

NON-STOP ACTION

ESL
ONE
COLOGNE 2017



BY BRAD WEISSBERG

THE ESPORTS INDUSTRY is exploding. Revenue is expected to exceed the billion-dollar mark for the first time in 2019, according to gaming market research company Newzoo.

With that kind of money up for grabs, purpose-built arenas are being constructed at a breakneck pace and multipurpose venues are keeping up with the demands of hosting esports events by adding in technology and adapting to the needs of a new kind of venuegoer. Esports is hot in the U.S., where new esports venues opened in cities such as Las Vegas, Arlington, Texas, and Oakland and Burbank, Calif., last year and another was just announced for Philadelphia, but it's a trend that's producing new venues all over the world.

"Esports are a global phenomenon," said Brian Mirakian, director of brand activation and senior principal at Populous, who is working on designs for esports venues in the Philippines. "There is a tremendous amount of activity in Europe. North America is coming online. But Asia is where it's at right now."

Venue designers have been in the trenches for the better part of the decade trying to pinpoint exactly what the predominantly millennial gamers and

fans want and need from esports spaces.

"This is our chance to rethink everything about traditional arena design," said Nuno Guerreiro, senior associate and senior project designer for HOK.

Guerreiro said his biggest challenge was figuring out how to make existing spaces work, as he recently did when he redesigned United Center in Chicago after the venue forged a deal with Intel Extreme Masters and ESL to turn it into the new headquarters for IEM events in North America.

"Building a new dedicated esports arena from scratch is somewhat easier as we already know some of the things that are required," he said.

Rashed Singaby, senior project designer for HOK, agreed that esports design is wide open with few set parameters.

"Known standards and defined breaks do not exist yet and we base our design based on this kind of flexibility," Singaby said. "What's truly still missing is a business and operational structure for the industry. There are no venue standards for esports. That's where we come in, to coin the new blueprint."

"When I start designing, I start at the micro level of where should the seats be; where should the stage be; where should the screens be," Guerreiro said. "Then I look at the macro level of how a

big venue can get organized."

"When looking at seating, I need to know how the gamer is being viewed," he said. "How you view a gamer playing ('Counter-Strike: Global Offensive'), where there is a vantage point of each gamer, is different than how a esports fan sees a FIFA (soccer) game where everyone is looking at the same pitch on one screen."

'INFINITE POSSIBILITIES'

Guerreiro takes a triangle approach when he starts an esports design. "The triangle consists of technology, creating an environment and flexibility for different gaming genres and venue operations."

"There are infinite possibilities," Singaby said. "Esports is a general term. There are different genres of games and their needs are different; there is no standard or recipe."

The fans are very comfortable with technology," he said. "They want interactive spaces that allow the fan to follow the event on their phone or on monitors placed throughout the venue."

An emphasis on social areas is vital. "Between competitions, esports fans want to connect with their peers," Singaby said.

"We place a higher importance on the flow in the building over sitting in a

Lanxess Arena in Cologne, Germany, has become an annual site for an ESL "Counter-Strike" tournament.

AS IN U.S.,
ESPORTS
BOOM DRIVES
INNOVATIVE DESIGN
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seat,” Guerreiro said. “Fans bring friends and family who aren’t necessarily interested in all the matches. We are starting to create opportunity for things to take place that are not gaming-oriented.”

“When it comes to the general stage layout, it is all about transporting the action to the viewers through really big screens,” said James Dean, managing director of the U.K. subsidiary of esports organization ESL, which has held esports events at Lanxess Arena in Cologne, Germany; Barclaycard Arena in Hamburg, Germany; Arena Birmingham (U.K.); Spodek in Katowice, Poland; and Sparekassen Fyn Arena in Odense, Denmark. “Video games are detailed, and most of those details matter. If we want to enable the audience to follow, understand and appreciate what the pro players are doing, we need to ensure every detail is seen. Screen sizes, position and viewing angles are key.”

Singaby also keeps in mind that esports venues are not full every night. “The venue owners are booking small comedy shows or small concerts or expo space in the downtime. The more flexibility we can plan into the spaces, the more we are empowering the success of this business model.”

