

Digital Marketing of E-sports Industry in China: Case Study of King Pro League

Jinfu Yi

Department of Management, University of Toronto Scarborough, Toronto, Canada

Corresponding author: angela.yi@mail.utoronto.ca

Abstract. The purpose of this article is to introduce King Pro League (KPL) in the Chinese E-sports industry and discuss its digital marketing strategies through case analysis. KPL was born in 2016, based on China's most popular cell phone MOBA game, Glory of King, and also became the largest E-sports league in China. KPL reaches 73 billion views in 2020, while the Glory of King reaches 0.1 billion daily active players. The article reviews the E-sports background and growth in China in recent years, as well as the development and operation of KPL that makes it successful in the industry. This paper also reviewed KPL's current digital marketing strategies in enhancing customer experiences through manipulation of match mechanisms, commercialization and collaboration with both short-term and long-term business partners, and acquiring customers based on the motivation of E-sports spectators. The author also concludes the original game's strengths and limitations, and reviews King Pro League's further potential.

Keywords: E-sports Industry, Digital Marketing, King Pro League.

1. Introduction

King Pro League (KPL) is the highest level professional E-sports competition, based on the 5v5 MOBA game Glory of King. It was born in 2016 and had 18 professional clubs competing for two seasons a year. Online and offline, the annual watching volume reached 73 billion times in 2020. KPL has caught the opportunity in the Chinese E-sports industry for the last five years, rapidly growing and developing to be more systematic and popular [1]. Although the league also holds the world cup of Glory of King twice a year, most of the players and spectators are still Chinese. Since 2020, KPL has focused on digital marketing to enhance customer experience, develop commercialization, and acquire new customers.

2. Background

2.1 E-sports Industry in China

The main participants in the e-sports ecosystem in China include (1) game developers and publishers: companies that develop and publish games, such as Tencent, NetEase, Garena and Krafton, own the intellectual property rights of e-sports games and can conduct e-sports games Authorization, to promote the game, and to increase the user base [2]. (2) League Manager: All parties who supervise, manage and regulate the overall framework and system of the e-sports league, such as Tencent, which manages KPL, etc. (3) Event Operators: Companies that organize and operate e-sports events, produce and commercialize e-sports events, and increase the participation of gamers and audiences, such as VSPN. (4) E-sports players: people who play e-sports games on computers, consoles, mobile devices, or cloud services. (5) E-sports spectators: people who watch and pay for e-sports events and e-sports-related content. (6) Distribution channels: platforms for distributing e-sports content, including online live streams and other online entertainment platforms, as well as traditional broadcasting, network and transmission. China's leading online live streaming platforms for e-sports and games include Huya and Douyu. (7) E-sports experts and anchors: Provide real-time commentary or personal experience of e-sports games and events, social media celebrities who talk about e-sports games, or social media celebrities who tell other gamers' gameplay, generally by agents managed. (8)

Brands and sponsors: Companies that promote brands and products through e-sports. Game developers and publishers provide e-sports games, and monetization methods include game name sales, and subscription/in-app purchases; event operators provide online, and offline e-sports events and e-sports-related content such as live streams, variety shows, and short films; the realization methods include event operation, sponsorship and advertising, media rights, virtual gifts, and sales of goods; the live broadcast platform provides online e-sports events, live broadcasts, short films and other e-sports-related content, and the realization methods include virtual gifts and sales of goods [3-4].

