



**A strategic narrative focused on seeding the  
development of an Esports and games design economy  
in Coastal West Sussex**

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**Final Version 1.0  
July 2020**

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## Introduction

The following narrative has been generated to provide an introduction to the rapidly expanding Esports and games design economy. The report presents an opportunity for the growth of the sector in Coastal West Sussex and its contribution to the local economy through:

- Connecting with young people that are disengaged with education and promoting a creative digital agenda
- Providing a focus for a developing creative digital sector
- Promoting events that could help raise the profile of Coastal West Sussex as a destination for younger people and their families, extending the visitor season
- Bringing new opportunities to our town centres
- Providing insight and shared understanding of the value and opportunities that Esports could have for our coastal areas to stakeholders (Local Authorities, Coast to Capital, local businesses)

The report has been researched and produced on behalf of the Coastal West Sussex Partnership by Mike Holley, Head of Creative Digital Technology and Professor Dave Cooper, Head of the Business School at the University of Chichester. The Creative Digital Technology Department runs one of the UK's only Esports degrees and is just about to launch a games design degree. The report is presented with the intent of providing a basis for further discussion and strategic development

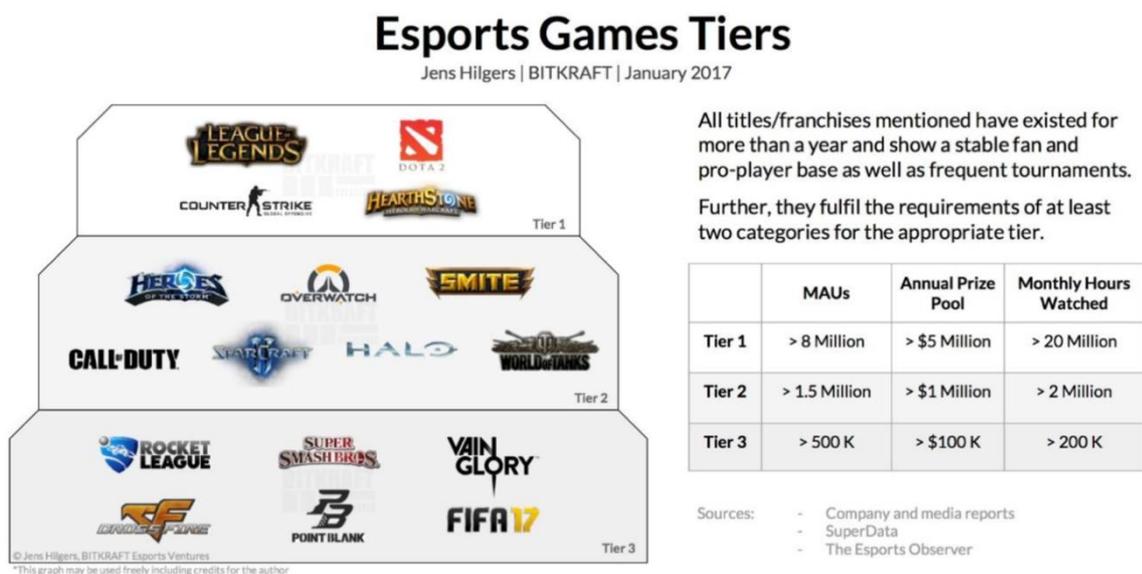
## Background

### What is Esports?

**Noun** (usually used with a plural verb) competitive tournaments of video games, especially among professional gamers. (dictionary.com)

Esports is one of the fastest growing entertainments in the world both at professional and amateur levels. Though Esports have been around for over 20 years in one form or another it has really exploded across international markets in the past 7-8 years as it evolved from fixed line LAN events into a global network of players, watchers and youtubers benefiting from higher speed internet and computers.

Professional Esports is broken into tiers (Fig.1), depending on the game.



(The Esports Observer, Jan 2017, [LINK](#))

Figure 1, Esports Games Tiers

### Esports Facts and Figures

Although market figures vary dependent on the definition and the source of data, most analysts are in agreement; Esports is a major contributor to GDP and is here to stay. From a relatively niche global market worth US\$194m in 2014, esports saw its total revenues leap five-fold, to US\$980m in 2019. Spending on esports is projected to surge at a compound annual rate of 18.3% between 2018 and 2023 to reach almost US\$1.8bn (Monetising Esports via multiple revenue streams, PWC 14-01-2020 <https://www.pwc.com/gx/en/industries/technology/publications/monetising-esports.html>). The global Esports market is set to grow 20.6% year-on-year from \$620m in 2017 to \$1.6bn by 2022.