Mirakian’s Philippines venues are “smaller-scale venues and are a prototype for others. They are typically 30,000 to 40,000 square feet and often in malls or casinos. Mall culture is still very popular in Asia.”

In contrast, a new esports arena Mirakian designed in Arlington, Texas, that opened in November is over 100,000 square feet and a stand-alone building.

Mirakian said he keeps four points in mind when approaching an esports design.

The first is that people will be in these buildings every day. “I prefer the front to be outward and public-facing. We want it to be inviting and a place where people are playing the games and building the culture,” he said.

Second is that the venue has the ability to host the events. “This is where the actual stage and seating are considered,” he said.

Third is where the production studio will sit. “The importance of getting this right cannot be stressed enough,” Mirakian said. “These facilities beam the action out to millions of gamers across the world.”

Fourth, he looks at the back-of-house setup. “There needs to be space for team training, office space, nutrition, and a green room.”

Quality broadcast capabilities are also on Singaby’s mind. “It’s no secret that a big part of the esports business is not just the physical act of gaming,” he said. “It’s streaming. It’s online. You could easily have an event that has 20,000 people in the venue and is being streamed to a million other viewers on Twitch and other services.”

Sven Hoffman, global event executive producer for ESL/Turtle Entertainment, also signaled that making room for the production studio is one of the most crucial issues to address. “Esports happen online to a huge extent.”

Singaby agreed that the back-of-house was a vital area often overlooked. “I tell our clients that the backstage should equal the size of the gaming stage. There’s a lot going on back there. I need to know I can transform my event from one type of event to another in a day. I want to make sure I have the back-of-the-house power to do it.”

AN INVESTMENT IN TECHNOLOGY

Technology is the key to creating a viable esports arena. “This is not something tangible like a product, but it is what makes a venue qualified to host an esports event or not,” Singaby said. “A lot of our clients don’t realize the magnitude of investment that needs to be put into technology in order to make their venue ready.”



One big piece to the technology puzzle is the network. The gamers rely on a very robust network that needs a redundant system that can back it up. You need another network devoted to streaming the gaming online. Then you need a network for all the interaction in the venue. This is all apart from the operational network that runs the venue. They cannot collide or be shared, he said.

“The cost goes into technology,” said Craig Levine, global chief operating officer for ESL North America. “There are three miles of cabling alone in some buildings to feed the data center, production studio and post-production studio.”

Levine said that “gaming is a global pastime at this point. There are 2.2 billion gamers in the world. It’s human nature to be competing. High-speed internet opened the door for this industry. The industry is more mature in Europe and Asia. Dedicated esports venues in North America are still a relatively new concept.”

Levine’s goals when designing are “to create the social connection our audience is thirsting for.” He’s also looking for connectivity, the right layout, high ceilings and bigger, wider concourses.

“We’re designing free-flowing spaces with room for on-site experiences like getting autographs, trying out new games, testing new hardware, open air,” he said. “These shows are

The Spodek facility in Katowice, Poland, is regarded as a global leader in esports, one executive says.

“The backstage should equal the size of the gaming stage. There’s a lot going on.” — RASHED SINGABY



really a hybrid between a sports event and a festival.”

The largest events globally still take place in Asia when it comes to seated audience figures. However, Katowice is widely regarded as the global showcase when it comes to variety, onsite activity, overall visitor numbers, length of time and levels of production values, Dean said.

“The U.S. is consistently growing, and although producing some incredible events, are not quite up to speed with its EU counterparts,” he said.

Hoffman said that he thinks the most significant difference from a traditional venue is how to envision an esports venue with the necessary technical and structural requirements.

“In a standard ESL pro tournament, the venue needs to cover practice facilities for 16 teams, so instead of the common two to four locker rooms, a perfect esports stadium would offer 16 practice rooms for teams with each room being able to accommodate a team of six and include desks and computer setups,” Hoffman said.

