominating position regarding the publishing of sports simulation games.
- A necessary level of interest in traditional "offline" sports limits potential audience sizes for sports simulation titles.

The incumbants: introducing FIFA & PES

Sales of FIFA vs. sales of PES from 2009 to 2019 Fig. 18



Measuring FIFA 20 & PES 20 global sales

On September 10, 2019, Konami released the latest version of PES 20. A mere two weeks later, EA revealed the new version of their football simulation, FIFA 20. As of yet, there are no reliable sales numbers available for these games. However, comparing the sales figures of the previous ten game versions from 2009 to 2019 offers an initial rough impression of the size and relevance of the two main football simulations and also highlights some relevant developments and trends.

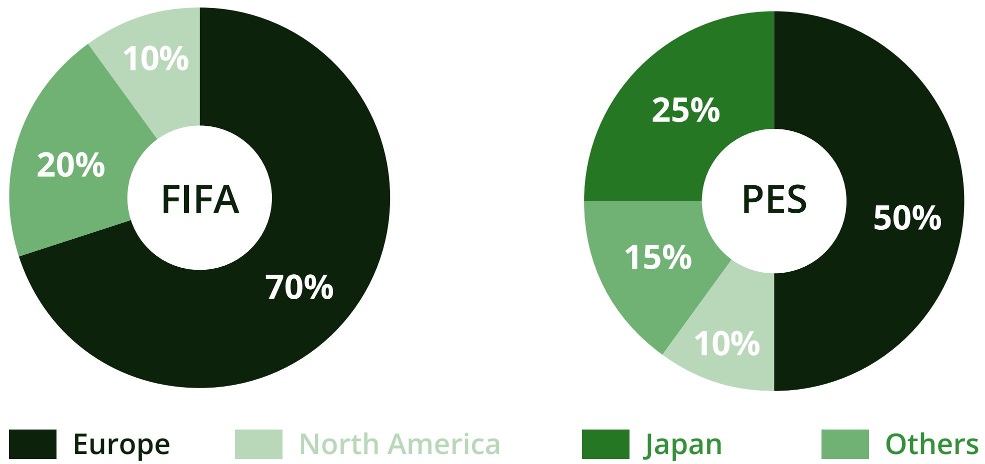
The numbers above clearly demonstrate that the most recent versions of both games have seen sharp declines in sales. This might be surprising, considering that EA's marketing and licencing spending seems to be on the rise. The fact that 2019 lacked a large tournament like the World Cup or the European Championship might explain this issue. Even EA itself claims that its lower sales can be attributed to many players opting to continue playing FIFA 18 instead of upgrading. FIFA 18 also features the popular extension World Cup 2018 France. Additionally, EA will not be able to release a special European Championship 2020 edition because Konami has secured the licence for this tournament. However, the ongoing COVID-19 pandemic will postpone this release to 2021.

Even so, the declining number of units sold did not result in lower revenues for EA, as there are more ways to spend money within games than ever before. The best example of this is the widely popular Ultimate Team game mode, where players can upgrade their teams by investing real money to buy more highly skilled players.

Konami continues to sell significantly fewer copies of PES compared to EA's FIFA. The sales ratio of the two games is now a staggering 22:1. Just a decade ago, sales figures for both games were very close. For the past couple of years, however, PES has experienced tremendous declines.

After losing most of their league and tournament licences over the years to FIFA, PES managed to secure exclusive rights to Serie A club Juventus' upcoming season. Notably, Cristiano Ronaldo, who graced the cover of FIFA 19, now plays for the Italian champions. Whether this will make a difference in sales of the 2020 version of the game remains to be seen.

FIFA VS. PES – Global distribution Fig. 19



Source: Ariel Noel 2018

Measuring FIFA 20 and PES 20 sales in Europe

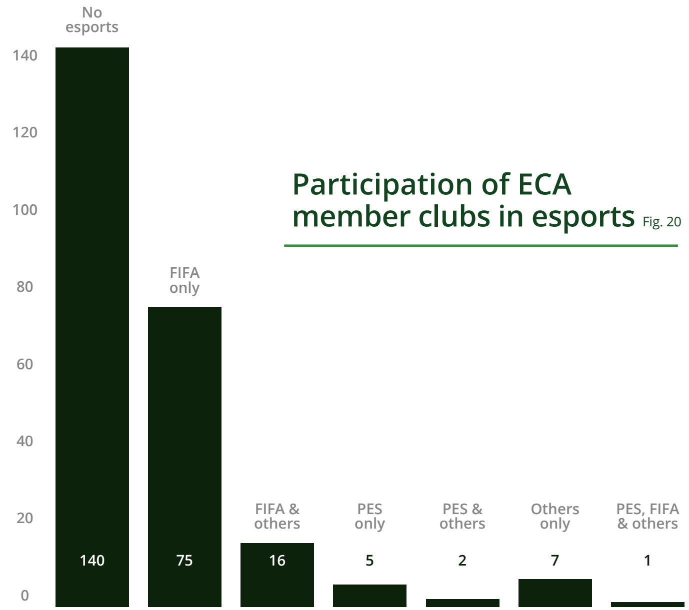
Looking at the geographic distribution of the two eFootball titles' sales, it is noteworthy that EA's FIFA 18 generated 70% of its sales in Europe, while North America contributed a mere 10%. At the same time, Konami's PES 2018 edition sales in Europe (50%) were not as predominant as EA's. In Japan, its country of origin, Konami's PES enjoys a significant sales share of 25%, while its North American share matches EA's 10%. –

» EA's FIFA outperformed Konami's PES in 2019 22 to 1 in terms of copies sold.

» While sales in Europe are higher for FIFA and similar in North America, PES leads in Japan.

EFOOTBALL: LOOKING AT THE SPORTING SIDE OF THINGS

Inside ECA: member clubs' activities



Source: Own illustration

The analysis of current esports activity among ECA members shows a state of affairs almost as diverse as the political landscape in Europe described earlier.

As of today, there is an approximate 2:3 split among ECA member clubs who are “involved” and “not involved” in esports. Within the group of clubs active in esports, more than 90% run a football simulation team, while less than 10% focus entirely on a different game genre.

Among ECA members, FIFA dominates PES by far. Of the members active in football simulations, 92% run FIFA but only 6% run PES. Another 2% run teams for both game titles (see appendix for a detailed list of ECA members‘ esports activity).

Taking into account the diverse social and political discussions across European markets described previously, it’s interesting to note that attitudes towards different esports genres and games seem to influence national acceptance in home markets directly. For example, no German clubs are active in any shooter titles, whereas 30% of all Danish and Finish ECA members run a team in the shooter game CS:GO. The leading real-time strategy game LOL seems to be the most accepted non-sports simulation game title across Europe, currently played by 15 ECA members from 11 different countries – three of which are teams from Turkish ECA member clubs. Moreover, clubs that are involved in PES are all ordinary ECA members assigned to its top two subdivisions (except Celtic FC). For clubs involved in FIFA, however, no such noteworthy aspects are apparent. –

- The esports activities of ECA member clubs seem to be influenced by the societal and political acceptance of esports in their home countries.
- Regarding eFootball activities, the vast majority of ECA member clubs are involved in EA’s FIFA.
- PES is implemented in the top tier football clubs.

Comparing FIFA & PES

Following a basic introduction to the esports industry – terms, figures, key players and revenue streams – in chapters 1 and 2 as well as the introduction to eFootball in chapter 3, chapters 4 and 5 compare EA's FIFA and Konami's PES. You might believe that description of these two eFootball game titles is simpler and easier to understand now that the scope of the study is now narrower. Unfortunately, this subject is still highly complex as well.

As you'll discover in the following chapters, it is challenging to describe and compare the two titles systematically. Each title has its own specific contractual, technical and commercial set-up that defines its business model and marketing strategy. At the same time, present circumstances and regulations in the ecosystem are by no means necessarily permanent, since the entire eFootball industry is in a state of continuous change. Professionalisation is moving so fast that contractual stipulations, technical features of the game itself and the current event calendar change almost daily. The following status update only serves as a snapshot of the current market situation, future developments notwithstanding.

To cope with their inherent complexity and make both game titles as comparable as possible, each game title's description is structured in the same way and is based on the following four main criteria:

- **Structural Analysis:** Introduction of each game title's individual ecosystem, its stakeholders and their characteristics
- **Commercial Analysis:** Explanation of EA and Konami's different business models, including all relevant facts and figures that illustrate their commercial standing
- **Technical Analysis:** Description of the products themselves, their various game modes and the current event calendars

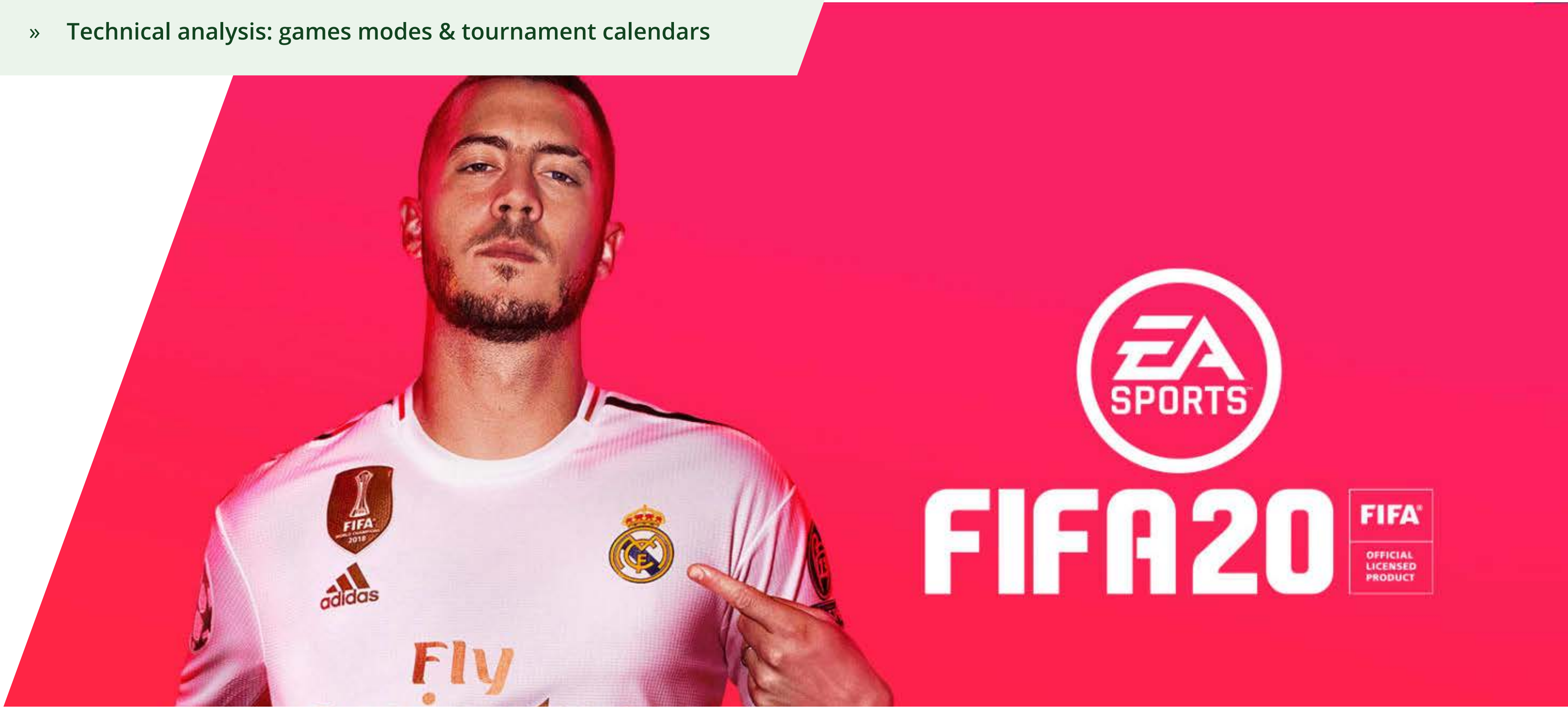
Because EA's FIFA dominates the sports simulation genre, chapter 4 first addresses this title before pointing out the relevant differences and main characteristics of PES 2020 in chapter 5. –

