

# COMMUNITYCONNECT

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## Houston's Esports Revolution Thursday, January 28, 2021 | 3 pm

### Post Event Q&A

*As we were unable to do a live Q&A session during the SMA Community Connect session – Houston's Esports Revolution – on Thursday, January 28, 2021 at 3 pm, we have compiled all questions submitted by our viewers and provided responses from our five panelists below:*

1. What is the general demographic of the esports market?

**CHRIS BUCKNER – Mainline.GG:** Nielsen puts the typical esports viewership at 83% male and an average age of 25.

**ADAM HOBBS – Houston Outlaws:** While the demographic make-up is really determined by title (i.e., League of Legends vs Fortnite), the age range is about 13-35 and it's 80/20 men to women.

**JUSTIN PELT – Univ. of St. Thomas:** I would say the general demographic is a consistently changing topic. It used to be primarily boys from the ages of 8-24, but now with how mainstream esports has become, we're seeing that change at a rapid pace. Now we have more and more females becoming involved in video games, as well as celebrities and older generations investing into the scene as well.

2. Is there a strong audience for esports in Houston and how do you expect that to grow?

**CHRIS BUCKNER – Mainline.GG:** It is projected that Houston has a top 3 viewing audience in the states for esports.

**ADAM HOBBS – Houston Outlaws:** From our outreach at the Outlaws, there's a really strong audience for it and yes, we see that it will grow. Especially in a state like Texas where competitive sports are so big.

**JUSTIN PELT – Univ. of St. Thomas:** Yes, I believe there is a strong audience in Houston. First off, Houston is one of the largest and most diverse cities in the United States. It also has a really strong professional organization base with the Astros, Rockets and Texans. I believe with the continued growth of the industry, there is more of an incentive for the city to invest into the scene. One of the ways I can see growth happening is with the success of the Houston Outlaws (a professional Overwatch team) as well as with the addition of a team that competes in the LCS (professional North American League of Legends League) to the city of Houston. I also believe with the success of our collegiate esports program at UST, we can create a pipeline of students with a love of esports to come to Houston and choose our university as their destination to continue their education.

3. How are these events filling large venues and what's the draw that brings the attendees?

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** Venues are being filled with local, regional and out-of-market fans. Many fans say attending live esports events give them another way to experience games, with many commenting that the big sights, sounds, screens and stage are all compelling reasons to see it live. They also find the competitive excitement of the fans to be contagious.

**ADAM HOBBS – Houston Outlaws:** Flagship events are filling large venues now, but over time there's a world where certain esports are filling large venues more frequently. If esports can focus on experience at a live event that can't be replicated by watching online, there is a pathway to success.

**JUSTIN PELT – Univ. of St. Thomas:** I believe the idea that these events could fill large venues, comes from the recent explosion in popularity gaming has received the last 2-3 years, especially recently with the COVID-19 outbreak. With the quarantine lockdown, lots of people turned to video games as a way to pass the time. Whether it was playing it themselves or watching people stream on twitch (the world's leading live streaming platform for gamers). For example, there are 3 million average viewers per day on the twitch website. If there are events planned around the biggest games at the moment, there's a large viewing audience to pull from to fill the seats.

**DUSTIN SWEENEY – HKS:** Esports have a true international audience and draw. Where we may be able say the same thing for some other traditional sports, it is the baseline standard for esports and gaming. Because the barrier of entry is so low, the audiences are absolutely massive. So, when a certain game, that has literally 100s of millions of followers worldwide, hosts a World Championship, it truly is that, the showcase of the best in the world. With that comes very large audiences, who are willing to travel to far distances to see the very best compete at the game they love to play with their friends.

4. How do you think esports will align with the development goals for Houston and how do you think Houston can benefit from this community?

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** Esports has a large tourist following. Our local hotels, restaurants and retail businesses will benefit from esports tourism. There's also talent attraction. Some cities are using esports even more directly to boost its skilled technology workforce.

**JUSTIN PELT – Univ. of St. Thomas:** I think it aligns well. Houston is a hub for so many large sporting events. I think it makes sense for them to look into adding esports to that portfolio. There isn't a strong esports presence in the South so there's a big opportunity for a city to step in and essentially be the first to market in the Southern Region. I believe the benefit will come by appealing to a whole new group of consumers. Especially if Houston becomes the primary city in the South for esports. I believe it will bring in spectators from all over the region that can help contribute to the local economy here including hotels, restaurants, shopping malls, colleges, etc.

5. How do we make Houston an esports hub? What will it take?

**CHRIS BUCKNER – Mainline.GG:** I believe getting more teams and developer/publishers to move to Houston will be a big step. What makes this difficult is that esports brands in the competitive space are almost always global. Regional and even hyper-local opportunities have not been fully developed yet.