The UK's second fastest growing entertainment and media sector is Esports, growing 21% year on year to reach £48m in revenue by 2022. (PWC Sport's Survey 2018, <https://www.pwc.ch/en/insights/sport/sports-survey-2018.html>)

Esports generated \$756m in revenue and attracted 258m unique viewers in 2017. This was split 70% sponsorship and ads, 11% prize pools, 10% amateur tournaments and 9% merchandise and ticket sales. (Superdata, A year in Review, 2018, <https://www.superdataresearch.com/> - latest data is 2019 – A year in review)

The Esports economy is global and top games are played professionally by professional franchised teams where players earn millions \$ a year. The games between teams are watched on line by millions of people and live events take place in stadium attracting 20,000 plus individuals. As an example, League of Legends (LOL) success is remarkable; viewers recently [spent a total of 10.65 million hours watching the games in just a span of 8 days during LOL's biggest international tournament, the League of Legends World Championship](#). These games are played extensively by young people typically below the age of 35.

Supporting Esports is a whole industry designing and marketing games to be played. The UK games industry is worth nearly £3bn to the British economy and employs over 47,000 people across the country.

Over 1 in 5 internet users say they are interested in Esports, rising to 4 in 10 for gamers. Though watching gameplay is considerably more popular than broadcasting one's own for the time being, the avenues for involvement are becoming easier. A common activity among younger gamers, those aged 16 to 35 are 1.2x more likely to broadcast their gameplay in the last month.

Through online multiplayer, video games offer the opportunity to connect together in a virtual space – nearly half of gamers played a game with their real-life friends in the past year. For some, online gaming means making new friendships or maintaining old ones in a virtual setting. Increasingly resembling a new form of social network, 1 in 3 internet users in the UK and U.S. say that the most important reason they game is to have fun with people they know.

With the migration of gaming activities online, a whole host of behaviours fall within the confines of gaming, even those that don't involve picking up a controller and playing a game. For some time now, there's been a substantial market here, which was reflected in the near \$1bn price tag Amazon paid for video game-streaming site Twitch back in 2014.

The individuals at the forefront of Esports, dubbed "E-Athletes", make for influential celebrities in their own right. Personalities like Tyler Blevins, or "Ninja" to his followers, accumulated 22 million subscribers on his YouTube channel in 2019, and recently signed with Adidas as a brand ambassador. These stars make for crucial touchpoints in the purchase journey for Esports fans. Nearly half in this audience follow sports stars on social media through celebrity endorsements.

191m people watched Esports at least once a month in 2017, with a further 194m watching less regularly (total 385m).

173,000 people attended ESL's Intel Extreme Masters Season XI in Poland.

ESL One Birmingham (2018) had a prize pool of \$1 million and was held at the Arena Birmingham with audiences of 20,000 per day in attendance. [globalwebindex.com](http://globalwebindex.com)

Other global brands have either made significant investment in or have been headline sponsor for Esports live events. DHL, Mercedes, Intel, Microsoft, KFC and Red Bull just to name a handful, have and continue to be heavily supportive of this evolving industry.

Traditional sporting brands and entities have also invested into Esports. The Philadelphia 76ers USA sporting franchise purchased Team Dignitas Esports, one of the UK's most successful teams, in a multi-million pound deal in 2016. Football clubs such as Manchester City and West Ham United have brought in professional Esports teams and players. In recent times we have seen the interest in virtual grand prix grow significantly with companies such as Veloce Esports working closely with F1 drivers.