4 "The reigning champion": FIFA by EA Sports

» Structural analysis: ecosystem, main stakeholders & dependencies

» Commercial analysis: business model & brand partnerships

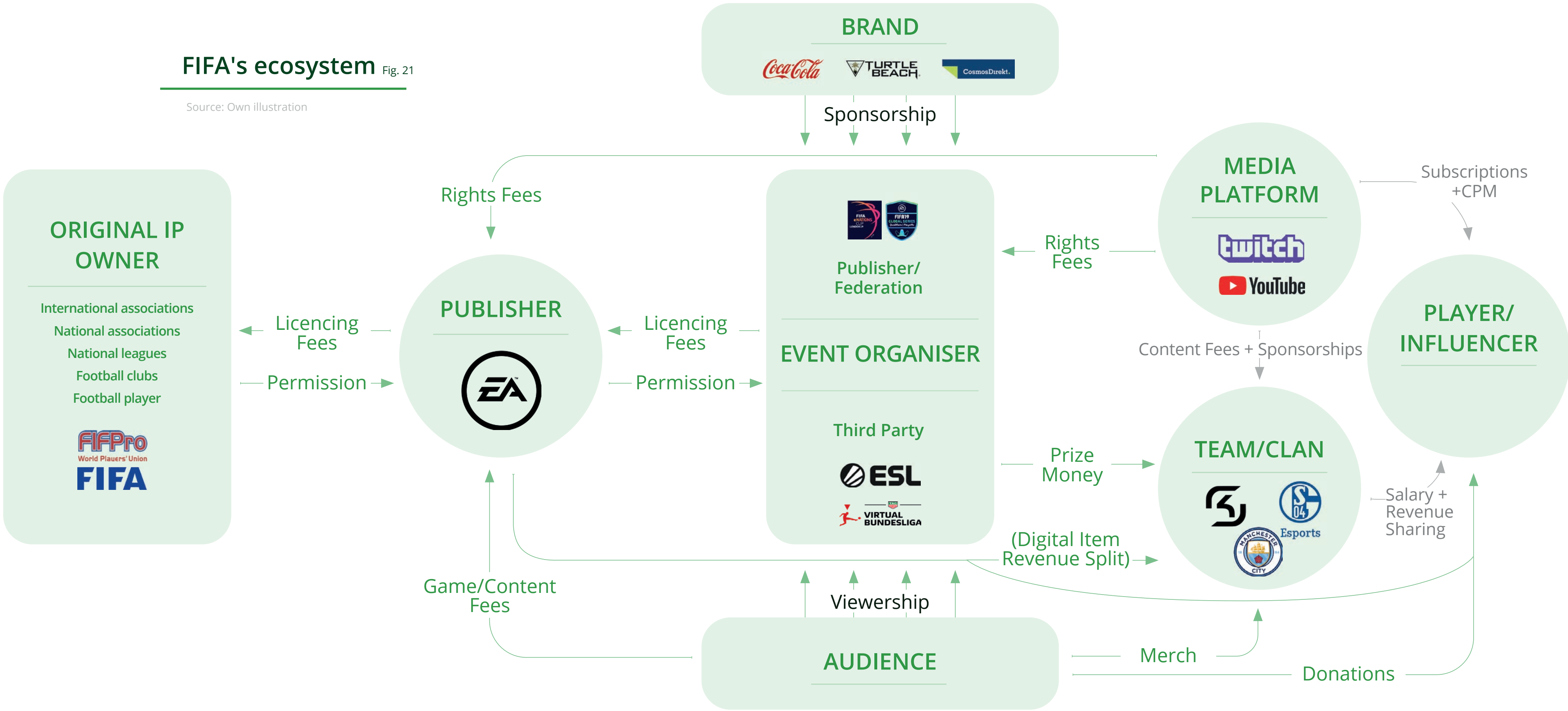
» Technical analysis: games modes & tournament calendars



Structural analysis:
ecosystem, main stakeholders & dependencies

FIFA's ecosystem Fig. 21

Source: Own illustration



Interaction between EA and original IP owner in FIFA 20 Fig. 22

Original IP owner	EA – FIFA 20
FIFA	**Exclusive agreement** for the FIFA Electronic World Cup (FEWC)
UEFA	**Exclusive agreement** for the UEFA Champions League
National Federation	Covered by **FIFA agreement** for national teams and national cup competitions
National League	**Selected agreements** for league competitions (official name, logo of the competitions and participating clubs) with full or partial exclusivity
Single Club	**Selected agreements** for clubs presentation (official club name, logo, jersey and stadium) with full or partial exclusivity. Additionally, selected advertising partnerships
Players Association FIFPro	**Non-exclusive agreement** for players' names and appearance

Source: Own illustration

Original IP owner

The ecosystem of the leading football simulation is characterised by one fundamental aspect compared to most other esports titles. While these titles are mainly fantasy games, FIFA 20 aims to recreate football matches as realistically as possible. To do this, the publisher must integrate as many original logos, visuals, names, stadia, tournaments and characters into the game as possible. The use of these original items is governed by licencing contracts with the original rights holders.

FIFA The primary licence agreement between the publisher EA and the Federation Internationale de Football Association (FIFA) is fundamental not only for the game's ecosystem but also for the content and appearance of the game itself. Due to its exclusivity, it presents one of the significant differences between FIFA 20 and PES 20. The licencing contract states that "EA maintains exclusive rights to release FIFA-branded action and management videogames. Also, EA holds exclusive rights to release the official FIFA World Cup videogame, as well as retaining its status as a Presenting Partner of the FIFA Electronic World Cup (FEWC)" (Electronic Arts, 2013).

UEFA Aside from FIFA, the contract between EA and the Union of European Football Associations (UEFA) is limited to the competition of the UEFA Champions League in club football. The European Championship for national teams is not covered by this contract. This agreement allows EA to make use of the official name, logo and trophy of the Champions League. As with the FIFA licence, this contract is also entirely exclusive as competitor Konami is prohibited from using any official competition-related imagery or object. When it comes to participating clubs, the situation is somewhat different. In essence, every qualified club in the UEFA CL can be depicted in EA's official UEFA CL game (official club name, logo and jersey), but competing publishers are also allowed to represent these clubs with original club names, logos and jerseys in PES 20 games as long as the use is covered by licence agreements with the respective leagues and clubs itself (no general exclusivity).

National Football Associations The licence agreement between FIFA and EA also comprises the representation of the national associations, which are FIFA members. As a result, teams and tournaments operated by national federations – such as national teams or national cup competitions – are also covered by the FIFA agreement.

National Leagues Besides the FIFA and UEFA contracts, EA has also signed several licencing agreements with national football leagues, such as Serie A, EPL, Bundesliga, La Liga and Ligue 1. This enables EA to add these leagues – fully or partially exclusively licenced – to the final game version. (Fig. 23)

Unfortunately, there isn't a standardised licence agreement type in place with European football leagues, making it impossible to present each characteristic of every single

Christopher Bahner 2019

FIFA 20 league partnerships Fig. 23

contract. However, there are two common types of partially exclusive league agreements: the "Model EPL or Bundesliga" and the "Model Serie A," offering a rough idea of the range of existing contracts.

- **Type EPL or Bundesliga:** This type of "almost fully" exclusive agreement from EA states that only EA can exclusively use the official name, logo and trophy of the EPL in its FIFA 20 game (full exclusivity). Konami is prohibited from using any of it. All EPL clubs can be shown with their official club names, logos and jerseys, but the competing publisher is also allowed to depict at least two EPL clubs with their original club names, logos and jerseys (EPL: Arsenal FC and Manchester United; BL: Bayern Munich and Schalke 04).
- **Type Serie A:** This partially exclusive EA agreement states that only Konami can depict Italy's foremost club competition with original names, logos and trophies, while EA has to use fictional names. But both publishers can present all clubs on the same level, i.e., original names, logos, jerseys (except Juventus FC, which is exclusively signed by Konami. For more details on this club agreement, see chapter 5).

Meanwhile, some traditional football leagues have started hosting their own eFootball league competitions, such as Extraklasa, eDivisie, VBL and eBundesliga. Nevertheless, these competitions are only possible with the permission of the publisher, as (commercial) usage of its game title must be approved. Consequently, the licencing rights for EA (to use the league's logos, etc.) as well for the national leagues (to host FIFA 20 competitions) are part of one bilateral licence agreement.

Football clubs For club licence deals, the situation is comparable to the state of leagues mentioned above. There is no one general rule or standardised agreement. Still, we see a variety of partnerships in the market: broad exclusivity for EA, equal usage for EA and Konami or full exclusivity for competitor Konami.

If EA has a particular interest in the exclusive use of a specific football club's trademark rights in the game, they sign individual contractual partnerships with these clubs. As of today, EA has reached exclusivity agreements with around ten clubs (e.g., Liverpool FC, Paris St. Germain, Borussia Dortmund, Manchester City FC, Ajax Amsterdam, AS Roma). Because of the limited number of signed clubs, such agreements still seem to be the exception rather than the rule for EA. On top of the licence deal, these club contracts also include an advertising agreement that differs from case to case in the scope of sponsorship rights and package price.

Football player In general, the virtual representation of football players and the use of their original names in FIFA 20 is not regulated in individual EA agreements for every single player. Rather, this is regulated by a licence agreement between EA and FIFPro, a worldwide organisation of professional footballers. FIFPro represents an organisation of over 50 national player associations and over 50,000 football players globally.

In addition to this underlying collective contract between FIFPro and EA, some players also sign an individual agreement in which their specific interests are covered by the contract between their employing football club and EA.

Publisher EA

Aside from its specific interactions with original football rightsholders, the role of EA in the FIFA 20 ecosystem is similar to that of any other esports publisher. It develops, publishes and owns the FIFA 20 game title and can thereby be characterised as a key stakeholder. Moreover, it decides on the hosting and broadcasting of any FIFA 20 tournament, granting permissions to event organisers and media rights to broadcasters and platforms.

Another main characteristic of EA's influence in the FIFA 20 ecosystem is the fact that FIFA is not a “free-to-play” and “free-to-win” game. In contrast to most other esports titles, users first have to buy the product as a console game or download the correct version for their respective platform. In addition to the basic version, they also pay for special services, expansions, or other purchasable digital content. As every esports publisher offers such in-game purchases, one must differentiate digital items that have a direct impact on the gamers’ performance (pay-to-win) from those with no performance impact (free-to-win). The most apparent pay-to-win items are the so-called “packs” within FIFA’s ultimate team mode (see detailed description in "Technical analysis" from page 38). Through the acquisition of these packs, gamers can add the most skilled players to their personal roster or enhance the skills of formerly lower-skilled ones. These packs usually cost between €1.5 and €22. However, the packs are not a prerequisite. Gamers can also create a competitive team from the ground up. To bypass this very time-consuming process, ambitious esports athletes (who are backed by sponsors) may spend around $5,000-10,000 per year on these packs. EA seems to fully retain these revenues and not share them with original rights holders.

Team/Clan: Professional FIFA 20 Team

A minimum of two players and one coach are required to set up a FIFA esports team. Nevertheless, a roster of three to four players is recommended so that these players can train and progress through internal competitions. Additionally, they can specialise in specific competitions. The resulting costs are mostly determined by the team’s ambitions (academic, entertainment-focused, performance-focused) and therefore vary widely. While it is possible to set up a FIFA esports team with an investment of around €15,000 p.a., the most ambitious teams spend more than €100,000 p.a. (e.g., content production, player salaries, travel expenses).

Currently, the most competitive teams in FIFA are “Rogue,” “Complexity,” Tundra esports, Fnatic, Hashtag United and AS Roma. It is interesting to note that professional FIFA is still dominated purely by esports teams with no connection to traditional football clubs. Often, new FIFA editions result in significant changes in the participating teams’ dominance. While team Rogue dominated its competitors last season, the teams are far more balanced this season. In terms of fandom and community engagement, Nicolas99FC (FC Basel), Tekkz (Fnatic) and MSDossary (Tundra) stand out among other players on the individual level. The following table compares their numbers to three football players with high social media coverage.

FIFA vs. football player - social media coverage Fig. 24

FIFA player	Social media coverage	Football player	Social media coverage
Tekkz (Fnatic)	ca. 1.2M followers	Cristiano Ronaldo	ca. 412M followers
MSDossary (Tundra)	ca. 0.8M followers	Neymar Jr.	ca. 240M followers
Nicolas99FC (FC Basel)	ca. 0.1M followers	Timo Werner	ca. 0.9M followers

Source: Own illustration

Player/Influencer: Professional FIFA 20 Athlete

The professional FIFA 20 athletes who are members of a professional eFootball team have regular labour contracts with their employers. This is very similar to athletes' contracts in traditional sports. For instance, contracts define a player's fixed salary, bonuses, prize money reception, number of social media postings and other activities.
In addition, professional FIFA players typically have another contract with their player agency (e.g., eSportsReputation, STARK Esports, Bundled). These contracts specify potential transfer fees, prize money splits and other rights or obligations. This relationship between players and agents is very similar to traditional football. Currently, transfer fees are the exception rather than the rule and aren't worth mentioning. The largest fee paid so far amounted to €50,000 for the transfer of former world champion Gorilla from UNILAD to FaZe. In comparison to traditional football or even other esports titles, prize money for FIFA tournaments is quite small. For instance, the FIFA Global Series (including all majors, minors and qualifiers) awards totalled around $3M in prize money.

Prize money in esports Fig. 25

Tournament	Kind of sport	Total prize money ($ million)
FIFA Global Series	FIFA (EA)	3
The International	Dota 2	34
World Cup Finals	Fortnite	15
World Championships	League of Legends	6,5
US Open	Tennis	50
Players Championship	Golf	12.5
Dubai World Cup	Horse racing	10

Source: Own illustration

Event Organiser

Based on the existing agreement between FIFA and EA, FIFA itself hosts several of the most important FIFA 20 tournaments, such as the FIFA eNations Cup and the FIFA eClub World Cups (see tournaments and calendar in detail in "Technical analysis" from page 40 on). Similarly, UEFA runs the eChampions League together with EA. This tournament is also part of the FIFA Global Series. Original rights holders like Ligue de Football Professionnel, Deutsche Fußball Liga (hereafter "DFL"), and Real Federación Espanola de Fútbol also organise virtual counterparts to their real tournaments. Moreover, specialised esports event operators (e.g., ESL, Gfinity, ELEAGUE) run licenced qualifiers within the framework of the FIFA Global Series. These event operators strive to refinance the necessary licence and implementation costs through commercialisation and the sales of media and broadcasting rights of the individual events.

Agency & Service Provider

Several agencies place a strong emphasis on professional FIFA players, e.g., esports Reputation, STARK esports, Bundled, and Digital Sports Mgmt. These agencies' main activity is the commercialisation and development of professional FIFA players. Some agencies provide a full-service package, including players and coaches.

Media Platform

To make it possible for fans and spectators to follow competitions online, popular (esports) streaming sites such as Twitch and YouTube and traditional media platforms like SPORT1 acquire the broadcasting rights from EA for individual FIFA 20 competitions.
Twitch is currently the most relevant channel for FIFA Global Series distribution. YouTube also shows some of these competitions, at least in part. The FIFA eClub World Cup enjoyed broader distribution through a diverse set of digital channels and platforms (FIFA.gg, FIFA.com, Facebook, Twitter, Twitch, and YouTube as well as "access all areas" passes for Instagram Stories on @FIFAWorldCup).
Depending on the country, these events are even distributed by more traditional broadcasters (e.g., e-LIGUE 1 distributed by beIn SPORTS). They acquire media rights from the event operator, mainly EA itself. If EA doesn't host the event, the event operator is allowed to sell the media rights on its own. In contrast to traditional football, some professional FIFA players also stream their gameplay themselves on the most common platforms or share videos to engage with the community.

