

SITUATIONAL ANALYSIS

THE INTERNATIONAL DOTA 2 CHAMPIONSHIPS

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INTRODUCTION

The gaming industry's growing mainstream relevance garners increasing media attention and large-scale crowd interest and audience reception, which builds a marketing momentum for the "virtual sport." The industry has also infiltrated pop culture and has become a new significant platform for marketing and media/PR opportunities as well as influences for fan-based virtual social communities.

The rise of video gaming in mainstream culture sets for continuous growth as it's esports segment lead on for universal opportunities and virtually help build social communities. DOTA 2's "T19" (The International 2019) had over \$33 million of crowdfunding prize pool while the "Fortnite World Cup," another highly anticipated esports event, accumulated a total of \$30 million, both surpassing NBA's \$22 million prize pool.

The purpose of this analysis was to identify the strengths of "The International DOTA 2 Championships," and the strategic opportunities in the video game as an emerging platform for new business, technological application, and media and PR uses.

BACKGROUND ON THE ISSUE

The video game industry has evolved through generations, not only through developments in gameplay and player experience but as well as an industry. Video game playing has turned from a mere adventure/thrill-seeking virtual entertainment into a competitive mental sport. The industry has successfully infiltrated mainstream attention through tactical gameplay and for serving as a platform for non-traditional physical athletes to thrive in what is known today as "esport."

Brief History of DOTA 2

DOTA 2 started as a mod for the Warcraft 3 game in 2003 developed by a "keen modder known by the handle Eul" (Dean, 2014), which he called Defense of the Ancients (DOTA). The game is a point-and-click control of a single hero, wielding wildly different abilities, where players would purchase weapons and level up the hero to gain even more skills. After its release, Eul stopped working on the mod and other modders stepped to create their own versions. The most successful of these was Steve Feak, better known by his bizarre handle: Guinsoo.

Guinsoo developed DOTA: Allstars, where he mixed the best elements of other DOTA mods together with his own content. "Allstars featured a map dotted with neutral monsters, boasted many heroes and had an overwhelming array of special items, some of which could be combined in recipes to create even more powerful artefacts" (Dean, 2014).

After two years, Guinsoo passed the reins to a reclusive modder called Abdul "IceFrog" Ismail. IceFrog endlessly tweaked the balance of the characters and items. IceFrog would

continue to lead the development of the mod. In August 2010, Valve Corporation trademark the term “DOTA” with IceFrog still leading the game’s development. October 2010, Valve Software announced Dota 2, a heavyweight challenger to LOL from a powerful software house.

The International DOTA 2 Championships



Image source: <http://www.dota2.com/international/overview/>

Since the franchise’s reformat and re-development with Valve Corporation, the game became its own genre from a mere mod. In 2011, Valve has hosted the first official DOTA 2 tournament titled: “The International 2011.” which since has become an annual tournament hosted by Valve.

Garnering a tremendous reception and public interest, the game has developed itself into a new leaf as a competitive entertainment platform that caters and relates to gamers all around the world. “The International” has been fueled by hyped fans not only as fans of the game but also supporters of their favorite teams.

Strength and Weaknesses

Based on an initial assessment, The International DOTA 2 Championships cater to its fans and to both competitive and casual gamers alike through its continuous development as well as with its brand communication campaigns. In lieu of the annual championship, the game also releases a Battle Pass where special events, hero cosmetics and other rewards can be obtained by those who purchase and participate. Most notably, the annual vote for the “arcana” artefact is one that is sought by most players as the hero with the most votes wins an arcana cosmetic that can be purchased through the Battle Pass or the later on as an additional cosmetic. A percentage of the proceeds from the Battle Pass also go to the prize pool,

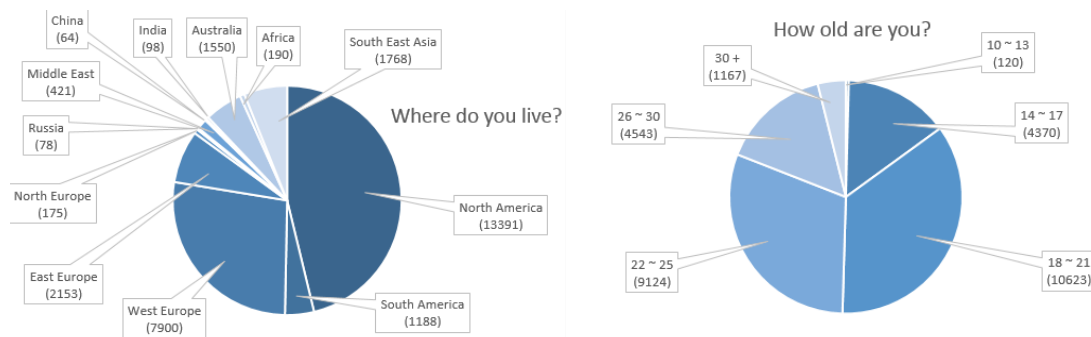
The International stays true to its brand and ventures into the visual identity that both remains consistent to the game’s identity as well as staying loyal to its fans’ expectations. The International is active in social media, specifically in Twitter and Instagram, while remaining up-to-date contents on their website as well. DOTA 2 also has an active YouTube channel, which the organization utilizes for to upload its promotions as well as recap streams. The annual championship is also inclusive to international audience given that it is a U.S. hosted event, creating international advantage for the championship and its community exposure.