## Games Development

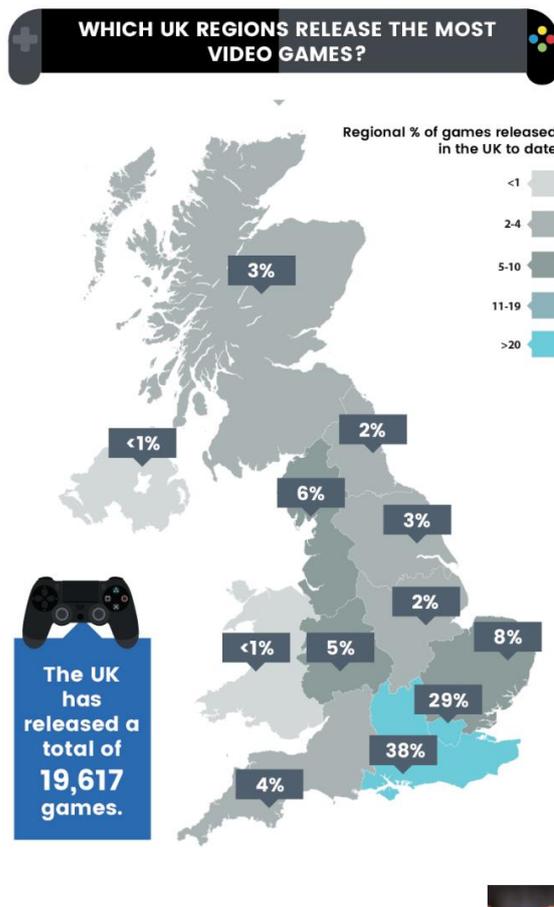
The UK is the fifth largest video game market in the world, with a record £5.11bn spent on gaming in the country last year. Britain is a nation of a reported 37m gamers and the increased creation of games is contributing heavily to the economy.

A report, "Screen Business: How tax incentives help power economic growth across the UK", says that the gaming industry directly employs 20,430 people full-time in development, publishing and retail contributing £1.52bn in gross value added (GVA) to the UK economy.

Games design companies do tend to operate in clusters primarily for operational reasons focused on access to talent. For small businesses, they will come together around specialists that form to create a product and then disband. Larger companies will attract talent and grow on the back of this potentially spawning new businesses. The industry tends to be based in London and the South East, Figure 2. However, there are some interesting local economy case studies in relation to Coastal West Sussex; Leamington Spa, Dundee; <https://creativeconomy.britishcouncil.org/guide/hubs-clusters-and-regions/> This report also cites Wired Sussex in Brighton as a leading example of the benefits from establishing a creative digital cluster.

There is significant regional competence in creative digital/Esports.

## UK games industry map



### South East

Location	Games Companies	Full-Time Employees	Direct GVA (£m)	Total GVA (£m)
Basingstoke	12	88	1.3	2.2
Brighton	65	277	13.7	24.1
Crawley and Horsham	24	579	47.8	83.7
Guildford and Aldershot	64	855	36.6	64.0
Oxford	26	312	8.0	14.4
Medway	4	146	12.3	21.6
Milton Keynes	5	95	9.5	17.7
Reading	14	162	4.8	8.5
Slough and Heathrow	62	595	58.8	116.2
<b>South East</b>	<b>376</b>	<b>3266</b>	<b>197.3</b>	<b>356.3</b>

#### Game Development Meetups & Groups:

- [Brighton Game Collective](#) (Brighton)
- [Brighton Indies](#) (Brighton)
- [Brighton Unity Group](#) (Brighton)
- [Guildford Game Developers](#) (Guildford)