Brand

The rising number of brands entering the esports industry was addressed in general in chapter 2 (see page 20). In the following, we'll outline the specific opportunities and challenges for brands in the context of EA's FIFA.
Firstly, brands can become sponsors of the publisher's tournaments (e.g., Adidas and FIFA Global Series) or the event operator (e.g., RFEF eLaLiga Santander). Official FIFA partners – Adidas, Coca Cola, Wanda Groups, Hyundai, Qatar Airways and VISA – are visible on in-game boards in EA's FIFA 20.

During FIFA tournament distributions on platforms like Twitch or via broadcasters like Sky Sports, brands are visually present through traditional in-stream integration and online advertising (e.g., product placement, pre- and mid-rolls and banner ads). Exclusive partnerships between brands and single teams or clans are the most prominent sponsorship deals. For instance, the collaboration between Audi and Fokus Clan is a benchmark case in terms of volume. Its six-digit cash investment as well as additional barter agreements are remarkable. As already mentioned, individual FIFA players are valuable platforms owing to their followers. Unsurprisingly, the first players were able to land partnerships with certain brands (e.g., Proownez and Adidas).

Moreover, football clubs holding original rights can decide themselves how they integrate their existing brand partners into the new FIFA esports segment. For example, some clubs separate esports rights from "offline" team rights to address brands that have not previously partnered with the clubs (e.g., Schalke 04 esports, Manchester City esports). Others add esports-related rights to existing sponsorship packages and accordingly attempt to increase the price.

Furthermore, the sale of in-game panel advertising depends on the specific game mode (see chapter III.3 for more detail). In Kick-Off Mode, clubs are permitted to sell in-game panels within the digital depiction of its real-life stadium.

Audience

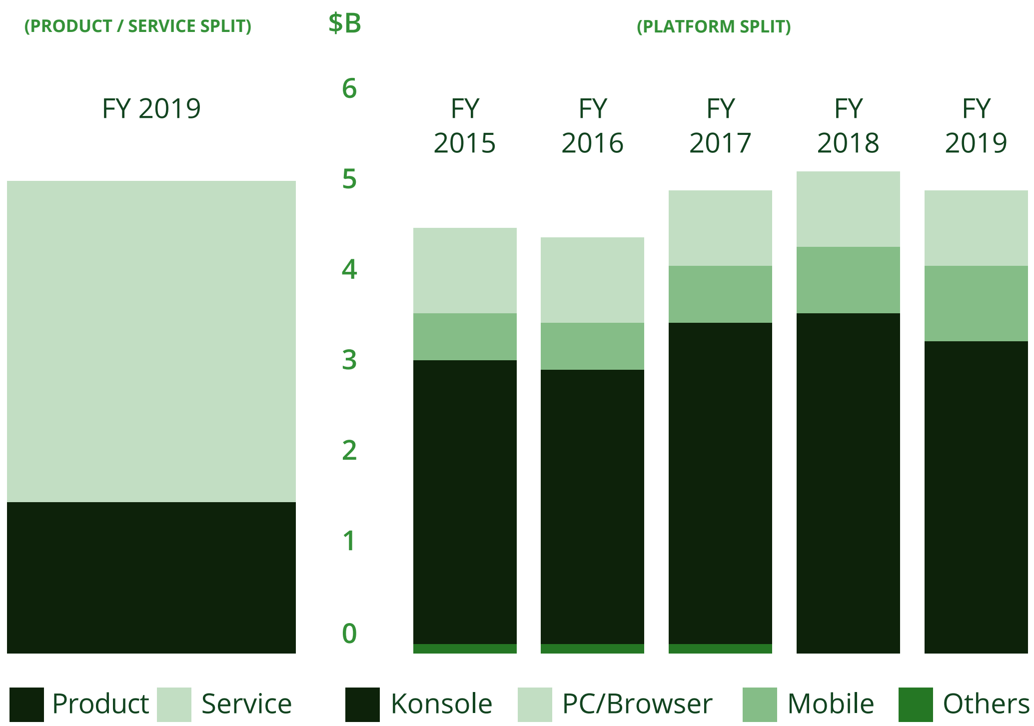
Fans and spectators in EA's FIFA ecosystem are of particular interest for traditional sports clubs and teams and their partners. Like the general esports target group described in chapter 1, they're quite young and have a high digital affinity. In contrast to game titles with a largely male-dominated target group (e.g., CS:GO), gender distribution in FIFA esports is "only" 65% male and 35% female. Those in the eFootball or FIFA esports target group also have high levels of affinity for classic football – "In eFootball, there is a large overlap between people who are enthusiastic about both types of football – on and off the pitch – meaning that they play football in clubs and in self-organised teams, but also play computer football games. So, the gap between the two is not that large" (H. Merk, Ndion 2019). However, there are very few sources or studies that focus on the eFootball target group. A more detailed breakdown could be a subject of interest for future studies. –

- » The associated costs of a FIFA esports team can vary significantly and investments around €100,000 p.a. may be necessary.
- » Currently, the basic licence agreements are between EA and FIFA, national leagues and player organisation FIFPro, which differentiates the game from other esports titles.
- » Commercialisation possibilities and limitations depend, to a certain extent, on specific game modes.
- » For almost all traditional football industry stakeholders, there is an equivalent within EA's FIFA ecosystem (e.g. event organiser, agencies, media platform), excluding the crucial role of original rights holders and the game publisher.

Commercial analysis: business model & brand partnerships

EA (Electronic Arts) is an American video game company that went public in 1998 and is listed on the NASDAQ100. It is well-known for its various sports simulations but also publishes a number of other video games for various platforms (e.g., Playstation, XBOX, PC). Private equity funds and big asset management companies still account for over 25% of EA's shares. This shareholder structure might encourage EA to adapt its business model for maximum revenue and efficiency.

Total revenues 2019 Fig. 26



Source: Forbes 2020

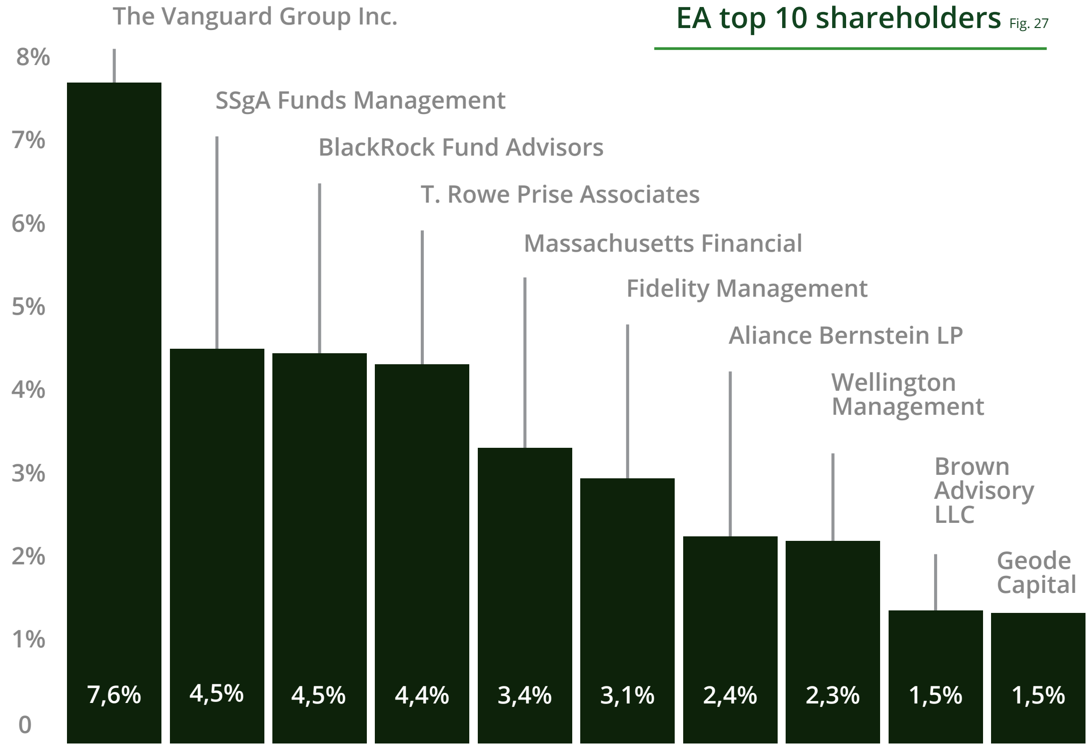
FIFA

Business Model – Facts & Figures

EA predominantly develops and distributes games for multiple platforms. It creates popular sports simulation titles like FIFA, Madden and NHL, along with games based on popular movies or long-running franchises. EA's revenues amounted in 2019 to $5B (Bloomberg, 2020) and mainly stem from product sales and additional services like Football Ultimate Team Card packs, expansions or other purchasable digital content. Professionals, as well as casual gamers, pay for EA's products and in-game purchases.

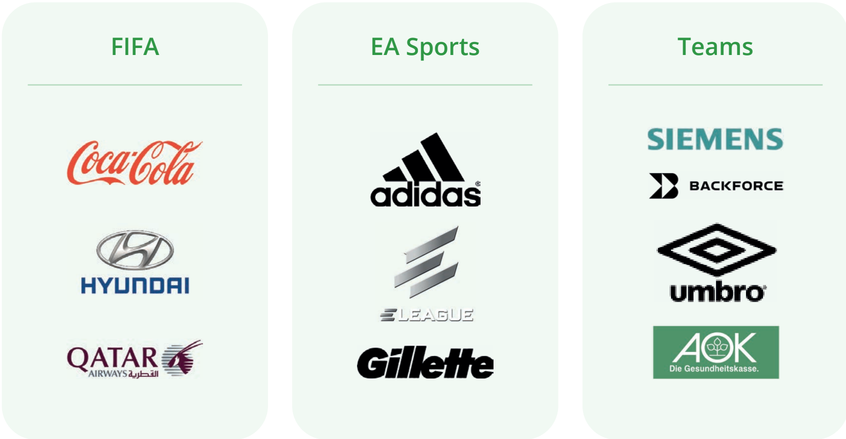
The service segment comprised 68% of EA's total revenues in fiscal year 2019. The purchase of disc copies or a download version comprises the product segment, which accounted for 32% of the company's total sales in fiscal 2019. Electronic Arts' total revenues grew from $4.5B in 2015 to $5B in 2019 (Fig. 26). This represents an average annual growth rate of 2.5%. Console games are the dominating revenue stream (68%), while mobile games account for 17% and PC games for 16% of revenues.

EA top 10 shareholders Fig. 27



Source: CNN 2020

Brand partners – FIFA 20 Fig. 28



Source: Own illustration

Brands

As mentioned above, many brands have already been represented in FIFA esports. They are spread across several stakeholders and rights holders, such as the world football association FIFA, the publisher EA and the various teams and clubs represented in FIFA esports. In recent years, the number of brands involved has steadily increased.

The brand partners depicted in the chart are only a fraction of the total number of partners already active in eFootball. With their goal of reaching esports' young target group, many brand partners are now aware of eFootball.

FIFA's brand partners not only sponsor events like the World Cup, European Championships and other international tournaments in classic football, they can also be seen on in-game boards in the FIFA game series. In the Career mode, clubs' original regional sponsors are often shown on the boards as well, depending on the selected club.

EA's partners are especially active as sponsors for events like the Global Series 2020. For example, the tournament's main partner, Gillette, had its logo depicted in live streams and on the Global Series 2020 logo. Adidas sponsors the ball used in the tournament games, and the ELEAGUE livestreams the professionals' games.

As in traditional sports, teams' partners can place their logo on their respective players' jerseys or sponsor the players' gaming chairs, as Backforce does. Of course, shooting advertising clips for the brand in cooperation with esports players is also an excellent way to reach young people. There are numerous ways for teams to market themselves in esports, but they still have to be developed in cooperation with the publisher. –

» EA's revenues ($5B in 2019) mainly consist of product sales and services like FIFA Ultimate Team Card packs, expansions or other purchasable digital content.

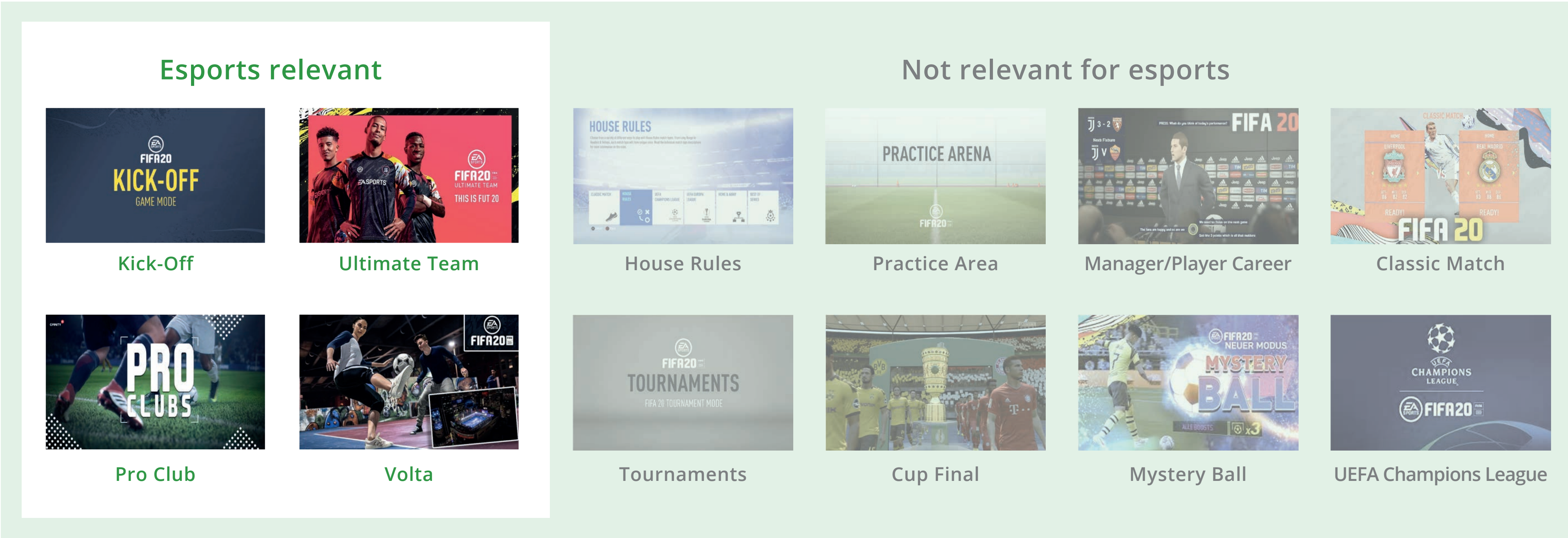
» Electronic Arts' total revenues grew from $4.5B in FY 2015 to $5B in FY 2019. This represents an ave rage annual growth rate of 2.5%.