While the championship's Battle Pass often receives praises or positive reception to its fans, some years the rewards and other unique artifacts for the Battle Pass are not well-received by the Fans. According to a recent article, "DOTA 2 fans aren't happy with The International 2020 battle pass" (Wells, 2020). This could show that during the development of the annual Battle Pass, some rewards that were in place for the annual pass do not resonate with some fans and thus producing less interest to the community, which could reflect in sales. The marketing campaign also seems to focus solely on its fans or current subscribers, which could inhibit further expansion of the game's audience.

TARGET PUBLICS

The game's popularity attracts casual players from teens to young adults. According to STRATZ, "over 40% of T18 (The International 2018) players were between the ages of 21 and 23" (STRATZ, 2018). The annual event also aims for streamers such as Twitch users, with the event being a highly anticipated streaming event. According to PCGamer.com, "GitHyp reports 1.1 million viewers tuned in to the championship finals on Twitch, which took place in Shanghai and began at 10 a.m. local time."

According to a 2015 independent survey uploaded in Imgur.com, the biggest populations come from South East Asia, West Europe, and North America. The source also shows that players in the age group of 18-21 stand as the leading players of DOTA 2 followed by 22-25 and 26-30 respectively.



Source: Imgur.com | <https://imgur.com/a/gpfME>

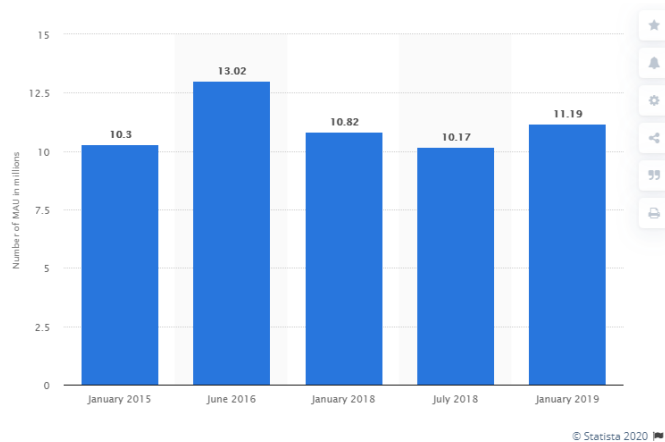
EVIDENCE AND RATIONALE FOR PROBLEM STATEMENT

Steamcharts.com reported that the average number of players on March 2016 was over 700,000, which marked the highest average players of the game as of today. The game's annual "The International Championship" spiked a 63% percent increase in viewership between 2018 and 2019 championship, with over 88 million hours watched, according to Escharts.com (Yakimenko, 2019).



Image source: <https://escharts.com/storage/app/media/uploaded-files/ti9ti8comparisonallstages1.png>

According to Statistica.com, “DOTA 2 generated revenue of 406 million U.S. dollars in 2017” and with an “averaged almost 455 thousand players per hour in 2018” (Gough, 2019). Another report also shows an average player monthly active user about 11 million between January 2015 and 2019.



Source: Statista.com | <https://www.statista.com/statistics/607472/dota2-users-number/>

Statistically, the number of players, audience reception, and the crowd-funded prize pools, show the potential of the contest as a platform for marketing, advertising, and research given its quantitative nature.

ISSUE OR OPPORTUNITY BACKGROUND

Problem Statement

DOTA 2's growing presence can generate opportunities as a PR and marketing platform and can embark on group training concepts that strongly adheres to team coordination, support, and leadership.

The game, and through its annual international championship, has made a mark with the rise of video gaming in mainstream culture sets as it's esports segment leads universal opportunities and virtually help build social communities.

Areas of Future Research:

Marketing Platform: New Business Opportunity

Esports competitions are hosted all around the world, but primarily in the United States, Europe, and Asia. "The popularity of video games and the desire to spectate online and in-person gaming has amplified as internet-based gaming has improved. Moreover, esports fit into the model of "nontraditional" sports along with other activities that utilize technology to remove the participant from direct action" (Jenny et al, n.d.). Furthermore, a successful strategic development could further expand The International media's coverage equivalent to that of traditional sports, such as a broadcast deal ESPN or other sports channel.

Energy drinks (like Red Bull), electronic products, merchandises, and could be great products to advertise in the event such as through sponsorship as the said products are easily relatable to the event's brand and audiences' interest.

Machine Learning: AI Team Building

DOTA 2's immersive gameplay that relies heavily on team coordination and tactics can be a source of development or mental training programs that is potentially useful for other applications. An article reported "a team of AI agents created and trained by the artificial intelligence startup OpenAI has taken down the reigning Dota 2 The International champions Team OG" (McAloon, 2015).

SUMMARY

DOTA 2 has changed the nature of video gaming as more than an entertainment platform. The immersive gameplay remains to excite players, current and new, to better their skills, which promotes customer / player loyalty. Additionally, the rise of its annual championship segment paved the way for the game to increase its popularity that creates business opportunities, most notably the potential to be compete with traditional broadcasted sports.

The rise of the game and its annual championship also posts new opportunities for PR practices such as learning new trends and strategic campaigns that are based on action and art, much like The International's communication campaigns. Furthermore, development could produce new business opportunities and learning applications that can be beneficial to the emerging AI trend, as well as potential team building applications.

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