Figure 2, UK games industry re number of games produced

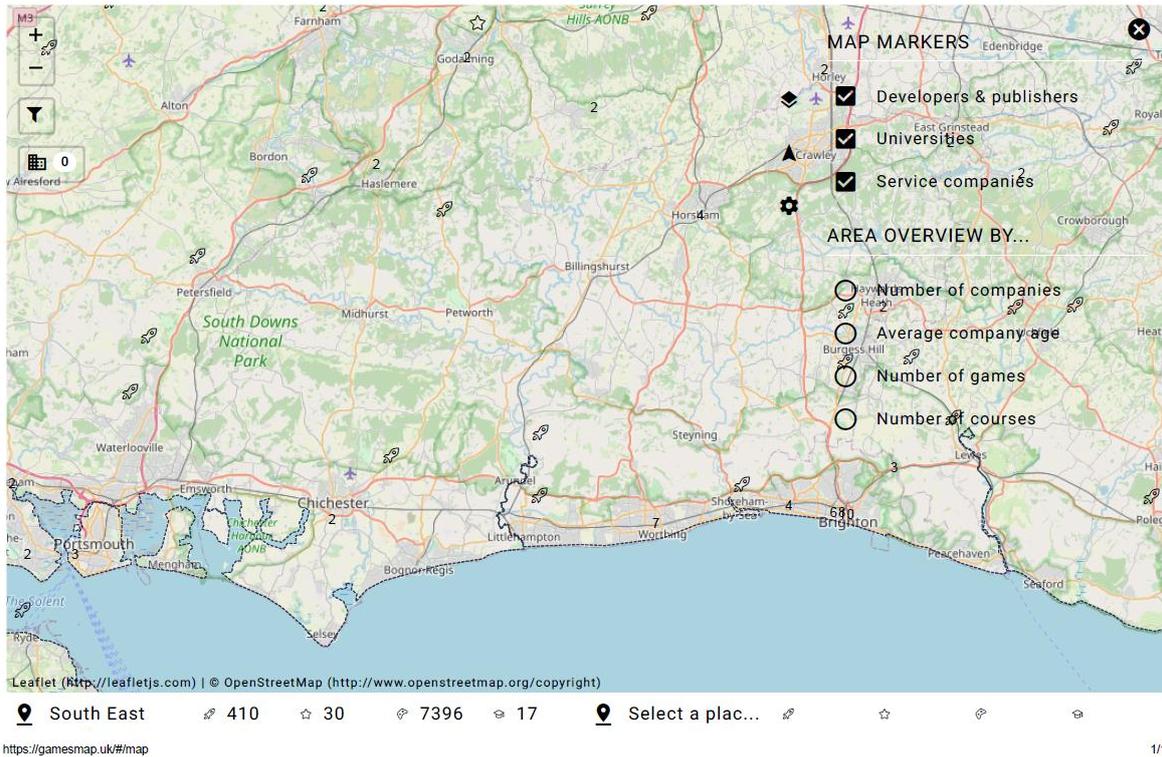


Figure 3, UKIE/ Nesta map of games design and production businesses <https://gamesmap.uk/#/map>

According to the UKIE/Nesta map, there are some 16 games companies in the CWSP area with significantly more in Coast to Capital and one of the UK’s largest and most successful companies, Creative Assembly based in Horsham.

Considering recent research and the mapping of Games related businesses in our region, there is an opportunity to both interconnect and add to what is already happening. Operating in virtual spaces is not unusual for those working within the Gaming sector as long as super-fast broadband (> 30MBps Ofcom) is accessible. However, many of these small businesses benefit from access to coworking spaces. Opportunities are there to support the continual regional growth, attract those unable to afford premises in Brighton for example and for establishing a unique network of gaming/Esports hubs along the coast.

### University of Chichester & Esports

As an institution the University has recognised the potential of the sector and has developed only the 2<sup>nd</sup> Esports degree in the UK. They have also been advisors to Pearson’s new L2 & L3 Esports BTECH launched 2020, and founding members of the Association for the Continual Education in Esports (ACES), a UK body drawing together HEIs and industry to promote Esports education and research. One member of the Esports staff team is on the British Esports Association Industry Advisory Board and we have partnerships with Esports company Veloce and peripherals supplier Hyper X. We have recently launched our first Games Design and Development degree programme and see the Bognor Regis based Tech Park as a focal point for the creative and digital economy both locally and regionally.

## Link to CWSP priorities

The Coastal West Sussex partnership, working towards renewing its strategic direction and working with its partners, published an initial narrative at the beginning of 2020, Coastal West Sussex; Setting the scene (<https://coastalwestsussex.org.uk/wp-content/uploads/2020/03/CWS-White-Paper-FINAL.pdf>) This narrative builds on the agenda of the current CWSP strategy for 2016-20 and the four priorities focused on place, infrastructure, skills and business confidence. It seeks to address long term embedded issues. The coastal area has yet to experience the same levels of growth and business formation seen in other Coast to Capital areas and lacks a clear economic identity. It is also hampered by its 'seaside tourism' history and a lack of investment in skills and infrastructure. Coastal West Sussex Profile (Sept 2019) [https://coastalwestsussex.org.uk/wp-content/uploads/2019/10/SCL\\_CWSP\\_DataProfSep19\\_Final.pdf](https://coastalwestsussex.org.uk/wp-content/uploads/2019/10/SCL_CWSP_DataProfSep19_Final.pdf)

As a consequence, the region does not currently support the right type of jobs in sufficient numbers to retain its own workforce and a significant number of residents are commuting out of the area to work. Equally many of the knowledge-based businesses within the region struggle to attract the highly skilled resources that they need to grow. Productivity levels are low and the region appears not to have a critical mass of both knowledge-based businesses and resources to attract sustainable growth.