» Both professionals and casual gamers pay for EA's products and in-game purchases.

» Many brands are already represented in FIFA esports. They are spread across several areas and rights holders, such as the Federation Internationale de Football Association (FIFA), the publisher EA and the various teams and clubs represented in FIFA esports.

Technical analysis:
game modes & tournament calendars

FIFA game modes Fig. 29



FIFA game modes: variety, characteristics and relevance for esports

The table above categorises the available game modes based on their relevance to professional FIFA tournaments.

Source: Own illustration

Every year in September, EA publishes a new FIFA series for all common platforms (e.g., PlayStation and XBOX) that can be bought in disc or download form. Each series generally contains several game modes, but these game modes differ tremendously in their relevance for professional eFootball.

Even among the four esports-relevant game modes, there are significant differences. We will take a closer look at these game modes and outline the most important aspects to provide a basis for evaluation from a football club's perspective as far as the attractiveness and requirements of each relevant game mode.

Currently, "Ultimate Team" mode is the by far most relevant game mode for professional FIFA tournaments, followed by "Kick-Off" mode. While the first one requires significant investments of real money (approx. $5-10K) to create a highly competitive virtual team, Kick-Off mode is free-to-win and thereby more accepted by the community. Moreover, Ultimate Team mode receives much more support from EA with updates and promotions. Unsurprisingly, EA generates the majority of its revenue from this game mode. In Ultimate Team mode, eFootball athletes can choose from an entire selection of virtual players to form their competing team, whereas the teams in Kick-Off mode consist of real-life offline squad equivalents. Almost all relevant FIFA tournaments are played in Ultimate Team mode. However, the corresponding qualification matches for selected tournaments are still played in Kick-Off mode. The possibility to set all virtual players to the same skill level (e.g., 85%) is a key aspect of its use during qualification tournaments.

Esports relevant FIFA 20 modes Fig. 30

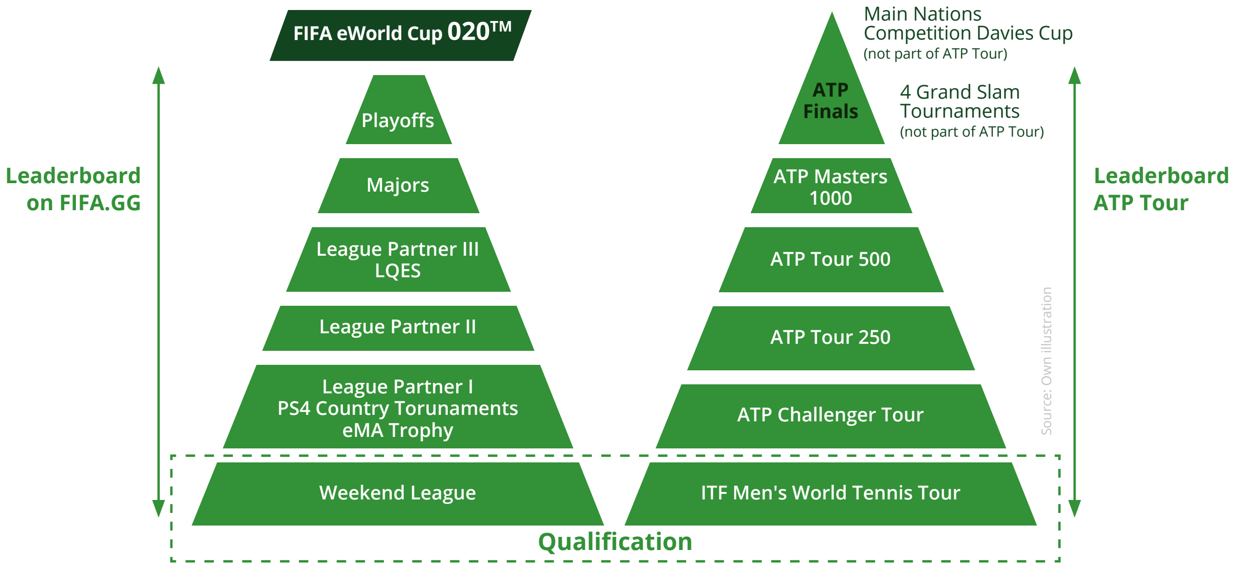
Criterion	Ultimate Team mode	Kick-Off mode	VOLTA mode	ProClub mode
Relevance for professional FIFA tournaments	Highest relevance, almost all relevant tournaments are currently played in this mode	Relevant during qualification phases of selected tournaments	Currently low esports relevance, high entertainment factor	First tournaments have been established
eFootball athletes	1 vs. 1	1 vs. 1 or 2 vs. 2	3 vs. 3	11 vs. 11
Level of competitiveness	competitive	competitive	currently more entertainment-focused	competitive
Skill level of virtual players	According to original players	Adjustable (to same skill level)	According to original players	According to esports athlete
Composition of virtual team	By hand	According to original squad	Mostly according to original squad (only 3 virtual players)	Own avatars are created
Free-to-win or pay-to-win	Pay-to-win	Free-to-win	Free-to-win	Free-to-win
Community acceptance	Criticised due to significant investment need, valued for its configuration options	Very popular (especially in casual gaming)	Growing popularity	Currently niche positioning

Source: Own illustration

The "VOLTA" mode has been available since FIFA series 20. 20. Its relevance for professional eFootball is still quite low, but its high entertainment factor might make it more relevant in the near future. In VOLTA mode, virtual teams mostly correspond to the squad of the football club represented, but a selection of only three virtual players per team can be on the pitch simultaneously.

The fourth (potentially) esports-relevant game mode is called "ProClub" mode. It offers possibly the most realistic eFootball experience, with 11 athletes playing simultaneously in a team. Each athlete controls only one virtual character during the entire match. Moreover, the virtual teams in ProClub mode are not equivalent to a traditional football team. The teams consist of avatars created by the professional eFootball athletes. These athletes are depicted as virtual avatars throughout their entire eFootball career. Transfer fees similar to those of traditional football players could become a crucial development in this mode. Additionally, ProClub mode provides excellent branding and marketing potential for clubs that have signed these athletes because of the exclusive rights to one specific avatar and athlete.

Comparison of EA Sports FIFA circuit and ATP tennis circuit Fig. 31



Tournament / league calendar: current situation across European markets

Although there have been attempts in recent years to standardise and simplify the FIFA tournament system, it remains very complex. Nevertheless, we'll try to outline the structure of the current system as comprehensively as possible and draw analogies to the well-known tennis tournament and ranking system when appropriate.

The fundamental idea of a full season ranking system for each professional FIFA gamer is comparable to ATP/ WTA ranking in tennis, meaning it consists of some shared basic principles:

- A ranking system of the best FIFA athletes worldwide (per season)
- Ranking is performed using points that each professional gamer collects during the season
- Tournaments and competitions have different values in terms of points possible to earn
- Qualification needed to qualify for the professional FIFA tournament circle

Unlike the WTA/ATP tennis system, in FIFA, there is still no ranking system for doubles in place, although in a myriad of tournaments eFootball athletes compete 2 vs. 2. Instead, each participating athlete receives the full amount of points according to the match result. The ranking is split into shares for Playstation and XBOX.

Like the ATP/WTA tour in professional tennis, FIFA also has an overarching tournament system that encompasses all tournaments in which athletes can earn points for their individual world ranking. This comprehensive tournament system is called the FIFA Global Series. At the end of each Global Series, which spans the lifecycle of one FIFA series (September-August), the FIFA eWorld Cup takes place, and the official FIFA World Champion is decided. For each platform, the 64 best-ranked FIFA players at the end of the Global Series qualify for the FIFA eWorld Cup Playoffs. The 32 playoff winners compete in the Grand Final.

However, not every ambitious FIFA player is allowed to participate in the Global Series tournaments. The player has to "verify" himself or herself first by winning at least 27 out of 30 matches in the so-called weekend league and thereby receive the personal label "FUT Champions Verified." This prerequisite is a one-time obligation per season. Afterwards, the player is allowed to participate in the upcoming weekend league matches and the online qualifiers of specific tournaments in the Global Series. The professional tennis equivalent would be the collection of a certain number of points during the ITF World Tennis Tour and ATP/WTA Challenger Tournaments before gaining access to the official ATP/WTA tennis circuit.

The Global Series itself consists of several categories of tournaments that are more or less comparable to the structure of the ATP Tennis circuit.

The FIFA eWorld Cup (FEWC) consists of:

- six EA FUT Champions Cups
- the FIFA eClub World Cup and FIFA eNations Cup (comparable to Davis Cup in tennis)
- the eChampions League
- several national partner leagues and their match schedules (e.g., VBL, ePL)
- several minor tournaments by third-party organisers (e.g., ELEAGUE, ESL or Gfinity)

Tournament structure

The exact number of points available to eFootball athletes during the various tournaments depends on the tournament's specific category. Again, this system is similar to professional tennis (Fig. 31).

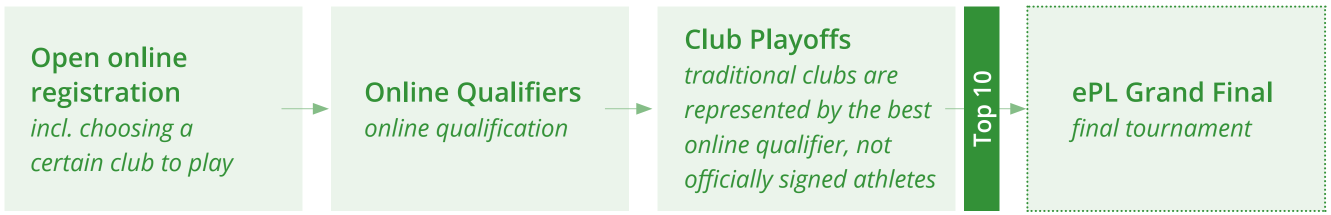
Still, there are significant differences between tournaments of the same category. When you compare the qualification and Matchday systems of VBL and ePL, the differences become apparent. While participating clubs in the VBL compete with signed FIFA athletes, ePL clubs are re- presented by the best athletes from the qualification phase who have chosen a certain ePL team beforehand.

VBL tournament structure * Fig. 32a

Source: Own illustration

** Identical tourrnament structure per platform (Playstation, XBOX)*

ePL tournament structure * Fig. 32b



The following table compares the various main tournaments in the Global Series and illustrates the possible range of tournament concepts.

Comparison of FIFA 20 tournament concepts Fig. 33

Criterion	FUT Champions Cup	eClub World Cup	eNations Cup	eChampions League	VBL	ePL
Qualification requirements	Online qualifier	Online qualifier	Nominated by countries' football association	Online qualifier	A type of franchise system, but exclusion in case of relegation of the club's corresponding "offline" team	Online qualifier
Duration	1 weekend (finals)	1 weekend (finals)	1 weekend (finals)	1 weekend (finals)	1 weekend (finals)	1 weekend (finals)
Number of teams	32 athletes per platform	16	16	22	22	30
Type of teams	Individual athletes	Pure esports teams and traditional football clubs	National teams	Pure esports teams and traditional football clubs	Traditional football clubs	Traditional football clubs
Game mode	FIFA Ultimate Team	FIFA Ultimate Team	FIFA Ultimate Team	FIFA Ultimate Team	FIFA Ultimate Team	FIFA Ultimate Team
Prize money	$ 50,000	$ 100,000	$ 40,000	$ 100,000	$ 40,000	/
Duration per game	12 minutes (2x6 minutes)	12 minutes (2x6 minutes)	12 minutes (2x6 minutes)	12 minutes (2x6 minutes)	12 minutes (2x6 minutes)	12 minutes (2x6 minutes)
Number of FIFA athletes	1 vs. 1	1 vs. 1	1 vs. 1 2 vs. 2	1 vs. 1	1 vs. 1 (2 vs. 2)	1 vs. 1
Platform	Playstation & XBOX	Playstation & XBOX	Playstation & XBOX	Playstation	Playstation & XBOX	Playstation & XBOX
Organiser	EA (& FIFA)	FIFA (& EA)	FIFA (& EA)	UEFA (& EA)	DFL	EPL

Source: Own illustration

Throughout all tournaments of the FIFA Global Series, more than $3M in prize money is awarded to tournament winners, with the champion of the eWorld Cup collecting $250,000. –

- » The FIFA Global Series is its overarching tournament system and consists of several major and minor tournaments (e.g., EA FUT Cup, FIFA eNations Cup, etc.).
- » In these competitions, various amounts of world ranking points can be collected, so that a world ranking is created during the year for both platforms (XBOX and Playstation) but only at the individual player level (no double-rankings).
- » This world ranking at the end of the Global Series is decisive for the participants of the eWorld Cup, in which the official FIFA World Champion is decided.
- » There are significant differences between the various tournaments of the Global Series (e.g., number of athletes, skill levels and compositions of virtual teams).

