CHAPTER 13.

INSIGHTS INTO THE ESPORTS CONSUMER

EXPLAINING CONSUMER ENGAGEMENT FROM A DUAL SYSTEMS PERSPECTIVE

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ABSTRACT

Due to the increasing popularity of eSports novel opportunities occurred for organizations to leverage the evolving monetary potential. A relevant starting point is a better understanding of the engagement of eSport consumers. Following this call, based on assumptions from dual process theories and consumer engagement, the paper at hand aims to better understand the interplay between impulsive (i.e., affect) and reflective systems (i.e., consumer similarity) as predictors of consumer engagement in the context of eSports. Accordingly, we collected a sample with 216 participants with the help of the crowdsourcing marketplace Mechanical Turk. Using a quasi-experimental approach contrasting the factors affect (positive vs. negative) and consumer similarity (high vs. low) as predictors of consumer engagement, our results show support for the assumption that both systems explain a disjunctive part of variance, with the impulsive system (i.e., affect) being the empirically richer predictor. Furthermore, we find an interaction effect between both types of processes. We discuss the contribution of our analyses and identify potential paths for future research.

Introduction

In late 2018 almost 100 million viewers watched the League of Legends finals of the world championships and even featured a concurrent viewer peak of 44 million, which reaches nearly the same highs as the viewership of the Super Bowl (Goslin, 2018). This underlines the demand towards the phenomenon of eSports and indicates an enormous potential for monetary revenue attracting the young generation of consumers (Kordyaka & Hribersek, 2019; Scholz, 2019). Accordingly, the market of eSports had a global value of nearly 900 million U.S. dollar in 2018 and some analysts proposed that it will go up towards 1,7 billion U.S. dollars in 2022 (Statista, 2019). Taken together, eSports as a digital phenomenon involves a huge and still increasing economic potential, which makes it a relevant context for academia and practice.

To leverage existing commercial potentials regarding the eSports market a better understanding of different idiosyncrasies seem to be beneficial. One especially relevant aspect from a marketing perspective of organizations and their brand management is the engagement of consumers. Previous research has revealed that digital engagement with a brand leads to different desired outcomes like brand loyalty and purchase intention (Moon, Kim, Choi, & Sung, 2013; Wirtz et al., 2013). Despite the growing popularity of eSports, little scholarship has been undertaken to better understand the consumers' behavioral engagement patterns related to eSports brands. With the paper at hand, we aim to illuminate one of the existing blind spots by contributing to better understand eSports consumer engagement. For this, we consult dual process theories from psychology (Chaiken & Trope, 1999; Soror, Hammer, Steelman, Davis, & Limayem, 2015), which postulates that human behavior is influenced by the interaction of two different cognitive systems (the impulsive and the reflective system). Based on deliberate decisions, the reflective system acts as a precursor for

behavior in form of intentions, which results in rather slow responses of this system. In contrast, the impulsive system is based on associations built by success of past behavior and can react fast and without much cognitive effort. As a context of our study, we use the LEC League of Legends Season 2019 and make use of a quasi-experimental approach contrasting impulsive (i.e., affect) and reflective (i.e., consumer similarity) processes as factors explaining consumer engagement. Accordingly, the paper at hand is guided by the subsequent research question:

Research question: Is the engagement of eSports consumers rather a question of impulsive or reflective processes of the dual system?

Framed to the specific context of eSports, we want to test dual process theories as a seminal framework for the first time to provide organizations with the opportunity to reconcile their corresponding brand management. For this, we propose consumer similarity as a component of the reflective system of dual processes since it involves a rather thoughtful, slow, and conscious process of evaluation. Consumer similarity refers to the self-perceived similarity to other consumers of the brand under consideration (Brocato, Voorhees, & Baker, 2012; Karaosmanoğlu, Banu Elmadağ Baş, & Zhang, 2011) in terms of their observed traits and characteristics influencing attitudes and behavior toward a brand (Brocato et al., 2012; Shen, Huang, Chu, & Liao, 2010). In line with this assumption, previous research shows that consumers experience increased attachment to a brand when they perceive high similarity between themselves and consumers of a specific brand. Furthermore consumers experience increased attachment to brands associated with reference groups congruent with their self-concept (Escalas & Bettman, 2003; Karaosmanoğlu et al., 2011). Accordingly, we propose the subsequent hypothesis:

Hypothesis 1: High consumer similarity towards an eSports brand is positively associated with consumer engagement

Opposed to consumer similarity, we operationalize affect towards an eSports brand as a component of the impulsive system of consumers. This assumption is based on the idea that affective associations occur rather automatically and unconscious. Previous research in neighboring domains already indicated that positive emotional associations relate to higher levels of engagement with a brand (Christenson, Reschly, & Wylie, 2012; Reschly, Huebner, Appleton, & Antaramian, 2008). Accordingly, we propose the subsequent hypothesis:

Hypothesis 2: Positive affect towards an eSports brand is positively associated with consumer engagement.