2.2 KPL Operation

KPL was born in September 2016. When it was founded, 12 teams participated. From the 2018 spring game, the dual-city home and away system was launched. At that time, the twelve teams were divided into two and settled in Chengdu and Shanghai. With 16 city-named clubs, the clubs have successively landed in offline venues all over the country and become offline home games. Except for Shanghai, where the league's home stadium is located (the games of clubs whose offline home stadiums have not landed are played in this venue), there are already 7 clubs. Cities can host KPL leagues. In traditional sports, regionalization is common. For example, teams in small cities also have fans in global sports such as basketball. The habit of watching football on the spot has become a way of life, and the emotional connection between fans and the team has gradually been established. (NBA) Clubs establish good relations with the local people and further verify the mutual promotion of competition and the city. NBA teams are Boston, Cleveland, Los Angeles business cards, etc. The Celtics, Cavaliers, Lakers, etc. have a strong influence worldwide, and the cultural blessing they bring to the city has gone beyond the competition itself. The glory of King team Nanjing Hero JiuJing held the 'Hero in Nanjing' college friendly match after landing at the offline home, and the 2nd Glory of King Public Competition East China Division 1-Hero Litchi Cup King Challenge. It is a way for clubs and teams to build emotional connections with the local people. Sports expression and urbanization construction give players and spectators more sense of belonging, and at the same time, the event has more scenes and touch points connecting online and offline [5].

3. Case analysis

3.1 Digital Customer Experiences

A professional and scientific match mechanism design could positively contribute to customer experience in the E-sports industry [6]. KPL pays attention to the adjustment and optimization of the competition system and schedule to improve the viewing experience of professional events. In terms of the competition system, in 2018, the KPL league broke the traditional model and set up a global BP model. That is, in the BO7 game, the hero selection of both players in the first six rounds could not be repeated, which improved the competitiveness of the competition and the richness of tactics. The global BP mode is a bold innovation for KPL and even the MOBA game field, breaking the problem of solidifying the game lineup. In the 2021 KPL spring regular season, more than a dozen teams will be divided into three groups S, A and B by the new competition system to compete, and the rules of the 2020 winter championship losing side will be followed in each game. Under the new competition system rules, the players have a stronger sense of purpose in the regular season, the audience is more immersed, and the viewing experience is better. The S, A, B grouping system has changed the previous traditional grouping competition. The hot spot is not focused, and more strong strong dialogue. At the same time, the event directly affects the number of entries in the World Champions Cup, which adds to the highlights. In terms of the schedule, taking the KPL2022 spring competition as an example, the regular season is divided into 4 stages, the first round-robin, the second round-robin, the slot match and the third round-robin. The regular season adopts a group promotion system, lasting 10 weeks, each round-robin match is best-of-five (BO5), and each card slot

match is a best-of-seven (BO7). After the third round-robin match, all teams in Group S will enter the playoffs, and the top 4 teams in Group A will enter the playoffs. A total of 10 teams will enter the playoffs, of which the top 4 teams in Group S are in the winner bracket, and the remaining 6 teams are in the loser bracket. A double-elimination tournament will be conducted, and each game will be a best-of-seven (BO7). The playoffs are based on a double-elimination system, each game is a best-of-seven (BO7) system, and the final game of the playoffs is the finals (championship).

3.2 Commercialization

Online, KPL also improves the viewing experience by optimizing the viewing angle of the audience. For example, when KPL is online, the audience can switch the player's first view while watching the game's live broadcast, check the players' complex operation in real time, and watch Part 1. Every wonderful moment of 'First Perspective' can also be applied to its game experience. With the continuous iterative innovation of event viewing, KPL's attention has grown rapidly. In 2017, the official content viewing volume of the official full-year professional event system was 10.3 billion. By 2020, the total viewing volume of the content of the King's Glory event will exceed 73 billion, with a compound growth rate of 63% in four years. In terms of the management system, KPL combines the characteristics of traditional sports and e-sports, introduces the management system of the Premier League and NBA, and sets rules such as salary cap, transfer system, and tripartite brokerage model, forming a community of commercial interests composed of game copyright owners and clubs, creating an open and co-constructed professional system. In this system, the alliance promotes the club's participation in account sharing and actively promotes the club's commercial capacity building, such as encouraging regional cooperation; focusing on creating stars and encouraging players to negotiate individually; skin income is injected into event bonuses, etc. With the help of the league, only the AG e-sports club has 247 million followers on the entire network from the media matrix. The age group of fans is 20-30 years old, and the occupations of fans are diversified. Focusing on the continuous evolution of audiences, events and alliance ecology, KPL events continue to improve. Further lay the foundation for business value.