The problem is exacerbated by the low level of STEM aspiration and skills progression through schools and colleges. The Coastal West Sussex strip contains significant pockets of deprivation and poor levels of STEM attainment as illustrated by HEFCE Cold Spots data. Anecdotal evidence from both schools and businesses identifies specific challenges; ineffective teaching, parental misunderstanding of the opportunities presented, gender biased projects, limited careers advice, uncoordinated and intermittent business involvement, no clear educational pathways. The key messages emanating from the Setting the Scene report are the desire to be ambitious, to work together to create a connected economy and form effective partnerships across the sectors to deliver real solutions to complex challenges. Specific areas of focus would be:

- Attracting and growing digital and technology business in Coastal West Sussex to begin a sustainable economic revival. Making use of the gigabit fibre installation and creating a network of Innovation and Tech spaces or hubs that better use the new digital infrastructure and support new business growth.
- Improve educational attainment and engaging schools, colleges, businesses and local authorities to agree a common agenda; to inspire and support both young people and those already in the workplace to be ready for new future job opportunities.
- Creating a visitor/ resident experience encouraging people and businesses to move, take advantage of exciting urban centres and stay in the Coastal West Sussex region.

The impact of Covid 19 on CWSP has exaggerated many of these issues as highlighted by a recently commissioned report, (<https://coastalwestsussex.org.uk/wp-content/uploads/2020/06/FINAL-Coastal-West-Sussex-Report-20200609.pdf>). The report comments on; the disproportionate impact on young people, the need to provide a safety net for individuals employed in the creative and digital businesses and the challenges faced by the tourism sector. The circumstances have illustrated the need not just for recovery but for renewal.

There are clear connections with this agenda and the variety of opportunities arising from a broad engagement in the Esports industry. There are a number of examples where towns and regions have benefited from a comprehensive approach to Esports and perhaps demonstrated by the short

case study presented in Appendix A on Katowice in Poland which was fully embraced as a joint private-public sector initiative.

### Education and Digital skills

Gaming and Esports offers a pathway to enhance educational attainment. Colleges and schools have been using gaming/Esports as an enrichment activity and have seen a huge uptake from often disengaged students. Most recently, Pearsons have launched a BTECH in Esports for L2 and L3 students.

Both the Games industry and the Esports industry are growing and vital to the future UK economy. As an access to greater educational attainment and employment, inspiring and engaging young people otherwise disconnected from traditional academic education, Esports in particular offers a unique and exciting pathway. The UK's creative economy is also reliant on improving diversity and employing people from under privileged backgrounds, otherwise not represented in the sector.

The British Esports Association has worked on projects such as 'Digital Schoolhouse' promoting gaming and Esports within primary and secondary schools, and FE Colleges. The main driver with such projects is to improve digital skills for a range of students, enhance problem solving through gameplay and to embrace the many opportunities offered by gaming in general.

There has already been exciting growth in University Esports teams with The NUEL (<https://www.thenuel.com>) already running University leagues with over 100 teams. The British Esports Association has been advising and promoting inter college/school level competitions. The University of Chichester has also been advising regional colleges on setting up for Esports. The main challenges colleges and schools face is the high cost of technology required and access to facilities.

### Impact on tourism; Atlantic city

There is again increasing evidence of the potential to support Tourism through events, conferences and association. The example of Katowice touches on this. But other recognised Tourism centres are catching on.

*The emergence of Sports & Esports Tourism as a distinct market segment is at once a new and rather familiar one for Atlantic City. The city, which hosted 143 boxing matches in a single year (1985), saw that number dwindle to 5 in 2015. Renewed interest in boxing and other sports events have attracted audiences of 6,000 (Boxing -Sergey Kovalev v. Eleider Alvarez, August 4, 2018) but 40,000 (Esports- combined in-person and online Gears of War Pro Circuit March 31 – April 2, 2017). As the city continues to add variety to its offerings and embraces an evolving definition of what it means to be "America's Playground," sports and Esports are set to play a significant role.*

*Reshaping the Physical and Economic Landscape of Atlantic City, Pandit R, Grady S R  
Northeast Business & Economics Association Proceedings 2018*

With its coastal tourism heritage closely linked to the development of arcade games, changing priorities in terms of travel and experience based tourism, the West Sussex Coastal towns are ideally placed to take advantage of this economy, for example; hosting events, providing gaming centres in the town centres to engage otherwise disenfranchised young people, providing coworking spaces to support the development industry and acting as a way to promote the coastal area to visitors, giving further reason to stay in towns along the coast outside the busy summer periods.