By answering the hypotheses of our study, we aim to make the following contributions. First, it will allow academia to better understand eSports consumers' engagement and illuminate the interplay between reflective and impulsive systems as predictors. Second, it will provide practical implications with the opportunity for eSports organizations to increase their monetary revenue and position their brand in an advantageous market position.

The paper is organized as follows. First, the materials and methods are visualized. Second, the data analysis and the results of the paper are presented. Third, the discussion of the results provides an overview of the meaningfulness of our empirical insights and discuss implications for theory and practice. Finally, limitations, future research, and a short conclusion is described.

Methodology

Research Design

We used a cross-sectional design and a survey to test our

research question. For this, we collected self-reports of players with a digital questionnaire. Subsequently, we analyzed the data with covariance-based statistics (i.e., regression analysis, 2×2 ANCOVA) to quantitatively contrast the effects of reflective (i.e., consumer similarity) and impulsive (i.e., affect) systems as explanations for consumer engagement, while controlling for demographics (Figure 1).

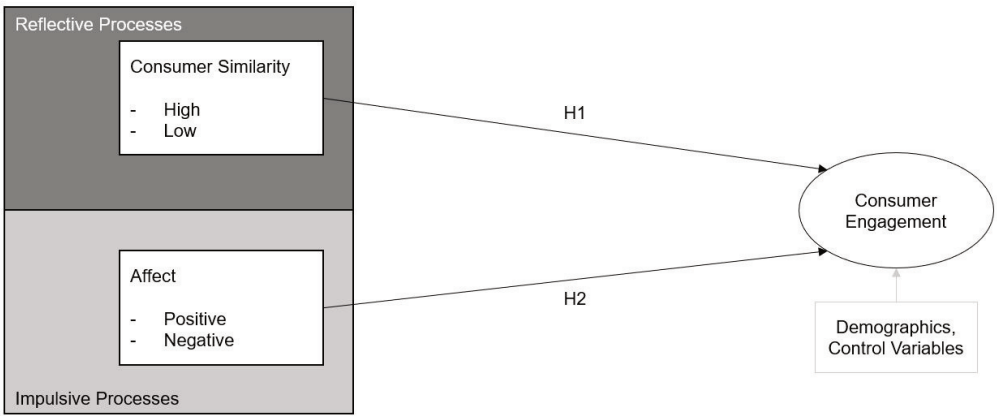

Figure 1: Research Model and Hypotheses

Participants

We conducted a survey with 216 esports consumers using the crowdsourcing marketplace Mechanical Turk (MTurk). All participants received 1.09 Dollar as a reward for taking part in our study. The majority of the collected sample were males (161 males, 55 females) and had an average age of close to 31 years (M = 30.98, SD = 7.36). Most participants were Americans (158) followed by Indians (47) and more than half stated that they already had finished their bachelors' degree (54%). Additionally, they started consuming esports a little more than three years ago (M = 3.35, SD = 1.86) and the majority either liked the esport organizations G2 esports (51), Excel esports (49), and Fnatic (33). Taken together, the participant characteristics of our sample seemed representative for the group of the ordinary esports consumer.

Procedure

After informed consent was obtained, the first part of the online questionnaire consisted of instructing participants to select one of the ten professional organizations (franchises) of the LEC League of Legends Season 2019 (i.e., Splyce, Fnatic, Team Vitality, G2 esports, Rogue, SK Gaming, Excel esports, FC Schalke 04 esports, Misfits, Origen) they are the most familiar with. Second, participants filled out the scales for the independent variables consumer similarity and affect. Third, the dependent variable engagement was presented. Finally, participants filled out demographic data and received a code to receive their payment. To increase the quality of our data, we inserted multiple attentions check items during the procedure of our questionnaire (i.e., "pick a number smaller than two") to exclude inattentive respondents.

Materials

Unless otherwise stated, all items were measured on a seven point Likert scale ranging from 1 "strongly disagree" to 7 "strongly agree".

Dependent Variable

To measure the dependent variable *consumer engagement*, we used a validated scale from previous research (Keller, 2001) consisting of six items (e.g., "I am always interested in learning more about my most favorite LEC franchise", ($M = 4.99$, $SD = 1.43$, $\alpha = .92$).