Jud Hannigan is CEO of Allied Sports, which own esports arenas in Las Vegas and Oakland and Santa Ana, Calif., and arenas in China in Beijing, Shenzhen, Tianjin, Gui’an and Hangzhou. All five Chinese venues were built specifically for esports with Allied’s Asian partners. Allied also just opened a facility in Melbourne, Australia, called Fortress Esports.

“Esports are extremely global while being extremely local,” he said. “Each market has a unique interest in gaming. What we offer in Vegas is different than what we offer in Oakland.”

China is showing considerable growth. The U.S. market is prime for growth, he said.

“When people think of an arena, they think 20,000

seats. Our flagship space in Vegas is 30,000 square feet with 1,200 capacity,” Hannigan said. “Big shows in Madison Square Garden are once or twice a year. We’re doing this every day in our venues.”

To Hannigan the greatest difference between North American and Asian events is that in Asian design he leverages the internet cafe concept to make the areas feel loungelike and separate from the event area.

“In North America, the competitive area and the gaming area are all in one. The fans want to be on the floor of the arena and then get a chance to climb up on stage.”

Flexibility and modularity are vital in an esports venue, he said. “Whether it’s dedicated venue or a multipurpose venue, every event and every game is different.”

Mirakian was surprised at the amount of integration with the screen at an esports event.

“We often think the best seats in the house are the Jack Nicholson seats on the court,” he said. “In esports, fans want to migrate further up, even to the upper seating, because the sightlines are optimized for seeing the screen in those locations.”

Another difference from traditional sports is the importance of on-air talents like commentators and analysts, said Singaby. “In esports, those guys are actual stars, much more than in any other sports. So, when we are planning our venues layout, we are trying to make those guys as visible as possible. We are positioning the production sets on the ground floor, rather than above the crowd where a press box for most sports would be.”

Mirakian also sees differences around the need for gaming lounges in Asia. “There has been more maturity around gaming lounges for many years in Asia,” he said. “Mobile gaming is much more popular in Asia and growing at a high rate. Mobile gaming competitions are starting to happen, and the lounges are a great place to hold those events.”

GETTING F&B AND MERCHANDISE RIGHT

Hospitality is another challenge for the esports venue designers.

“The average age of an esports attendee is lower, and the purchasing power is higher,” Guerreiro said. “There is a higher level of demand for quality food and beverage. Tournaments can last two to three days. They want variety. They want healthy options. Alcohol doesn’t play a big role.”

“F&B and merchandise are absolutely a large part of the emerging industry and a large growth area,” Hoffman said. “F&B for multiple long days generates significant revenue.”

Concessions are run in-house at Allied properties and “are a good part of the revenue,” Hannigan said.

“Being on site for so many hours, the fans are consuming lots of F&B,” said Levine. “We run surveys and constantly the concession prices are the No. 1 sore point. At a soccer match paying \$8 for a hotdog comes with the experience. But think about eating three meals a day there. It adds up quickly.”

Levine said that ESL has “tried to work with the venues to make sure we have the right offerings at the right price. Venue operators have been slow to understand this. The first time we have this conversation, they don’t quite get it. But after an event, if we go back, they usually accept our guidance. Europe is more flexible than the U.S. in this regard.”

“This crowd is young, affluent and want grab-n-go,” said Mirakian. “But they want fresh food that’s pushing the boundaries of what we call venue food.”

“Merchandise is very much on the rise, not just in the physical form of apparel, pins and accessories, but also digital items which can be exclusive to visitors onsite,” Hoffman said.

Mirakian said: “Fans like the event shirt, like a concert shirt. Team jerseys and games are also hot items.”

Sponsorships are also a part of the package. “We’re seeing large brands coming onboard. It used to be gaming companies, but now we’re seeing Mercedes-Benz, DHL and Pepsi. Sponsorships are one of the largest revenue drivers, as is media rights,” Mirakian said.

Levine said that every aspect of the live event experience is being challenged by esports. “These kids are there for 12 hours a day, three days in a row. They want a new type of experience and that means looking at everything from wayfinding to graphic arts to interior design and lighting.”