Relying on the effect of business cooperation, KPL's partners have achieved a rapid increase in number and more diversified brand types among KPL's sponsors today, involving 3C digital, beverages, sportswear, finance, daily chemicals, food, and automobiles. In many other industries, the core demand of partners is to hope to occupy the young market for a long time. Compared with 2021, it is expected that the renewal rate of KPL's business partners will reach 70% in 2022, and the number of long-term customers is expected to be 5, which confirms the partners' determination to invest in KPL's long-term investment, and reflects the recognition of KPL's continuously improving business value. KPL has now developed a complete alliance system with a strong influence and audience base. According to the Frost & Sullivan Report, KPL is currently the world's largest mobile e-sports league with the highest number of viewers. During the 2020 KPL Finals held on August 16, 2020, it had 105 million watches. With the continuous expansion of KPL's influence and the constant improvement of the level of competition, its commercial value will continue to increase. While helping to form an e-sports cultural circle for young users, it will also provide more power to empower brands and urban development.

3.3 Acquiring Customers

In this rapidly growing industry, KPL has the largest customer and spectator groups in the Chinese E-sports industry. However, the base video game Glory of King, based on the official data in May 2022, has 150 million active users every day, while the cumulative annual viewing volume of KPL is 73 billion times; which means that an active user of Glory of King only watches 1.33 times KPL a year. In this case, KPL is supposed to put marketing efforts toward existing game players, to convert them into KPL spectators.

To acquire and retain customers, why people spectate E-sports and the performance of KPL need to be analyzed. Studies have shown that the main factors positively associated with E-sports spectate

frequency are the enjoyment of aggression, entertainment value, physical attractiveness, interest in the player, social opportunities, vicarious achievement, and acquiring knowledge [7]. Research has also shown that those characteristics are also shared by traditional sports spectators, and female E-sports spectators [8-9].

(1) Enjoyment of aggression: Enjoyment of aggression refers to the excitement of spectating aggressive video games which trigger further emotional reactions. The visual design of Glory of King is gorgeous and vivid rather than aggressive or violent, which enables it to attract players from all age and gender groups, instead of being limited to traditional male players. On the other hand, KPL has fewer male spectators than other E-sports. The management team edited highlight replays with exciting music and 3D technology to demonstrate the most blood-boiling parts to attract potential or light spectators and retain frequent viewers motivated by the enjoyment of aggression.

(2) Entertainment value: A famous match is not always exciting. It can sometimes be recreational or memorable for interesting coincidence. Entertainment value also refers to those who watch E-sports as relaxation in their spare time. To balance the gaming and viewing experiences, KPL would frequently manipulate the strength of heroes, equipment, critters, towers etc, to ensure the game could go back and forth. Teams competing with each others are on a similar level. While interesting coincidence cannot be expected as usual highlight cut, it could be spread and remembered by non-KPL-spectators.

(3) Physical attractiveness: Not only would traditional sports spectators be attracted by the physical appearance of professional players, but E-sports also pay for good appearances. KPL has hired professional make-up teams, as other E-sports leagues have done these years, to explore the potential physical attractiveness of players. Although this is not as motivating as traditional sports spectators, players with good looks have more marketing and business value as they have more fans.

(4) Interest in players: E-sports spectators develop an interest in certain players or teams who performed healthy or memorable. KPL allocated marketing efforts to advertise several highlight players, to make them celebrities in KPL, by shooting more advertisements, offering more exposure, and tagging them with specific characteristics to attract fans.