5 **"The challenger":** Pro Evolution Soccer (PES) by Konami

» Structural analysis: ecosystem, main stakeholders & dependencies

» Commercial analysis: business model & brand partnerships

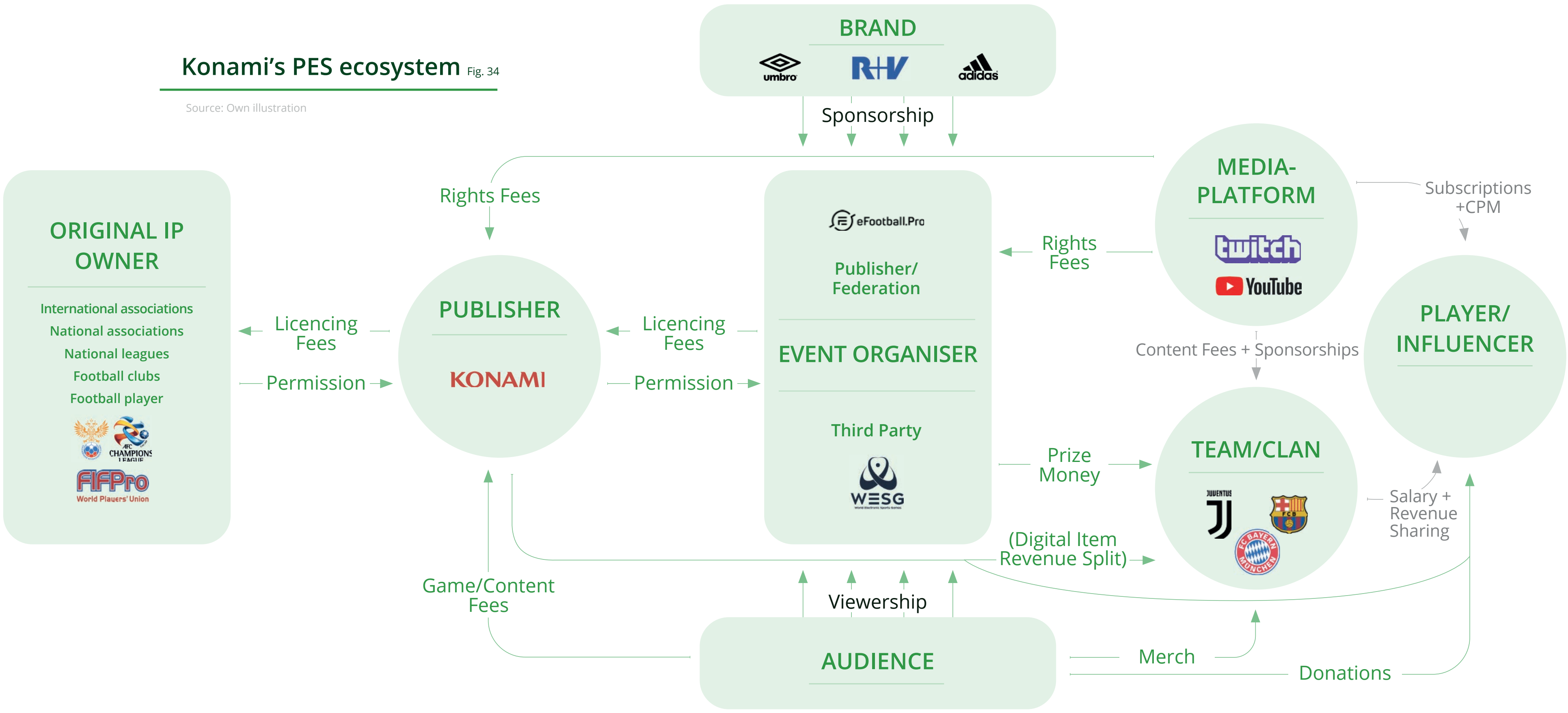
» Technical analysis: games modes & tournament calendars

Structural analysis:
ecosystem, main stakeholders & dependencies

Both leading eFootball game titles have some basics in common when it comes to the structure of their ecosystem and their existing target groups. At the same time, you'll notice many ways in which they are fundamentally different. The following chapter mainly tackles the attributes that characterise and distinguish Konami's PES 20 ecosystem to help build a solid foundation for decision-making.

Konami's PES ecosystem Fig. 34

Source: Own illustration



One of the key success factors for an eFootball game is the number of partnerships with original rights holders and the scope of licenced rights. Both competing publishers – EA and Konami – are trying to secure as many lucrative licences as exclusively and as cost-effectively as they can. As we'll learn from the following list, however, Konami seems to utilise a different strategy regarding this point, whether determined by choice or market forces.

Interaction between Konami and original IP owner in PES 20 Fig. 35

Original IP owner	Konami – PES 20
FIFA	No agreement
UEFA	Exclusive agreement for European Championship
National Federation	Selected agreements for national teams
National League	Selected agreements for league competitions (official name, logo of the competitions and participating clubs) with full or partial exclusivity
Single Club	Selected agreements for club representation (official club name, logo, jersey and stadium) with full or partial exclusivity, additional selected advertising partnerships
Players Association FIFPro	Non-exclusive agreement for players' names and appearance

Source: Own illustration

Original IP Owner

FIFA Unlike EA, Konami has no overarching licence agreement with FIFA that would allow it to secure a majority of the licences. Thus, Konami endeavours to conclude a large number of licence agreements with various rights holders individually.

UEFA Just like EA for the European Champions League, Konami has also signed an exclusive agreement with UEFA, though solely for the European Championship of national teams. This licence contract says that Konami's PES 20 alone can depict the official name, logo and trophy of the European Championship tournament. EA is not allowed to use any official imagery or items for its FIFA 20 game (full exclusivity).

However, this full exclusivity doesn't necessarily count for the depiction of the national teams themselves (no general exclusivity), as this can also be part of additional contracts with other international associations (e.g., the agreement mentioned above between EA and FIFA) or the federations themselves.

National Football Associations Other than EA, which covered national teams though its comprehensive license contract with FIFA, Konami must secure national foot- ball team licences through individual bilateral agreements (beyond the scope of licences that are part of the UEFA partnership mentioned above). For that reason, Konami secured some crucial national federation partnerships in selected agreements.

National Leagues Although EA boasts a much broader list of exclusively signed national football leagues, Konami has also successfully secured licence deals with some national leagues. For instance, the Russian Premier League and the Thai League 1 are exclusively represented in Konami's PES 20. Generally speaking, though, as of today the most relevant European leagues (e.g., Premier League, Bundesliga, LaLiga, Ligue 1) are represented by EA Sports.

Football Clubs Football club licences seem to be core assets in Konami's current market approach. Unlike the situation regarding league licences, on a club level, Konami ventures to secure the licences of selected "big players" in the European club football domain on a more-or-less exclusive basis.

Due to the lack of general licence agreement at the league level, Konami has been "forced" to enter individual licence agreements with clubs, concluding ten such partnerships so far. These are FC Barcelona, Arsenal FC, Manchester United, Celtic FC, Bayern München, FC Schalke 04, Juventus, AS Monaco, FC Nantes and Boavista FC. As part of these partnerships, Konami has also become a sponsor of most of these clubs. However, sponsorship fees and the scope of sponsorship rights differ from case to case. Again, it is important to emphasise that, like EA, there isn't one standardised contract for Konami and the clubs controlling the licences – each agreement is negotiated individually. To outline the different levels of exclusivity, we can compare a fully-exclusive ("Type Juventus FC") and partially-exclusive agreement ("Type Bayern Munich).

- **"Type" Juventus FC**
  Juventus FC as (currently the only) exclusively signed European football club by KONAMI can be depicted in PES 20 with its original name, logo, jersey, and stadium, while in EA's FIFA 20, none of this is shown (full exclusivity on the club level for KONAMI).

- **"Type" Bayern Munich**
  Bayern Munich, as an example of KONAMI's "partially exclusive" agreement, is shown in PES 20 with its original name, logo, jersey, and stadium. But it's also depicted in EA's FIFA 20 with its original name, logo, and player jerseys. The only thing missing for EA is the original Bayern Munich's Allianz Arena stadium.

As a result of their partnership with Konami, those ten clubs compete with associated PES teams in Konami's Pro-League (Fig. 40). Following the latest results in this league, AS Monaco, Bayern Munich and Juventus are dominating this season. AS Monaco is especially noteworthy in the community as one of the best squads, is built around solo world champion Usmakabyle.

Player/Player Union/FIFPro Just like with EA, there is also a licence agreement between Konami and FIFPro. So both publishers are allowed to integrate the real names and appearance of the players in their eFootball games. But that doesn't necessarily apply to their clubs' names and jerseys or to any associated imagery or object of the league or national team they're playing for.

To better understand this complex contractual situation, we'll conclude this description with a concrete example of how this looks for Konami regarding English football:

- With its FIFPro contract, Konami is allowed to portray all EPL players in PES 20 with their real names and appearance.

- At the same time, Konami cannot use official team names, EPL club jerseys, the official name of the competition "EPL," or its logo and trophy for its English football competition. Instead, they have to use fantasy names and imagery.

- The only exceptions to that rule are the two EPL clubs Arsenal London and Manchester United. These are exclusive Konami partners and excluded from EA and EPL's league-wide contract.

- When EPL players participate in the European Championship for the English national team, they are portrayed in PES 20 with their original national jersey, logo, and official championship-related imagery and objects. This doesn't infringe on the agreement between EA and the EPL but reflects Konami's agreement with UEFA.

If we attempt to define a general rule, we could say *"the individual contract always beats the general agreement."* That means an individual player's contract with a publisher, for example, can differ from the overarching FIFPro agreement and would always supersede it. The same applies to single clubs and their respective national league. Italian champion Juventus FC's fully exclusive partnership with Konami, for example, stipulates that the club can't be represented in EA's FIFA 20 in any way, even though EA has an existing licence agreement with Serie A.

Other stakeholders in the ecosystem are very similar to those in EA's FIFA 20 (see chapter 4). Firstly, the clubs represented can participate in various competitions with their PES 20 players. And secondly, these competitions are predominantly distributed via Twitch and YouTube. The clubs have to secure commercial rights from organisers and publishers and, in turn, are allowed to exploit commercial opportunities through teams, players, and sponsors. Also, the community interacts with these stakeholders in several points and has a similar relationship to the publisher, like the community in EA's FIFA ecosystem. In Konami's PES 20, it's possible to purchase the game's full version and invest in a diverse set of in-app items as well. This construct is called MyClub game mode in PES and is quite similar to the FIFA Ultimate Team mode.

As shown, there is again a rather complicated licencing situation that is aspect crucial for the success of Konami and PES 20. Probably the most remarkable point in this section of the analysis is Konami's sharper focus on individual club partnerships compared to EA's general licence agreements.

Publisher: Konami

In general, Konami and EA have very similar business models. For PES 20 and the Pro Evolution Soccer series, Konami sells disc copies or download versions of the game. Additionally, digital in-game purchases are offered for real money. In the game mode MyClub, which is comparable to FIFA's Ultimate Team mode, a competitive team is created either by investing large amounts of playing time or by using in-game coins (that can be purchased with real money). Unlike EA, however, in Konami's game titles, much less money is required to establish a competitive team ($100-500 for Konami vs. $5,000-10,000 for EA).

Team/Clan: Professional eFootball PES Team

Currently, Konami provides a remarkable amount of money to each club participating in its eFootball Pro League. While EA doesn't pay clubs for taking part in their esports competitions, Konami pays sums in the mid-single-digit millions as a kind of market entry premium for partnerships and sponsorships with premium clubs. Necessary content production investments and further communication measures are comparable to the operational costs of FIFA's team. It is striking, however, that professional PES teams are almost exclusively operated by traditional football clubs, although pure esports clans also compete in FIFA.

Player/Influencer: Professional eFootball PES Athlete

There is a contract between the professional player and his or her team that enables the team to plan for new signings and corresponding revenue splits. This practice is well known in other professional sports. However, the duration of these contracts is primarily geared towards the eFootball ProLeague and is, therefore, short-term. Almost half of players' contracts have a term of less than one year. A transfer market with corresponding payments hasn't been comprehensively developed yet. In terms of player salaries, professional PES players earn much less than professional FIFA players. Each professional player on a PES 20 team costs the club around €1,500 per month. In addition, the salary gap between top-tier and low-tier players is still quite narrow. This is very different for professional FIFA players, where there is already quite a sizable gap in player salaries, with low-tier players earning around $500-1,000 per month and the best players up to $18,000 per month.

Event Organiser

Currently, Konami itself is the prevailing event operator for PES 20 tournaments and runs both the eFootball.Pro and eFootball.Open. Unlike in FIFA 20, almost no third-party operators host such events.

Media Platform

When talking about relevant broadcasters of PES, it is necessary to mention the group EMR (Esports Media Rights), which was founded in Barcelona in 2016 and is the dominant content creator and broadcaster for PES events. EMR is headed by Catalan defender Gerard Pique. In 2017, EMR created the eFootball.Pro competition together with Konami.

Brand

There have been no remarkable brand investments in PES teams yet. So far, no announcements, activations, or brand presence have been observed. However, one can assume that both PES and FIFA generally offer the same commercial opportunities for brands. Some professional PES teams receive brand support through their partnerships with clubs (e.g., Schalke 04) and their overarching esports activities, but not through exclusive team partners-hips. Perhaps the main reason for this commercialisation gap is the lower range of PES competitions compared to FIFA tournaments.