## Support for creative digital; ultrafast broadband

The effective provision of Esports venues relies on the availability of highspeed reliable connections to the web. The availability of the Gigabit network along Coastal West Sussex is a significant benefit.

## Town centre renewal and reshaping

Although the UK is still behind the curve, with perhaps the exception of London, there is significant worldwide growth in the development of Esports cafés and bars. These are beginning to be linked to the reshaping of town centres and associated with leisure activities, drawing younger people back into the town centres. A good example of this is the recent development in Coventry:

*An e-gaming café is set to open at Cathedral Lanes in Coventry run by Wanyoo, it will be the first to open outside London, after they agreed a new 15-year lease for a first-floor unit at the revamped restaurant quarter.*

*The company is Asia's largest social gaming café, with over 1,000 cafes across China. The global brand, which also has sites in Australia, the United States, Canada and Singapore, says it offers a unique lifestyle gaming experience with multi-functional facilities, leisure services and professional Esports equipment.*

*Cllr Jim O'Boyle, cabinet member for jobs and regeneration, said: "This is great news for the city and a further vote of confidence both in Cathedral Lanes and the city centre economy which continues to flourish.*

*Adam Markwell, a Director of Shearer Property Group, said: "Gaming and Esports is set to take the UK leisure sector by storm over the next couple of years, having already proved hugely popular across Asia and the USA.*

*Zhaorong Chen, a director at Wanyoo UK, said: "I wanted to develop a gaming environment and social platform for the entire community; one that would allow people to have fun, relax, interact and socialise.*

*"We have gone from strength to strength in Chinatown London, and now with an established student community, we can't wait to bring this concept to a whole new customer base in Coventry's leading new leisure scheme."*

*Coventry Telegraph.co.uk*

British Esports Association identifies just 16 centres in the UK with just one on the South Coast; Game Over in Portsmouth (gameover.cafe).

## Opportunities

There is an overarching opportunity to enhance the creative digital profile of the region, capitalising on existing competence and skill but attracting a new and vibrant audience; commercial design and development and experience based entertainment and tourism. Underlying this is a strong connection to education and engaging otherwise hard to reach groups.

## Gaming Hubs

The principle enabler is believed to be the establishment of a network of 'Gaming Hubs' across the south coast region.

This would operate on two levels. Firstly; the creation of Esports Centres/Cafes to attract gamers into the town centres and provide a focus for educational activity. The second is to offer flexible

commercial space to the current and future growing workforce in games development. This might be associated with novel and affordable living spaces.

The cafes would act as a visible focal point for gamers and creatives if located in reasonably prime positions within high streets and connected to other entertainment and restaurant/café facilities. This would assist in diversifying the high street and increasing footfall.

### A Coordinated Education Esports and Digital Skills Programme

The development of a coordinated educational programme, working with schools and colleges would focus on both the digital skills and technology behind games design and production. It would also link into the Esports industry promoting, for example the Level 2 and 3 BTEC programmes and provide a focus for intra college competition. It is challenging for schools and colleges to find space and to fund the expensive technology and resources necessary to promote Esports initiatives. Providing daytime access to the gaming hubs would overcome these issues.

Educating more broadly around gaming and 'myth busting' the sometimes, negative reporting re gamers, should also underpin the ethos and has been evidenced to engage quite hard to reach educational groups.

### Venues for Esports Competition and Tournaments

In a further development, and working with key stakeholders, both regionally and from industry the programme would provide the opportunity to establish localised college and school Esports tournaments, both virtual and venue based. The teams could be run and branded with their own logos to mirror professional teams, which opens up many additional business, marketing, promotional and communication skills development prospects.

The coastal region has a number of venues large enough to be considered for hosting professional and University level competitions and/or festivals of gaming. The influx of large numbers for these events will have a wider economic impact bringing additional income streams for the hospitality sector especially.

### Driving Economic Growth

Creating clusters or hubs for creative sectors is a well-established route (as highlighted in the case studies in Appendix A) re innovation and sustainable opportunity development. However, combining this approach with embracing the Esports cafes/culture would be unique. Ideally both would occupy the same building to create a natural intersection for fostering collaboration and opportunity. Facilities to support games related creative work can be accessed both at the UoC Tech Park but also within the café itself through overnight rendering services for example. The café would also provide catering for both user and the creatives, and be run on a commercial basis.