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** Houston has everything the esports industry is looking for. We have to be aggressive in marketing what we have to offer. NRG Park would be a great centralized location to host regional, state, national and international tournament play.

**ADAM HOBBS – Houston Outlaws:** Just like traditional sports, a focus on creating a path to pro at the high school and collegiate levels as well as ensuring that teams like the Outlaws can be successful and profitable!

**JUSTIN PELT – Univ. of St. Thomas:** I think it will take buy in from the business owners/elites in the city, as well as unity across the ecosystem of esports in the city. What I mean by that is connection across all levels of esports. From the moment a kid first picks up a game controller all the way to the professional players in the city. The ecosystem I envision is similar to how pop warner sports (a youth football/cheer organization) feed into the professional game. It goes from pop warner to high school to college to the pros. Regardless of if a player actually makes it there, there are still systems in place to facilitate that. I believe that as a city, if we make a decision to invest in growing and developing an ecosystem like that, Houston can become a legit esports hub.

**DUSTIN SWEENEY – HKS:** It looks like Houston is off to a good start with creating an esports community, which is the biggest way to solidify Houston as an esports hub. Having organizations like the Houston Outlaws and Univ. of St. Thomas helps to build those local resources for event promotions and participation. As I quickly mentioned on my part of the presentation, think of all the ways we currently support the growth of the traditional sports world, i.e., gyms (for strength training), coaches/training facilities (to improve performance), clubs/bars/restaurants (places for

casual gathering and community building). These sorts of spaces are currently missing from the esports community. Over the last five years we have seen some of these facility types come online (no pun intended) but more will be needed as the community grows.

6. What are some career opportunities you see in esports? And how can people find out more about them?

**CHRIS BUCKNER – Mainline.GG:** With Mainline specifically, we are always looking for the following types of talent – development, administration, account management, project management, operations and sales.

**JUSTIN PELT – Univ. of St. Thomas:** The career opportunities in esports are pretty limited at the moment in my opinion. Right now, I believe the only two viable markets for someone to find a job is through collegiate or the professional industry. Within those two markets you basically have director level positions and coaching positions, or something that has to do with broadcast and production. So essentially business and entertainment. I think the best way to find out more about them is to follow social media accounts or check the websites of esports entities in those markets.

7. When will we see more organized platforms for the public to view calendars and buy tickets for college esports matches?

**CHRIS BUCKNER – Mainline.GG:** This is Mainline’s number 1 initiative for 2021. We are already positioning ourselves to be the backend software system that every college uses. By the beginning of 2021, it is likely that Mainline could be in over 1,000 colleges and universities.

**JUSTIN PELT – Univ. of St. Thomas:** I can’t speak to all the colleges directly, but for UST, you will see a more organized platform once we start the Fall 21’ semester. We considered this year our “year 0” and spent a lot of time figuring out exactly how we wanted to present our program. We plan on having our calendar and roster page completed by the first day of school moving forward which you can find on the UST athletics website alongside all the other UST sports.

8. What kind of venues do you see being used for esports in the next 10 years?

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** Most sports and entertainment venues can support esports events. I see esports events being held in arenas, stadiums and convention centers.

**JUSTIN PELT – Univ. of St. Thomas:** The two main concepts for venues being used for esports will be computer labs/small event centers for universities who decide to invest in their esports programs and larger event centers for professional organizations/big tournaments.

**DUSTIN SWEENEY – HKS:** Over the next 5 years, most medium scale esports events will be hosted in “theater-like” venues or “multi-use” type venues. The large-scale events (world finals) will be at large stadiums, mostly due to capacity limits. The current “esports event” (technically speaking) is very much like hosting a medium-sized touring concert, similar staff and similar needs. I think as the industry begins to mature and regularly define what an “esports event” looks like, and more importantly a weekly reoccurring event, the venues will become more bespoke and more variety in viewing options for the event. A quick cross section of esports event attendees shows us that we have some attendees who are very attentive and focused on game play (front row) but we have others who are more passive and are there for the “event/show.” That secondary audience (and arguably larger percentage) desire a variety of spaces and experiences to be involved with the event. For this reason, esports specific venues will become a very unique building type, offering a variety of ways for the audience to be a part of what is happening.

9. What are you most excited about when it comes to esports in Houston?

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** I am excited about the potential economic impact for the region. Esports has a large out-of-market consumer base.

**JUSTIN PELT – Univ. of St. Thomas:** I'm most excited to see this city reach its potential as an esports hub. It's big enough to host large professional esports teams. It has the infrastructure in place, the population and experience with professional sports organizations.