Audience

As previously mentioned in the target group section of EA's FIFA, there are hardly any studies that specifically address the eFootball target group. A comparison of the two relevantgames, FIFA 20 and PES 20, is completely missing as of yet. However, the popularity of these games differs by region. While EA dominates the European and American markets with FIFA, Konami's PES maintains a strong footprint in its Japanese home market. Nevertheless, EA outperforms Konami by far in the absolute number of copies sold globally (in 2019: FIFA 12M vs. PES 0.5M).

In summary, Konami's PES ecosystem is not entirely different from EA's. Nevertheless, the number of participating clubs, competitions and sponsors involved is much lower. In the following chapter, we'll first analyse PES's target group and then examine some commercial and technical issues. –

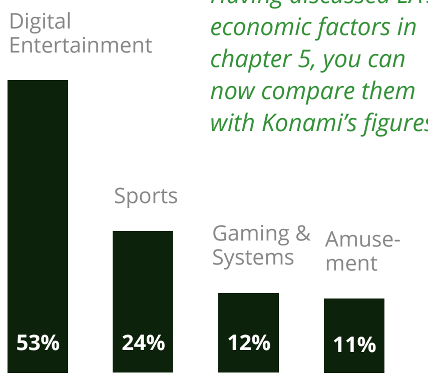
PES

- The lack of a general licence agreement between Konami and the original rights holders is the most remarkable difference compared to EA's FIFA.
- Konami places tremendous emphasis on individual club partnerships and even pays entry fees to clubs to join their tournaments.
- Konami's (as well as EA's) ecosystem fundamentally relies on the enthusiasm of its audience, which does not seem to differ in terms of audience demographics (aside from geographical differences).
- There have been no exclusive brand investments in PES teams yet, although in principle it offers similar commercial opportunities.

Commercial analysis: business model & brand partnerships

Konami generates revenues through four different segments: Digital Entertainment, Amusement, Games & Systems and Sports (Fig. 36). Konami produces and publishes computer and video games, trading card games, anime, slot machines and special effects.

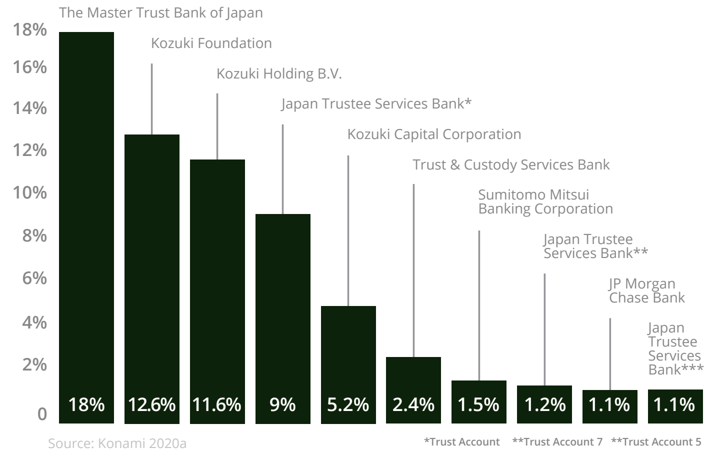
PES brand partner Fig. 36



Having discussed EA's economic factors in chapter 5, you can now compare them with Konami's figures.

Source: Own illustration

Konami top 10 shareholders ($ FY 2019) Fig. 37



Source: Konami 2020a

*Trust Account **Trust Account 7 **Trust Account 5

Business Model

- **Digital Entertainment:** Konami started producing video games concurrent with the release of video game consoles in the 1980s. In 2010, Konami began distributing and releasing mobile games. Konami has made a clear commitment to esports with its latest title, PES 20.
- **Amusement:** Konami's amusement business primarily consists of the manufacture and sale of gaming machines. Konami's Amusement Division distributes its products exclusively in Japan and Asia.
- **Gaming & Systems:** Konami develops, distributes, and services gaming machines and management systems for the casino industry.
- **Sports:** Konami primarily manages and operates fitness clubs and sports classes. It designs, manufactures, and sells fitness machines as well as sports-related products.

Facts & Figures

For the year ending March 31, 2019, the company reported sales of $2.37B, an increase of 9.6% from the previous year. Meanwhile, operating profit increased by 11.8% to $456M.

Konami reports that this represents five consecutive years of profit growth and a record operating profit for the second straight year.

Digital Entertainment, the largest of the four segments, generated revenues of $1.28B in fiscal year 2019. Yu-Gi-Oh! Duel is their biggest continuing success in the digital entertainment segment, along with the mobile version of PES. PES was a huge console and PC hit, primarily because the game's MyClub online mode performed so well (Konami, 2020b).

While EA's primary source of revenue is Products & Services, Konami pursues a different strategy. The company has a broad range of offerings but falls behind EA in terms of revenues. EA's business model is limited to digital entertainment, but it is particularly successful due to high revenues in its service sector. Konami has a presence in their most significant sector, Digital Entertainment (53%), alongside Amusement (11%), Gaming & Systems (12%) and Sports (24%) (Fig. 36). Their most popular games are action-adventure games such as the Metal Gear Solid series, the Yu-Gi-Oh! Duel Card Game and the PES game series. The digital entertainment sector is represented on PC, consoles and mobile devices.

Brand Partners

After extensive research, it appears that both eFootball. Pro and eFootball.Open have no brand partners, meaning both tournaments seem to be personally sponsored by Konami. However, the participating professional teams from traditional football have several general esports partners.

Selection of brand partnerships of PES teams Fig. 38

Source: Own illustration

Teams like Schalke 04 already have representation in several esports titles such as LOL, as well as specific esports sponsors (effect, Backforce, etc.) that support the club across all esports titles. So far, other clubs like FC Bayern Munich are only represented in eFootball. In esports and classic football, they are primarily supported by the club's main sponsors. Most PES team brand partners are from the non-endemic sector and have no strong ties to esports. –

» Konami generates revenues from four different segments: Digital Entertainment, Amusement, Gaming & Systems and Sports.

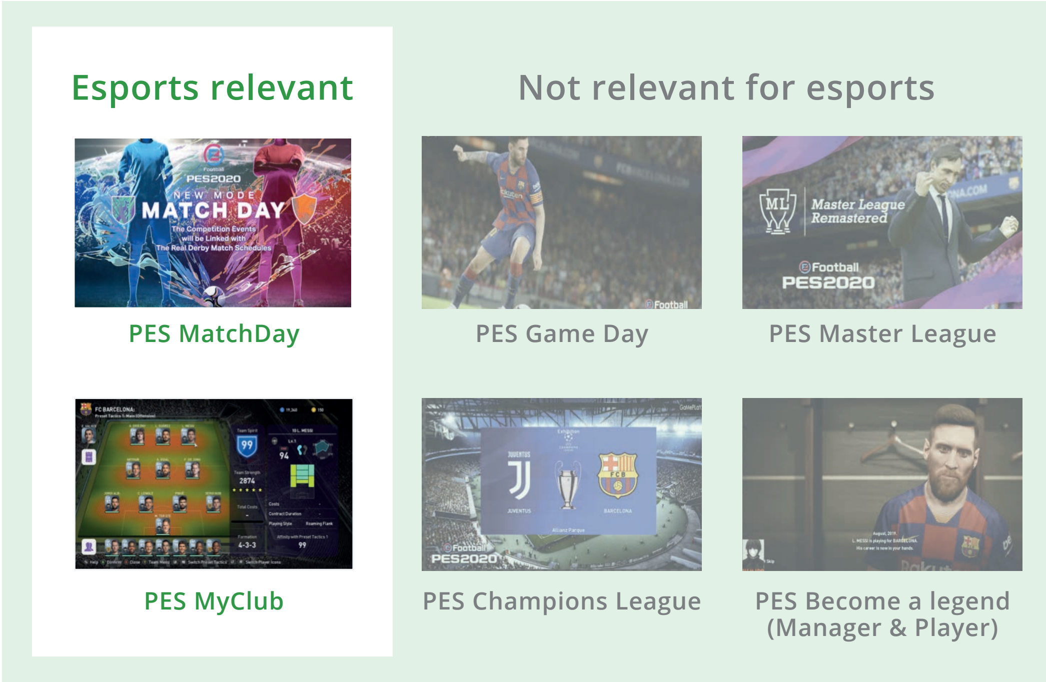
» Digital Entertainment (incl. PES accounts for more than 50% of Konami's revenues.

» Konami currently has no exclusive brand partnerships.

» Brand partners of professional PES teams are already predominant sponsors of clubs' football teams.

Technical analysis:
game modes & tournament calendars

PES game modes Fig. 39



PES game modes: variety, characteristics and relevance for esports

The latest version of Konami's PES offers the player a choice of five different game modes. This table groups these game modes according to their relevance in professional PES tournaments.

Konami club partnerships Fig. 40

Source: Konami 2020

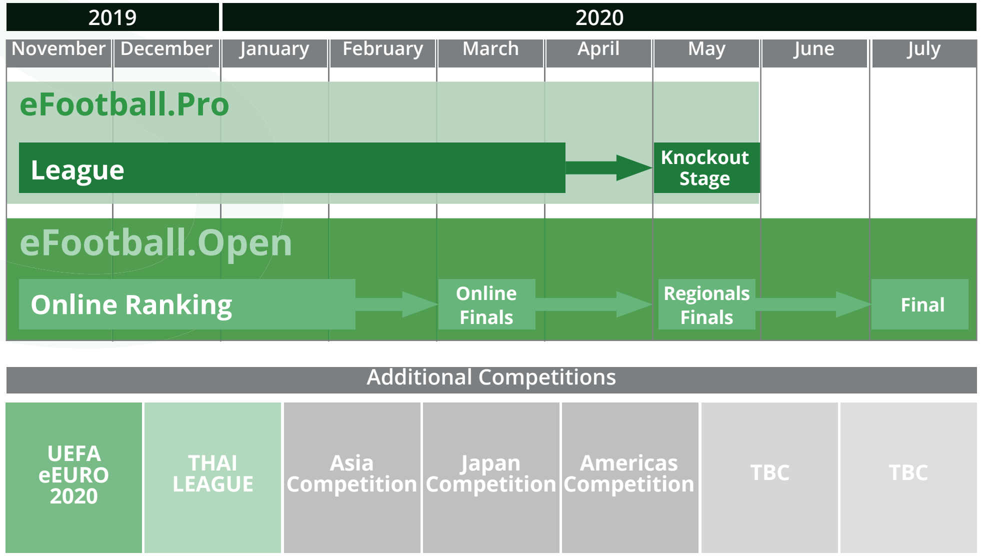
Esports relevant PES 20 modes Fig. 41

Criterion	Matchday mode	MyClub mode
Relevance for professional PES tournaments	Very high relevance, (almost) all professional tournaments are currently played in this mode	Currently only relevant for a fraction of professional PES tournaments
eFootball athletes	1 vs. 1 or 2 vs. 2 or 3 vs. 3	1 vs. 1 (or 2 vs. 2 or 3 vs. 3)
Level of competitiveness	competitive	competitive
Skill level of virtual players	Adjustable (to same skill level)	According to original players
Composition of virtual team	According to original squad	By hand
Free-to-win or Pay-to-win	Free-to-win	Pay-to-win
Community acceptance	Wide acceptance, due to simplicity and non-commercial character of the game.	Positive effect by opportunity for creative personal expression compromised by investment need to some extent

Because they are crucial for professional PES tournaments, an especially close look at the MatchDay and MyClub modes will be provided in the following slides.

The MyClub mode requires PES athletes to invest real money in order to create a highly-competitive virtual team. This aspect is very similar to FIFA's Ultimate Team mode. However, the total investment requirements are far lower in PES at about $500-1000 per season. In FIFA, this number is around ten times higher. Although these athletes' investments are an essential revenue stream for Konami, the game mode is not the main feature in the most relevant professional PES tournaments. Instead, MatchDay mode, which allows virtual players to be set to the same skill level and depicts the virtual squad as the corresponding football club, is preferred in the most prestigious PES tournaments.

eFootball | PES2020 Fig. 42



Source: Konami 2020c

Tournament / League calendar – current situation across European markets

Konami organises and promotes two PES leagues. The first, eFootball.Pro, is a league system where the PES teams of ten football clubs that have an agreement with Konami compete exclusively. Currently, these clubs are FC Barcelona, Manchester United, Arsenal London, Bayern München, Schalke 04, Juventus Turin, AS Monaco, FC Nantes, Celtic FC and Boavista Porto. From December to April, these teams compete against each other twice, with an actual playing time of 10 minutes per game. While the two best-ranked teams go directly to the semifinal, a playoff takes place among the other eight teams for the remaining two semifinal slots. The Grand Final usually takes place in July.

In addition to eFootball.Pro, which is a kind of franchise system, there is a PES league open to all ambitious PES athletes called eFootball.Open. eFootball.Open is structured into Basic, Advanced and Expert segments that groups athletes according to the PES skills demonstrated in previous online divisions. Qualified athletes can choose one of the ten clubs in the eFootball.Pro league to play with. Again, the skills of the virtual players are set to the same level.