## What support will be required to enable an Esports Sector in Coastal West Sussex?

There are of course challenges to establishing such a network across the region. It is essential the vision and ambitions sit well with the key objectives and priorities of both CWSP and Coast to

Capital. Significant in-kind and financial support will be needed, as will a commitment to grow and enhance the network once established.

The hub requires central, visible and well positioned space to operate out of, and to establish an identity. The cafes will need powerful computers, high definition screens and a range of 'gaming' peripherals such as VR headsets, keyboards etc. Generally, access to professional level technologies for both Esports and game development will be essential.

Initially we would suggest establishing stronger links with the wider South East games development community, especially in Brighton and Horsham/Crawley. Esports industry/professional links are fairly well established at UoC with connections to proven organisations and companies. A public-private partnership approach is most beneficial but may take time and investment up front to succeed. Educational networks are also already in place, though need linking more effectively around gaming.

The project will need investment in promotion and marketing as it should look to draw people, both creative professionals and users, from outside of the region. Awareness locally and across the coast will need to be driven strongly, as will promoting the space to schools and colleges despite established networks.

## Recommendations

It is recommended that establishing a pilot project for an Esports Café and hub ideally within the same building, would be the most effective and efficient way forward.

Ultimately the aim should be to create a network of these hubs possibly at Bognor Regis/Littlehampton/Shoreham etc. The first opportunity might be to pilot this in Worthing.

A source of funding will need to be established and a funding bid will need to be drawn up in the first instance to cover this pilot. If successful further, more extensive funding would be required.

It will be necessary to establish a public private sector business model for the sustainable operation and management of the hubs.

Pulling this together and providing both focus and drive will require championing either through the recruitment of an individual or working with a lead organisation.

## Appendix A (Case Studies)

### Small towns are building Esports meccas

[LUKE WINKIE@LUKE\\_WINKIE](#) AUGUST 17, 2019 6:16 AM

For centuries, Katowice was a mining town. The first settlers were craftsmen in the 18th century, who arrived in the lowlands of Southern Poland after hearing rumours of the rich coal deposits hidden in the dirt. Walk around the city today, and you can see those roots. Massive, turquoise-steel mines dot the horizon, all propped up in the strong, Stalinist style that still permeates every corner of Eastern Europe. Downtown, the Katowician pride and joy looms large; Spodek Arena, built in 1972 on the remnants of an old mineral dumping ground. It looks like a dormant flying saucer waiting to take off, and for generations, it hosted the concerts, conventions, and hockey matches that passed through the burg.

Today, that arena is best known as the home of Intel Extreme Masters (IEM) Katowice, one of the most prestigious Counter-Strike tournaments in the world. Every year, teams fly in from North America, South America, Asia, Africa, and Europe to compete for Esports fame and a \$1 million prize pool. To an outsider, it is genuinely bewildering to be in a minor Polish municipality, with a population of 294,000, surrounded by twentysomethings and teenagers who ate a layover in Frankfurt in order to watch the action live. (As you may expect, there aren't a lot of international airlines that fly direct to Katowice.) The city is all grey skies and towering tenements, but for a few weeks in February, it's also the Counter-Strike capital. This year's tournament, in which Team Astralis took first place for the second year in a row, attracted 174,000 visitors. Last year, The Esports Observer reported that IEM generated Katowice \$24.5 million (or €22 million) in advertising value. The little mining town has hitched its wagon to Esports, in the hopes that it can transform its centre of industry.

"In Stavanger, Norway, I was asked by a group of young people where I came from. I said 'Katowice,'" says Marcin Krupa, the incumbent mayor of Katowice. "They asked me if I knew what IEM was and so we started talking. Such situations encourage us to take further steps."

#### The new Esports mecca

Krupa says IEM was the idea of former Katowician councilman Michał Jęrzejek. Seven years ago, he floated the idea of opening the town to investments in competitive gaming. As Krupa said, "Many mayors would shudder at the thought of spending so much money and letting thousands of nerds into the Spodek arena," but his predecessor, Piotr Uszok, co-signed the initiative. It was bold, considering Uszok was a total outsider to PC gaming. But in 2014, the city council ratified a partnership with Intel to support IEM through 2019. Krupa doesn't see that partnership expiring anytime soon. In fact, he reiterates that the success of the tournament has made it a crucial part of his own policy agenda. "I am honored to carry on and even elaborate this project," he says.