10. How many game developers call Houston home? As compared with Austin?

**JUSTIN PELT – Univ. of St. Thomas:** As someone from Austin, I'm fairly confident Austin hosts more developers in general. There are also a couple of large game companies who call Austin home such as EA and Blizzard. I don't think Houston currently hosts any companies with that much prestige.

11. What is esports' place in a university curriculum?

**CHRIS BUCKNER – Mainline.GG:** The esports community in collegiate and high school spaces is extremely STEM heavy. There is a lot of value adding esports to college curriculums through business, management, game development and more.

**JUSTIN PELT – Univ. of St. Thomas:** I don't want to limit its place, but I think it's most important to use curriculum in esports in a way that will equip students with skills they can use right away in the workforce, as opposed to just teaching the history of esports. For example, providing internship opportunities with companies/organizations already in the industry.

12. What's the hook to gain non-tech sponsors to partner with esports?

**CHRIS BUCKNER – Mainline.GG:** Non-endemic brands are flooding into the space faster than ever because the esports demographic is young, affluent, driven and extremely active.

**ADAM HOBBS – Houston Outlaws:** Reaching a younger and more devoted audience.

**JUSTIN PELT – Univ. of St. Thomas:** I think it depends on what you can offer that sponsor, whether is marketing, consumer traffic, etc. For esports in general, I would say its an opportunity for sponsors to create brand loyalty before more and more companies enter the market.

**DUSTIN SWEENEY – HKS:** Plainly said: Audience size, the eyeball count is astounding.

13. Are there "optimal" venue sizes, or is it possible to adapt smaller spaces to accommodate an esports event?

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** You can adapt most event spaces to accommodate esports events. Esports tournaments are currently being held in convention centers, arenas and stadiums. The process is similar to adapting a football stadium for a concert. Tournaments build out their own staging, AV and technology.

**JUSTIN PELT – Univ. of St. Thomas:** It's 100% possible to adapt smaller spaces. In fact, that's how esports got its start and how some colleges are designing their spaces. However, for the larger tournaments and professional events, you would most likely want an optimal venue or an event center of some sort.

**DUSTIN SWEENEY – HKS:** Similar to the 10-year question above - for the next 5 years the optimal venue size is in the 500 to 5000 range; I know that range can be seen as pretty large. But in regard to "small" venues, it's possible to host more locally focused events in these places. As we move up to regional or national events, the BOH broadcast requirements become challenging with smaller venues (but not impossible). As a caveat, if we have learned anything in 2020, it's that our online audience can be just as big, if not bigger, than our in-person audience. This idea can also be seen through Twitch streaming audiences.

14. Should regular livestreams like on Twitch be considered part of the e-sports industry? And either way, how do you see comparative (*reminder of question cut off*)

**JUSTIN PELT – Univ. of St. Thomas:** Yes, I believe so. I think live streams are a HUGE part of esports. It provides daily entertainment, a way for people to learn from more experienced players and bring communities together across the world.

15. How is Esports changing the way young people consume media?

**ADAM HOBBS – Houston Outlaws:** Very simply, it's supporting digital-first behavior over linear and more traditional models.

**JUSTIN PELT – Univ. of St. Thomas:** I don't know if I would say it's "changing" the way young people consume media as much as I would say it's just providing a new avenue for consuming it that we haven't seen before - specifically with live streams.

16. How many 'professional' teams are established today? How many are anticipated?

**JUSTIN PELT – Univ. of St. Thomas:** Given the number of "old" teams that fall out and the new ones that regularly pop up, it's hard to really say. However, my guess would be 10-12 teams across the major titles such as League of Legends, Overwatch, Call of Duty and Valorant.

17. How can you get a good perspective on competitive shooter games like COD or Fornite?

**CHRIS BUCKNER – Mainline.GG:** Personally, I believe this is just going to take time. Professional gaming is still fairly new. The stigma of first persona shooters still needs some massaging.

**JUSTIN PELT – Univ. of St. Thomas:** I would say by watching streamers who play it on Twitch or giving it a try yourself!

18. What populations are these advertisers targeting, and why are they investing in esports as a marketing platform as opposed to more traditional media like TV?

**CHRIS BUCKNER – Mainline.GG:** The demographic is one of the most appealing in the space (get the viewers while they are young) and OTT's are becoming the preferred platform for consumption because it is always at their fingertips.

19. Where is the new Outlaws training facility going to be located? What was the criteria for this selection?

**ADAM HOBBS – Houston Outlaws:** The Outlaws Training Facility is located in the Woodlands. There were several criteria in picking this location, most important being that it is central to where many of the staff and players were already living.

20. How are we attracting tournaments to NRG Park?

**ADRIAN COLLINS – NRG Park / Harris Co. Sports & Convention Corp.:** NRG Park is actively marketing our facilities to tournaments around the world.