REGULATION

GLI[®] & eSports

Keeping Integrity in the Game



he 2019 Consumer Electronic Show (CES) in Las Vegas underscores the rapid rise of eSports to mega-stardom. Some of the many eSports topics at this year's CES tradeshow include "Esports: The New Playground for Marketers," "The Technology of Sports and Fan Experience," and "Esports: Powered by Technology." There's even a "CES Sports Zone" dedicated to the cutting-edge evolution of sports technology and emerging trends in eSports.

The meteoric rise of eSports and the resulting attention eSports is getting from the gaming industry comes as no surprise. According to a recent Goldman Sachs investor report, eSports is already outpacing some major league sports audiences, such as Major League Baseball. Goldman Sachs notes that the average monthly eSports audience size in 2018 was around 167 million and they predict that this figure will jump to 276 million by 2022. More people watch eSports events on YouTube and Twitch

than HBO, Netflix, and ESPN combined. Asia is by far the eSports Goliath, notes Goldman Sachs, with approximately 442 million gamers; contributing upwards of one-third of the industry's total revenue. And Deloitte's TMT Group predicts that the global eSports market will generate \$1 billion in revenue in 2019.

With the explosion of eSports globally, the potential for new revenue streams and the opportunity to drive more Gen Xers and Millennials to traditional

land-based casinos via eSports events has also not been lost on the gaming industry. Moreover, the propensity to wager on eSports events is growing exponentially. According to a report by Chris Grove, a gaming industry analyst, and partner with Narus Advisors and a senior consultant with Eilers & Krejcik Gaming, U.S. eSports fans wagered approximately \$715 million on eSports in 2016.

Grove notes in his report that there are multiple scalable entry points for gaming operators and suppliers to enter the eSports arena, including competitive events, skill-based gaming, and online platforms that drive opportunities for land-based operators to build a base of loyal eSports players. This revenue potential, says Grove, extends to competitive onsite eSports events and tournaments, including exhibition matches, and regional and national competitions. Additionally, various ancillary events, such as eSports conventions, fantasy camps, after-parties, and fan meet-and-greets are just some of the many avenues gaming operators could pursue to enhance their eSports revenue stream. Gaming operators are also looking to cash in on the rapidly expanding eSports phenomenon by developing venues and competitive arenas specifically designed for eSports gamers. In 2016, the Downtown Grand Hotel & Casino opened one of the area's first eSports lounges by converting an existing highlimit table games area on the casino floor into what it calls the "Downtown Underground." The lounge hosts weekly eSports tournaments with cash prizes, supporting 1v1 up to 6v6 competition. The area features several viewing screens and can even be used as a team "boot camp."

The Luxor Las Vegas on the Strip has made an even more significant investment in eSports with its high-tech HyperX eSports Arena. This 30,000 square-foot, state-of-the-art multi-level facility features such amenities as a 50foot LED video wall, telescopic seating, unique food and beverage offerings, and a network-TV quality broadcast studio. It clearly demonstrates the paradigm shift that is taking place within the gaming industry as major gaming operators seek to establish a dominant foothold in the lucrative eSports market.

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Gaming Laboratories International (GLI®) is the world's leading provider of advanced testing, certification, assessment, and professional services for the global gaming and lottery industries. Our primary focus is ensuring the integrity of the game for operators, suppliers, regulators and ultimately - the gaming public. **GLI** has nearly 30 years of experience in iGaming and sports wagering and is proud to have worked with some of the iGaming industry's leading eSports operators for their testing in Europe and the Americas.

GLI's veteran eSports team is not only passionate about the sport but also about ensuring continued integrity within organized competitions. They couple their video game experience with GLI's unique position in the gaming industry, resulting in an unmatched skillset that helps the industry to self-regulate with technical acumen while also instilling confidence to stakeholders within environments where regulated traditional gaming takes place.

GLI can provide eSports expert consultation in a variety of areas, including creating procedures for verifying eSports gaming equipment; controls to prevent locally installed cheats; procedures for documenting and vetting athletes; best practices for preventing match-fixing and ensuring the integrity of IT infrastructure; best practices for rules, controls, exceptionhandling, and anti-corruption; and certification of equipment for eSports wagering for compliance with sports betting regulations.

Contact GLI's eSports Team today and learn how we can assist you to provide stakeholders with assurance that your eSports platform is random and secure. For more information, please visit gaminglabs.com.



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