In its current incarnation, IEM Katowice occurs over the course of two weekends, and every year its imprint on the city grows bigger. In the bowels of the Spodek, you'll find a fully functioning tech

trade show, a variety of satellite Esports events away from the Counter-Strike main event. It feels like a miniature Comic-Con, and according to Krupa, Katowician locals — many of whom are far outside the demographic who regularly attends Esports events — have learned to embrace the city's ovation to gamers.

“IEM means income for the local people: hotels, people [lease] their flats, restaurants, taxi drivers and local entrepreneurs. IEM is one event which helps hotels and conference facilities develop,” he says. “This event is so successful that its next editions and increase in costs are not questioned by inhabitants or opposition in the city council. And every mayor knows how thoroughly big events are analysed by their supporters and protesters.”

Other towns are catching on

This is a balance that more towns will need to straddle, as city councils continue to look to the Katowice model to integrate Esports into their own economies. In Hangzhou, a Chinese port city a few hours south of Shanghai, local governance has promised to construct 14 different Esports projects, with a total cost over \$1 billion. (The first investment is an “Esports town complex,” which will host a variety of different professional gaming venues.) Closer to home is Frisco, Texas — a Dallas suburb best known as the home of the Cowboys’ corporate office. The greater Dallas area has long been a hotbed for the games business — both id Software and Gearbox have headquarters there — but it is also home to pro gaming organizations like Infinite, compLexity, and OpTic. CompLexity, which is owned by Jerry Jones, recently opened a new 11,000 square foot corporate foundation within his Cowboys 91-acre campus. According to CompLexity chief revenue officer Daniel Herz, the company has taken cues from its parent football team by establishing relationships with the Frisco Chamber of Commerce and the city’s community at large. In general, he envisions a Frisco that has solidified itself as a market leader in Esports.

“Everyone here is very aware of how the video game industry is growing and the large chunk of the economy it’s taking over,” he says. “Everything from talking to Frisco ISD about the gamification [of education,] to the University of North Texas about not just video games, but the people who create soundtracks in video games, skins in video games. From the business standpoint, we really feel like there’s a ton of investment. We’ve talked on multiple Chamber of Commerce panels. There’s a strong interest in Esports. I’ve felt it stronger here than in Denver or New York. There’s this attitude of, ‘What does our city look like in five, or 10 years,’ and the feeling that gaming has to be in the heart of that. We have the ability to build that infrastructure”

Herz’s proclamation represents the core hope of every one of these cities. Frisco, like Katowice and Hangzhou, isn’t a metropolis. These are not fertile, highly diversified economies that tend to attract third-party investment. It makes sense, then, that the local economic stratum would be more open to a bet like Esports. Professional gaming is a naturally volatile business, but if it strikes big, the rewards could be massive for the municipalities that dumped in the money early. We’re already seeing the symptoms; last year, Intel hosted IEM tournaments in both Chicago and Shanghai, but the World Championship was still reserved for Katowice. There has to be a first *somewhere*, and as these cities are proving, it can be *anywhere*.

“Katowice is a unique place because it shows a perfect transformation of a city from an industrial one into a modern metropolis. We have focused on revitalisation, creating recreational areas, development of culture and business tourism,” says Krupa. “There is a catchphrase among British commandos: ‘He who dares, wins.’ A few years ago we bet on Esports and today we know it has been a wise decision. It helped us become the city you see today.”

<https://venturebeat.com/2019/08/17/small-towns-are-building-Esports-meccas/>

#### *Case Study -Silicon Spa*

Creative digital hubs/ clusters <http://archcreatives.com/>

Supported by the Coventry and Warwickshire LEP (<https://www.cwlep.com/priorities-plans>), Leamington Spa is a good example in the UK of a town that has developed its Esports industry around a cluster initiative.

The cluster is anchored in the heart of Royal Leamington Spa a vibrant regency town and stretches out to the surrounding areas of Southam and Warwick. Uniquely, 75% of the digital media companies in the area are gaming companies, where a more typical share would be 5-10%. With an established history in game development spanning 30 years, the local area can call upon a uniquely skilled talent pool drawn here by the presence of key industry names including Codemasters, SEGA and Ubisoft. Currently there are over 30 studios operating from within the Silicon Spa area and over 45 across the area of Coventry and Warwickshire.