

# Reconsidering Esport: Economics and Executive Ownership

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## INTRODUCTION

I offer a conceptual reframing and theoretical grounding for *esport*. My contribution stands on three points of analysis. Initially, I provide a literary review of the frames through which researchers have labeled esport thus far. The review implies that the concept of 'electronic' has been taken as the core term for labeling esport, often accompanied by a strong emphasis on 'professionalism.' Subsequently, I provide an alternative conceptual frame that employs the economic notion of *executive ownership* as a theoretical ground for esport as a cultural phenomenon. I conclude with a reframed look at the history of esport and suggest commercial analog gaming as its point of origin.

The economic perspective on esport starts from this premise: what makes esport a unique instance of competitive culture is its commercially developed, distributed, and maintained artifact of play. Unlike the majority of previously established and recognized sports, esport operates on gaming systems that have been designed as commercial products by profit-making companies. While academics have certainly noticed and analyzed these features as critical components of the phenomenon—T.L. Taylor (2012) must be mentioned specifically—none have structured them theoretically to explain esport as a radical instance of economic sport (and media) evolution.

The key here is that (regardless of their origins in independent modding culture) almost all currently thriving esport products have ultimately been developed, distributed, and maintained by a profit-making company. While some of them can be played without purchase or registration fees, all of them have been expanded and updated by their owners to make financial profit. If the product becomes financially unprofitable, as occasionally happens, it ceases to maintain its status as a sport. The relationship between an esport product and its profitmaking owner is thus significantly different from that between any traditional sport and its governing institution (or sponsor). The relationship between esport products and their profit-making owners is not merely a spin-off from sport business and media markets, but a new technologically determined philosophy and politics of sport.

Thus, the esport media complex is dominated by *executive owners*: companies that maintain the products (*StarCraft 2*, *Counter-Strike*, *League of Legends*) on which the complex runs. An executive owner is much more than an interdependent component; it literally (re)writes the rules of its game, supplies the essential technology, and ultimately decides on the existence of the sport as a whole. While esport play is, indeed, strongly

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based on electronic artifacts, perhaps even more fundamental for their cultural and historical identity is the exceptional economic foundation that regulates them. Esport is a cultural practice of exercise and contest on commercial play products that are governed by executive owners.

From the proposed theoretical perspective, *Magic: The Gathering* stands as the first large-scale phenomenon in esport history. Immediately after its release in 1993, the card game's executive owner, Wizards of the Coast, commenced organized tournament play under the supervision of its distinct organ of competition, Duelists' Convocation International. Sanctioned *Magic: The Gathering* play thus formed as an executively owned sport phenomenon long before the South Korean wave of professionalized *StarCraft* took off in the late 1990s.

In the same way today's 'electronic' esport products modify their gaming artifacts by providing frequent strategy-altering digital patches—hence keeping player-consumer masses engaged by offering them renewed content—*Magic: The Gathering* gets updated several times a year as new cards and changes are introduced to its official tournament rules. Unlike most of the presently thriving 'electronic' esport products whose profits derive mainly from one-time retail purchases (*Counter-Strike: Global Offensive*, *StarCraft 2*) or optional cosmetic purchases (*Dota 2*, *League of Legends*), *Magic: The Gathering* entails recurrent financial investments to its never-ending card expansions if the player wishes to remain qualified and competent (see Wizards of the Coast 2016).

While *Magic: The Gathering* can be played online as well, the analog format remains the version that defines its professional and social position (Trammell 2010). Regardless of the material overlap between non-commercial card and board games like chess and bridge, the executive ownership of Wizards of the Coast makes *Magic: The Gathering* an institutionalized competitive practice that is strikingly different from its essentially non-commercial peers. This practice can be considered structurally similar to electronic esport, with the caveat that the latter is more able to regulate their products materially, mostly thanks to the server-based nature of online technology and its media exposure.

Sport Accord (2015), currently the most authoritative international sport association, defines sport according to five criteria:

- . The sport proposed should include an element of competition.
- . The sport should not rely on any element of 'luck' specifically integrated into the sport.
- . The sport should not be judged to pose an undue risk to the health and safety of its athletes or participants.
- . The sport proposed should in no way be harmful to any living creature.
- . The sport should not rely on equipment that is provided by a single supplier.

When it comes to the ongoing negotiations concerning the cultural politics of esport and sport, the foremost conflict does not concern any of the oft-debated aspects of physicality, technology, or media-specificity, but rather executive ownership. Esport products are, without question, forms of sport as per their nature of competition, skill requirements,

physical precision, and ethical aptness. However, what makes them challenging for the historians and theorists of sport (and media) is reflected in Sport Accord's fifth criterion: "The sport should not rely on equipment that is provided by a single supplier." Esport, be it electronic or analog, always relies on a commercial play product that is governed by an executive owner. This raises several questions concerning the phenomenon's identity and status as a media-dependent competitive practice in the cultures and societies in which it endures.

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