Finally, the “UEFA eEURO 2020” is an eFootball competition featuring over 50 national teams from UEFA National Associations. This tournament system is similar to the UEFA European Championship in traditional football, consisting of a qualification phase and final tournament. It is the first relevant national team PES competition. The corresponding National Association nominates each national team. A total of $100,000 in cash prizes is awarded to the quarter-finalists, while the winners receive $40,000. This tournament is organised by Konami and UEFA and is streamed through Twitch and YouTube. –

Comparison of PES 20 tournament concepts Fig. 43

Criterion	eFootball.Pro	eFootball.Open	UEFA eEuro 2020
Qualification require-ments	Franchises are given to partner clubs by Konami	In general, open to every PES athlete	Teams must be nomi-nated by the referring national associations
Duration	December-April; July (Finals)	December-July	March-July
Number of teams	10	no limit	<50
Kind of teams	Konami partner clubs	Individual PES athletes	National teams
Game mode	Matchday mode	Matchday mode	Matchday mode
Prize money	TBD	$ 15,000 (Winner of Expert category)	Total: $ 100,000 Winner: $ 40,000
Game duration	2 games of 10 minutes per opponent	1 game of 10 minutes per opponent	2 games of 10 minutes per opponent
Number of PES athletes	3 vs. 3	1 vs. 1	1 vs. 1 or 2 vs. 2
Platform	Playstation	Playstation, XBOX and PC	Playstation
Organiser	Konami	Konami	Konami (&UEFA)

Source: Own illustration

This table outlines the main aspects of the three relevant PES tournaments.

» Similar to EA's FIFA, Konami's PES also has several game modes.

» The PES MyClub mode is equivalent to FIFA's Ultimate Team mode, where you can invest "real money" to upgrade the skills of your virtual team's players, though only around one-tenth of the investment is needed in PES compared to FIFA.

» While the eFootball.Open is accessible to all PES athletes, the eFootball.Pro only consists of the ten exclusive teams signed by Konami (FC Barcelona, Manchester United, FC Bayern München, Juventus, Arsenal, Celtic FC, AS Monaco, Schalke 04, Boavista FC and FC Nantes).

6 Head to head comparison: FIFA vs. PES

- FIFA: do's & don'ts
- PES: do's & don'ts
- At a glance: pros & cons

FIFA: do’s & don’ts

The tremendous importance that comprehensive licence agreements with rights holders have for publishers has already been explained in detail. It is simply not possible to simulate a realistic football match without a significant number of licences. However, it has also become apparent that EA and Konami are acting and will have to continue act very differently in this respect.

Until now, EA has only closed direct licence deals with individual clubs on rare occasions. EA has instead been able to secure a variety of comprehensive framework agreements that in turn fundamentally cover the licenses of individual clubs. This, however, doesn't usually result in full exclusivity for the virtual use of these rights. There are significant licence agreements with FIFA in parts with UEFA and a large number of relevant national leagues. The consequence of this for individual clubs is that their influence on these framework agreements has so far been very limited. Moreover, the terms and conditions of these framework agreements vary between the individual leagues, in some cases considerably. This was illustrated by comparing the agreements between EA and the Premier League and between EA and Serie A. Because of these vastly different contractual arrangements, there is a lack of transparency as to what specific rights ultimately lie directly with the individual club and could be exploited by the club for marketing purposes.

To date, a systematic exchange of information between individual clubs about the respective contractual arrangements with the publisher in question has not taken place.

A unified, coordinated communication of interests on the part of the rights holders has consequently been completely lacking to date as well. While football players have their interests represented collectively by FIFPro, no such joint representation of club interests has taken place up to now. As a consequence, club rights holders currently hold a relatively weak position within EA's FIFA 20 ecosystem. An internal consensus and a coordinated approach would be highly beneficial to communicate the clubs' interests not only to EA, but also to the other stakeholders – i.e., the national and international associations, the national leagues and, in particular, FIFPro – and to emphatically represent them. With this approach, you consider a medium-term shift in the balance of power in the ecosystem – and consequently, if necessary, even greater revenue opportunities as part of a FIFA 20 engagement for football clubs – to be achievable.

Prize money and sponsorships are currently a major source of income for football clubs who invest in a professional and competitive FIFA 20 team.

Given the limited amounts of money that FIFA teams can win relative to other esports titles, this alone doesn't justify the involvement of football clubs in FIFA. Aside from team merchandise, additional revenues can only be generated at present through the marketing of in-game panel advertising, provided this is regulated accordingly in the corresponding league contract. Because perimeter advertising in the virtual stadium is, however, strictly limited by exclusivity on the part of the publisher and is generally reserved for the clubs' current portfolio sponsors, revenue opportunities here are also limited. Nevertheless, creating transparency and standardising international regulations could potentially improve the economic situation of individual clubs in the short term. Until now, EA rarely appears as an individual club sponsor.

Payments to rights holders in the sense of a classic sponsorship or remuneration of the partnership beyond individual licence agreements only occur as exceptions for selected partner clubs. Additionally, rights holders have no share in the revenues generated by EA through in-game purchases in Ultimate Team mode (pay-to-win). The characteristics of Ultimate Team mode and the corresponding pay-to-win investments by FIFA players were explained in chapter 3. The commercial relevance of this game mode for EA's total revenues was also denoted.

For this reason, all relevant FIFA tournaments are played in this mode at EA's request. However, this doesn't reflect the interests of participating clubs or the general gaming community, both of which are highly critical of the Ultimate Team mode.

Beyond the financial investments required for peak performances for amateur and professional players, Ultimate Team mode introduces other weaknesses to football clubs. For example, using Ultimate Team mode at official tournaments significantly hampers (or in some cases, even undermines) the positive branding and communication of clubs in the context of their FIFA 20 engagement. Because Ultimate Team mode allows – and even demands – the creation of a user-defined team, professional FIFA 20 gamers under contract with a football club generally do not compete in official FIFA 20 tournaments with the virtual players of the club they represent. Instead, they compete with a user-defined selection of players from a variety of clubs. This is necessary because, in Ultimate Team mode, the skill levels of the virtual players are not equalised. This means that although the FIFA athletes may be superior, in reality, weakly-positioned clubs will usually lose when they compete in FIFA 20 tournaments with a virtual version of the actual squad and not with a selection of the world's best players. In terms of club brand building, this is not supportive.

Above all, it should be noted here that FIFA 20 already features other game modes that eliminate these short- comings and appear much more beneficial to clubs and professional athletes. The "ProClub" mode, in which 11 athletes per team compete as described above and each player controls only one specially created avatar, is worth mentioning here. In terms of realism and brand safety for participating football clubs, this mode is very welcome. Another example is the newly developed "VOLTA" mode, which is more in keeping with the entertaining concept of street football. Only three players per club compete against each other. In general, these three virtual players are selected from the club's real squad, so that the club's brand interests stay protected. Finally, there's "Kick-Off" mode, which is the most popular in the community. Here, each club is represented by its real players, but fair competition is still possible by levelling the skill levels and not offering pay-to-win items.

In spite of existing alternatives, club interests have hardly been taken into account when choosing game modes in official FIFA 20 tournaments so far.

As we see it, the first step here is again to clarify the situation and ensure a systematic and transparent exchange among all club representatives so that a unified position can be presented to the publisher if necessary. One way to strengthen the position of clubs could be to jointly represent their interests in such a way that EA pays more attention to the clubs' interests when choosing game modes for their official events or when sharing generated revenues.

Furthermore, the current event calendar for official FIFA 20 tournaments remains rather complicated, despite constant efforts by EA.

Although a superior system has been created with the Global Series and tournament categorisation, there is often a lack of real comparability even between tournament types of the same category. In addition, the tournaments are often scheduled and communicated to teams and the public in the short-term. As a consequence, this lack of transparency and plannability considerably diminishes viewer interest as well as the marketing and mediation potential of the tournaments overall. This complexity in the tournament system is encouraged by the fact that there is a lack of central coordination and planning of the overall calendar. Furthermore, there are a variety of different event operators with conflicting individual interests.

There are many different approaches to the involvement of clubs in FIFA 20 at present. Whereas some clubs seem to have carefully thought out and strategically planned their entry into esports, eFootball and the FIFA 20 scene, other clubs – and, in our opinion, the majority of current participants – are more "opportunity driven" and joined FIFA 20 practically on impulse. This has often been triggered by the announcement of an individual national FIFA league, which many clubs wanted to participate in on very short notice. Unfortunately, many clubs are now positioned in this sector accordingly. We see FIFA teams that are insufficiently integrated into the club, its structures, strategy and brand communication. Often, FIFA teams, including coaches and staff, are only "hired" by an external supplier and are consequently not truly integrated into the club. At this point, we can only appeal to these clubs explicitly to take a step back and strategically develop a potential esports involvement model and then shape it individually. Here, results must be discussed openly, and an early decision must be made for or against esports in general, as snap decisions on individual genres or even individual game titles will not be effective at first. –

PES: do's & don'ts

In contrast to EA, Konami has very few framework licence agreements with associations or leagues. Only a few smaller leagues (e.g., Premier League, Thai League) have signed exclusive partnerships with the publisher. Additionally, Konami secured the rights to the European Football Championship 2020 from UEFA and is, therefore, developing an official PES EURO 20 with PES national teams. Because of its smaller number of comprehensive licencing agreements compared to EA, Konami relies heavily on its partnerships with individual clubs.

In these more or less exclusive partnerships, Konami sometimes pays millions to earn a club's involvement in PES eFootball.Pro. However, only ten clubs currently have such partnerships, so the effect of any (partial) exclusivity on competitor EA is limited. A notable exception is the partnership between Konami and Juventus FC. This means that the club will not be included in the current FIFA 20 Series. Up to now, Konami has mostly concluded its partnerships with highly prestigious clubs and negotiated these directly and individually with those clubs.

Professional PES tournaments currently use Matchday mode, which has several advantages for clubs, athletes and fans. Because this mode doesn't require any investment in in-game purchases (free-to-win), it enjoys great popularity in the community. The virtual squad also mirrors the actual club represented, and the virtual players are aligned with one another at a set skill level. These features greatly benefit a club's brand building and brand safety. Remarkably, a competitive PES team is possible at about one-tenth of the cost of a corresponding FIFA team.

There are currently two parallel league systems where professional PES tournaments are held. eFootball.Pro is a closed system in which Konami's ten current partner clubs compete against each other. The eFootball.Open, in contrast, is open to any avid PES gamer. This makes PES' tournament calendar and system more transparent and calculable than those for FIFA events – hardly surprising considering that there are only ten actively participating teams.

It should be noted that prize money in PES tournaments is relatively small. The same applies to the available media coverage, making marketing opportunities less lucrative. To date, no significant brand partnerships with PES teams or individual athletes are known to exist, which would appear to support the assessment that marketing opportunities are currently limited.

For the time being, Konami provides greater consideration to club interests than its competitor, not only in the drafting of contracts but also in the choice of game modes and tournament calendar design. However, due to its current market position, the publisher is still not in a position to offer commercially-attractive involvement in PES beyond direct sponsorship. In this situation, we believe that clubs have the opportunity to influence PES alongside Konami and have their voices be heard. In what ways and with what content the clubs should approach Konami can only be determined through internal coordination and joint representation of interests by a legitimate entity.

Considering PES' current situation and EA's market position as outlined above, it seems advisable from our point of view to maintain competition with at least two participants in the eFootball genre. This approach seems appropriate solely to prevent a monopoly on the part of EA. Such a monopoly would further weaken clubs' already-weak negotiating position with the eFootball publisher. We do, however, see opportunities for constructive dialogue with Konami to find a model that limits the clubs' risks and at the same time increases the likelihood of positive future developments in PES and professional eFootball. –

At a glance: pros & cons

Comparative evaluation from club perspective Fig. 44

Criterion / Title	Fifa 20	PES20
Relevance in esports (status & prognosis)	(++)	(0)
Appeal to the community	Ultimate mode (0)	Matchday mode (+)
Profitability (revenue potential / costs)	Costs (-) Revenues esports (+) EA as sponsor (0)	Costs (+) Revenues esports (--) Konami as sponsor (++)
Club commercialisation opportunities	(+)	(0)
Club branding	(-)	(+)
Club design freedom	(--)	(0)

Source: Own illustration

Overall assessment of this criterion is:

++	*very positive*
+	*positive*
0	*neutral*
-	*negative*
--	*very negative*

Currently, EA's FIFA is much more relevant than Konami's PES in terms of eFootball. While there are only ten clubs partnered with Konami, a myriad of football clubs operate professional FIFA teams. Konami applies a free-to-win game mode to its esports events (Matchday mode), which is highly appreciated by its audience.

The Ultimate Team mode used by EA for its FIFA tournaments requires significant investments from its professional players. Aside from this often-criticised aspect, the FIFA audience values the numerous individualisation opportunities within this game mode. Due to its fewer licence agreements on association or league levels, Konami focuses strongly on its individual club partnerships and rewards, with up to seven-digit spending per club. Additionally, the resulting costs of operating a professional FIFA team are much higher compared to a PES team.

In terms of clubs' individual commercialisation opportunities, both game titles are quite restrictive and allocate advertising space predominantly to the brand partners of the referring publisher. However, available commercialisation opportunities do also depend on the specific game mode (e.g. sale of in-game panels within virtual stadium representation in FIFA's Kick-Off mode). Clearly, PES outperforms FIFA when it comes to clubs' brand safety. For instance, in FIFA's dominant game mode (Ultimate Team), the referring esports athletes of a football club usually do not even play with the virtual representations of the actual club they represent. Moreover, Konami seems to take the clubs' individual interests into account more when setting up the event calendar or major events.

In conclusion, we can only repeated what was mentioned in the introduction of this paper: that unfortunately, there isn't one simple and generally accepted answer to the question of whether esports presents a curse or a blessing to football clubs.

This paper demonstrated the complexity of the esports industry and its ecosystems, the current commercial and technical status quo of the dominating eFootball game titles, the diversity of relevant decision factors and the different initial situations for esports across European markets.