(5) Social opportunities: Social interaction also motivate game players to become the audience of E-sports. As the professional league of Glory of King, the marketing teams of both game and league would create and lead the topic to stimulate discussion and interaction, to generate interest in KPL. This is not limited to offline fan gatherings. KPL also offers virtual fan meetings during pandemics, to retain E-sports customers.

(6) Vicarious achievement: E-sports spectators would also form communities based on clubs and players they support, and being motivated to watch for their accomplishments. Based on the most significant public social media in China, Weibo, KPL has learned from idol management and established fan groups and hot topics based on achievement. With the development of social media platforms, the official account of KPL would post celebration and congratulation posters for every minor achievement. Once users checked the topic, they would be invited into fan groups and automatically suggested more similar posts.

(7) Acquiring knowledge: Common players who watch E-sports usually expect to acquire professional knowledge and understanding of the game. Due to the limitation of Glory of King, KPL provides less motivation for this compared to LPL or CFL. The game's ceiling is limited by cell phone capacity, which reduces the gap between professional players and top leisure players in terms of visual skills. In this case, game players willing to acquire skills and enhance personal gaming performances are less likely to be motivated to spectate KPL.

4. Conclusions

King Pro League has successfully caught the opportunity and took the largest market share compared to other players in the Chinese E-sports industry. The league's operation gradually matured after trying five different rules and mechanisms and learning from other successful international

leagues. KPL collaborates with various online streaming platforms and incubates its KOLs from retired players to further extend the digital influences. Like traditional sports, KPL benefited from developing a relationship marketing strategy with different sponsors, and developed a long-term relationship with live streaming and social media platforms that had invested in clubs [10]. While KPL benefited from the game Glory of King's substantial active player base and popularity in China, it is also limited by the difficulties, language, and visual performance restrictions of Glory of King. To further acquire audiences and convert potential players, KPL is supposed to dedicate more marketing efforts on digital platforms to break the nature restrictions, such as daily advertisements on Glory of King, deeper collaboration with KOLs to spread highlight cuts on social media platforms, and support more top game players to involve in KPL. The league also developed an international cup and offered multiple languages to explore potential audiences. Comparing the largest MOBA league, LPL, which has more spectators than players, KPL still has huge marketing potential in the digitized age.

References

- [1] Flegr S, Schmidt S L. Strategic management in eSports – a systematic review of the literature[J]. *Sport Management Review*, 2022: 1-25.
- [2] Hindin J, Hawzen M, Xue H, et al. E-sports[M]//*Routledge handbook of global sport*. Routledge, 2020: 405-415.
- [3] Gawrysiak J, Burton R, Seth J, et al. Using esports efficiently to enhance and extend brand perceptions – A literature review[J]. *Physical Culture and Sport*, 2020, 86(1): 1-14.
- [4] Jang W W, Byon K K. Antecedents and consequence associated with esports gameplay[J]. *International Journal of Sports Marketing and Sponsorship*, 2019.
- [5] Neus F. Event Marketing in the Context of Higher Education Marketing and Digital Environments[M]. Springer Fachmedien Wiesbaden, 2020.
- [6] Cunningham G B, Fairley S, Ferkins L, et al. eSport: Construct specifications and implications for sport management[J]. *Sport management review*, 2018, 21(1): 1-6.
- [7] Sjöblom M, Hamari J. What is eSports and why do people watch it[J]. *Internet research*, 2017, 27(2): 211-232.
- [8] Pizzo A, Baker B, Na S, et al. eSport vs sport: a comparison of spectator motives[J]. *Faculty/Researcher Works*, 2018.
- [9] Yu B, Brison N T, Bennett G. Why do women watch esports? A social role perspective on spectating motives and points of attachment[J]. *Computers in Human Behavior*, 2022, 127: 107055.
- [10] Bühler A, Nufer G. Relationship marketing in sports: Building and establishing longstanding relations in the business of sports[M]//*Routledge handbook of sports marketing*. Routledge, 2015: 223-237.