Based on this information, every football club must define its individual positioning towards esports. The only clear recommendation that can be stated here is this: to initiate a systematic process that takes all relevant internal and external aspects into account, considers the entire range of substantial and organisational options and results in a strategic decision about the club's individual positioning towards esports. –

Appendix

CATEGORY	NUMBER
FIFA (EA)	75
PES (Konami)	5
Others only	7
No esports	140
FIFA & others	16
PES & others	2
FIFA, PES & others	1

FIFA (EA)

CLUB	COUNTRY	MEMBER TYPE
AC Milan	Italy	Associated Member
AC Sparta Praha	Czech Republic	Ordinary Member
AEK Athens FC	Greece	Ordinary Member
AFC Ajax	Netherlands	Ordinary Member
AIK	Sweden	Associated Member
Apoel FC	Cyprus	Ordinary Member
Apollon FC	Cyprus	Ordinary Member
AS Roma	Italy	Associated Member
AZ Alkmaar	Netherlands	Ordinary Member
Bayer Leverkusen	Germany	Ordinary Member
Borussia VFL 1900 Mönchengladbach	Germany	Associated Member
Brøndby IF	Denmark	Associated Member
BV Vitesse	Netherlands	Associated Member
Club Atlético de Madrid	Spain	Ordinary Member
Club Brugge	Belgium	Ordinary Member
Crusaders FC	Northern Ireland	Ordinary Member
Djurgårdens IF	Sweden	Associated Member
Dundalk FC	Republic of Ireland	Ordinary Member
Eintracht Frankfurt	Germany	Associated Member
Everton FC	England	Associated Member
F91 Dudelange	Luxembourg	Ordinary Member
FC Basel 1893	Switzerland	Ordinary Member
FC Differdange 03	Luxembourg	Associated Member
FC Dynamo Kyiv	Ukraine	Ordinary Member
FC Lokomotiv Moskva	Russia	Associated Member
FC Midtjylland	Denmark	Ordinary Member
FC Nordsjælland	Denmark	Associated Member
FC Red Bull Salzburg	Austria	Ordinary Member
FC Sheriff	Moldova	Ordinary Member
FC Sion	Switzerland	Associated Member
FC Twente	Netherlands	Associated Member
FC Utrecht	Netherlands	Associated Member
FC Viktoria Plzeň	Czech Republic	Ordinary Member
Feyenoord Rotterdam	Netherlands	Associated Member
FK Austria Wien	Austria	Ordinary Member
FK Teplice	Czech Republic	Associated Member
IF Elfsborg	Sweden	Ordinary Member
İstanbul Başakşehir FK	Turkey	Associated Member
Jagiellonia Białystok	Poland	Associated Member
KAA Gent	Belgium	Associated Member
KRC Genk	Belgium	Ordinary Member
Legia Warszawa SA	Poland	Ordinary Member
Leicester City FC	England	Associated Member
Lincoln Red Imps	Gibraltar	Ordinary Member
Linfield FC	Northern Ireland	Associated Member
Liverpool FC	England	Ordinary Member
LOSC Lille	France	Associated Member
Maccabi Haifa FC	Israel	Associated Member
Maccabi Tel-Aviv FC	Israel	Ordinary Member
Malmö FF	Sweden	Ordinary Member
Manchester City FC	England	Ordinary Member
Montpellier Hérault Sport Club	France	Associated Member
Newcastle United FC	England	Associated Member
Odds BK	Norway	Associated Member
Odense BK	Denmark	Associated Member
PSV Eindhoven	Netherlands	Ordinary Member
R. Standard de Liège	Belgium	Associated Member
RB Leipzig	Germany	Associated Member
SC Heerenveen	Netherlands	Associated Member
Sevilla FC	Spain	Ordinary Member
SK Rapid Wien	Austria	Ordinary Member
SK Slavia Praha	Czech Republic	Associated Member
SK Sturm Graz	Austria	Associated Member
Sporting Clube de Braga	Portugal	Ordinary Member
Sporting Clube de Portugal	Portugal	Associated Member
Stade Rennais FC	France	Associated Member
SV Werder Bremen	Germany	Associated Member
Tottenham Hotspur FC	England	Ordinary Member
TSG 1899 Hoffenheim	Germany	Associated Member
UC Sampdoria	Italy	Associated Member
Udinese Calcio	Italy	Associated Member
Vålerenga IF	Norway	Associated Member
VfL Wolfsburg	Germany	Ordinary Member
Viking FK	Norway	Associated Member
WKS Śląsk Wrocław	Poland	Associated Member

PES (KONAMI)

CLUB	COUNTRY	MEMBER TYPE
Arsenal FC	England	Ordinary Member
Celtic FC	Scotland	Ordinary Member
FC Bayern München	Germany	Ordinary Member
Juventus	Italy	Ordinary Member
Manchester United FC	England	Ordinary Member

OTHERS ONLY

CLUB	COUNTRY	MEMBER TYPE
Anorthosis Famagusta FC	Cyprus	Associated Member
AS Trenčín	Slovakia	Associated Member
Fenerbahçe SK	Turkey	Ordinary Member
FH Hafnarfjörður	Iceland	Ordinary Member
FK Žalgiris	Lithuania	Ordinary Member
KR Reykjavík	Iceland	Associated Member
SJK Seinäjoki	Finland	Associated Member

FIFA & OTHERS

CLUB	COUNTRY	MEMBER TYPE
Aalborg BK	Denmark	Associated Member
Beşiktaş JK	Turkey	Ordinary Member
Birkirkara FC	Malta	Associated Member
F.C. Copenhagen	Denmark	Ordinary Member
FC Nõmme Kalju	Estonia	Ordinary Member
FC Spartak Moskva	Russia	Associated Member
FK Crvena Zvezda	Serbia	Ordinary Member
Galatasaray AS	Turkey	Ordinary Member
Olympique Lyonnais	France	Ordinary Member
Panathinaikos FC	Greece	Associated Member
Paris Saint-Germain FC	France	Ordinary Member
RSC Anderlecht	Belgium	Ordinary Member
Trabzonspor AŞ	Turkey	Associated Member
Valencia CF	Spain	Ordinary Member
Villarreal CF	Spain	Associated Member
Wisła Kraków SA	Poland	Associated Member

PES & OTHERS

CLUB	COUNTRY	MEMBER TYPE
AS Monaco FC	France	Ordinary Member
FC Barcelona	Spain	Ordinary Member

FIFA, PES & OTHERS

CLUB	COUNTRY	MEMBER TYPE
FC Schalke 04	Germany	Ordinary Member

NO ESPORTS

CLUB	COUNTRY	MEMBER TYPE
Aberdeen FC	Scotland	Ordinary Member
AC Omonia Nicosia	Cyprus	Associated Member
ACF Fiorentina	Italy	Ordinary Member
AEK Larnaca FC	Cyprus	Associated Member
AFC Astra	Romania	Ordinary Member
Alashkert FC	Armenia	Ordinary Member
AS Saint-Étienne	France	Ordinary Member
Asteras Tripolis FC	Greece	Ordinary Member
Aston Villa FC	England	Associated Member
Atalanta BC	Italy	Associated Member
Athletic Club	Spain	Associated Member
Atromitos FC	Greece	Associated Member
B36 Tórshavn	Faroe Islands	Associated Member
Borussia Dortmund	Germany	Ordinary Member
BSC Young Boys	Switzerland	Ordinary Member
Budapest Honvéd FC	Hungary	Associated Member
CFR 1907 Cluj	Romania	Associated Member
Chelsea FC	England	Ordinary Member
Cliftonville FC	Northern Ireland	Associated Member
Connah's Quay Nomads	Wales	Associated Member
Cork City	Republic of Ireland	Associated Member
CS Fola Esch	Luxembourg	Associated Member
Debreceni VSC	Hungary	Associated Member
EB Streymur	Faroe Islands	Associated Member
FC Astana	Kazakhstan	Ordinary Member
FC BATE Borisov	Belarus	Ordinary Member
FC Bnei-Yehuda	Israel	Associated Member
FC Chikhura Sachkere	Georgia	Associated Member
FC Dinamo Minsk	Belarus	Ordinary Member
FC Dinamo Tbilisi	Georgia	Ordinary Member
FC Drita	Kosovo	Ordinary Member
FC FCSB	Romania	Ordinary Member
FC Flora Tallinn	Estonia	Associated Member
FC Girondins de Bordeaux	France	Associated Member
FC Inter Turku	Finland	Associated Member
FC Internazionale Milano	Italy	Ordinary Member
FC Irtysh Pavlodar	Kazakhstan	Associated Member
FC Krasnodar	Russia	Ordinary Member
FC Porto	Portugal	Ordinary Member
FC Prishtina	Kosovo	Associated Member
FC Pyunik	Armenia	Associated Member
FC Rostov	Russia	Associated Member
FC Rubin Kazan	Russia	Ordinary Member
FC Samtredia	Georgia	Associated Member
FC Santa Coloma	Andorra	Ordinary Member
FC Shakhtar Donetsk	Ukraine	Ordinary Member
FC Shakhtyor Soligorsk	Belarus	Associated Member
FC Slovan Liberec	Czech Republic	Ordinary Member
FC Thun	Switzerland	Associated Member
FC Urartu	Armenia	Associated Member
FC Vaduz	Liechtenstein	Ordinary Member
FC Zenit	Russia	Ordinary Member
FC Zimbru Chişinău	Moldova	Associated Member
FC Zürich	Switzerland	Ordinary Member
FCBeitar Jerusalem	Israel	Associated Member
FCI Levadia Tallinn	Estonia	Associated Member
Fehérvár FC	Hungary	Ordinary Member
Ferencvárosi TC	Hungary	Associated Member
FK Aktobe	Kazakhstan	Associated Member
FK Budućnost Podgorica	Montenegro	Associated Member
FK Jelgava	Latvia	Associated Member
FK Kairat Almaty	Kazakhstan	Associated Member
FK Kukësi	Albania	Ordinary Member
FK Liepāja	Latvia	Associated Member
FK Mladá Boleslav	Czech Republic	Associated Member
FK Partizan	Serbia	Ordinary Member
FK Qarabağ Ağdam	Azerbaijan	Ordinary Member
FK Rabotnički	North Macedonia	Associated Member
FK Riteriai	Lithuania	Associated Member
FK Sarajevo	Bosnia-Herzegovina	Ordinary Member
FK Shakter Karaganda	Kazakhstan	Associated Member
FK Spartaks Jūrmala	Latvia	Associated Member
FK Sūduva	Lithuania	Associated Member
FK Sutjeska Nikšić	Montenegro	Associated Member
FK Vardar	North Macedonia	Associated Member
FK Ventspils	Latvia	Ordinary Member
FK Vojvodia	Serbia	Associated Member
FK Željezničar	Bosnia-Herzegovina	Associated Member
FK Zeta	Montenegro	Associated Member
FK Zorya Luhansk	Ukraine	Ordinary Member
Gabala FK	Azerbaijan	Associated Member
Glenavon FC	Northern Ireland	Associated Member
Glentoran FC	Northern Ireland	Associated Member
GNK Dinamo	Croatia	Ordinary Member
Hapoel Be'er Sheva FC	Israel	Ordinary Member
HB Tórshavn	Faroe Islands	Associated Member
Heart of Midlothian FC	Scotland	Associated Member
HJK Helsinki	Finland	Ordinary Member
HNK Hajduk Split	Croatia	Associated Member
HŠK Zrinjski Mostar	Bosnia-Herzegovina	Ordinary Member
IFK Göteborg	Sweden	Associated Member
KF Partizani Tiranë	Albania	Associated Member
KF Shkëndija	North Macedonia	Ordinary Member
KF Vllaznia Sh.a.	Albania	Associated Member
KKS Lech Poznań	Poland	Ordinary Member
La Fiorita 1967	San Marino	Ordinary Member
Lillestrøm SK	Norway	Associated Member
Marítimo da Madeira Futebol	Portugal	Associated Member
MFK Ružomberok	Slovakia	Associated Member
Milsami Orhei	Moldova	Associated Member
Molde FK	Norway	Ordinary Member
Motherwell FC	Scotland	Associated Member
MŠK Žilina	Slovakia	Associated Member
NK Domžale	Slovenia	Associated Member
NK Maribor	Slovenia	Ordinary Member
NK Olimpija Ljubljana	Slovenia	Associated Member
NK Rijeka	Croatia	Ordinary Member
NK Široki Brijeg	Bosnia-Herzegovina	Associated Member
NSÍ Runavík	Faroe Islands	Associated Member
OFK Titograd	Montenegro	Ordinary Member
Olympiacos FC	Greece	Ordinary Member
Olympique de Marseille	France	Associated Member
PAOK FC	Greece	Associated Member
PFC Botev Plovdiv	Bulgaria	Ordinary Member
PFC CSKA Moskva	Russia	Ordinary Member
PFC CSKA Sofia	Bulgaria	Ordinary Member
PFC Levski Sofia	Bulgaria	Associated Member
PFC Ludogorets Razgrad	Bulgaria	Ordinary Member
PFC Neftchi	Azerbaijan	Ordinary Member
Rangers FC	Scotland	Associated Member
Real Madrid CF	Spain	Ordinary Member
Real Sociedad de Fútbol	Spain	Associated Member
Rosenborg BK	Norway	Ordinary Member
S.S. Lazio	Italy	Ordinary Member
Saint Patrick's Athletic FC	Republic of Ireland	Associated Member
Shamrock Rovers FC	Republic of Ireland	Associated Member
SK Slovan Bratislava	Slovakia	Ordinary Member
SL Benfica	Portugal	Ordinary Member
SP Tre Fiori	San Marino	Associated Member
SP Tre Penne	San Marino	Associated Member
Spartak Trnava	Slovakia	Ordinary Member
SS Murata	San Marino	Associated Member
SSC Napoli	Italy	Ordinary Member
Stjarnan FC	Iceland	Associated Member
Strømsgodset	Norway	Associated Member
The New Saints FC	Wales	Ordinary Member
UE Sant Julià	Andorra	Associated Member
Valletta FC	Malta	Ordinary Member
Valur	Iceland	Associated Member
Vikingur	Faroe Islands	Ordinary Member

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EUROPEAN CLUB ASSOCIATION

European Club Association
Route de St-Cergue 9
1260 Nyon, Switzerland

www.ecaeurope.com