Independent Variables

Consumer similarity was measured with an existing scale (Sirgy, 1982) with three items (e.g., "The typical users of my most favorite LEC franchise are similar to me", $M = 5.02$, $SD = 1.29$, $\alpha = .89$).To carry out our quasi-experimental approach, we used the technique of mean splitting the variable in a binary fashion

(low vs. high). After this procedure, the low similar group consisted of 111 cases and the high similar group of 105 cases.

Affect was measured with an unidimensional scale from existing literature (Kenning & Viktoria Rampl, 2014) consisting of three items (e.g., "I have strong positive emotions for my most favorite LEC franchise", $M = 5.34$, $SD = 1.23$, $\alpha = .86$). Once again, we used the technique of mean splitting the variable in a binary fashion (positive vs. negative). After doing so, the positive affect group consisted of 115 cases and the negative affect group of 101 cases.

Results

Preceding Analyses

Before testing the hypotheses, some preceding analyses were carried out with the aim to detect confounding patterns within the data and control them in the subsequent analyses. Accordingly, we ran a multiple regression analysis with sociodemographic variables (i.e., gender, age, education, country) and control variables (i.e., LEC franchise, duration esports consume) as predictors of the dependent variable engagement. The regression equation showed a significant result ($F(6; 209) = 9.92$; $p < .001$) and explained 20% of the variance of engagement. The regression weights of age ($\beta = -.18$, $p < .01$) and education ($\beta = .40$, $p < .001$) played a significant role explaining engagement (all others $p \geq .11$).

Hypotheses Testing

A two-way analysis of covariance (ANCOVA) was examined to test the quasi-experimental effect of the factors consumer similarity (low vs. high) and affect (positive vs. negative) on the dependent variable engagement[1]. Additionally, the identified

1. Since the quasi-experimental approach led to a limitation of variance, we tested the effects of the two factors as metric variables as well. Results showed that both

variables age and education from the prior step were included as confounds. The analysis yielded a significant model test ($F (5; 210) = 49.11$; $p < .001$, eta2 = .53) and showed significant main effects of the factors consumer similarity ($F (1; 210) = 28.15$; $p < .001$, eta2 = .12) and affect ($F (1; 210) = 37.95$; $p < .001$, eta2 = .15), as well as the two confounds age ($F (1; 210) = 7.17$; $p < .01$, eta2 = .03) and education ($F (1; 210) = 13.58$; $p < .001$, eta2 = .06). Referring to the research question of our study, we see that the effect size of affect (eta2 = .15) describes a high effect and the effect size of consumer similarity a medium effect (eta2 = .12). Based on the determined values, the quantitative results of our study propose the impulsive system to be more relevant for consumer engagement in esports. Additionally, as predicted, scores of engagement were higher in the high consumer similarity condition ($M = 5.86$; $SD = .65$) than in the low consumer similarity ($M = 4.07$; $SD = 1.45$) indicating empirical support for Hypothesis 1 and scores of engagement were higher in the positive affect condition ($M = 5.81$; $SD = .80$) than in the negative affect condition ($M = 4.07$; $SD = 1.45$) showing signs of empirical support for Hypothesis 2 as well. In addition, a significant interaction between consumer similarity and affect ($F (1; 210) = 4.03$; $p < .05$, eta2 = .02) was detected in which the difference between negative ($M = 3.76$, $SD = 1.40$) and positive affect ($M = 5.12$, $SD = 1.08$) in the low similarity condition was bigger than the difference between negative ($M = 5.26$, $SD = .54$) and positive affect $M = 5.99$, $SD = .60$) in the high similarity condition indicating support for an interaction between both factors.

Discussion

Based on the results of our study, we found empirical indicators to answer our research question – *Is the engagement of esports consumers rather a question of impulsive or reflective processes of the*

factors explained customer engagement and affect partially mediated the relationship between consumer similarity and consumer engagement.

dual system? Our results indicate that the impulsive system plays a marginally more important role than the reflective system. As a result, we are able to better understand esports consumers' engagement and the interplay between impulsive and reflective systems. On a more general level, we illustrated the potential to use theories of dual systems for the first time in the context of esports extending the external validity of seminal work (Chaiken & Trope, 1999; Soror et al., 2015). Referring to practice, we understand this result in a way that it is a promising approach for esports companies to develop and execute dedicated communication strategies to emotionally charge their brand in a beneficial and desired way. A starting point could be to better understand consumer perceptions of different parts of such a strategy using tools of market research to increase the monetary revenue and position their brand in an advantageous market position.

Furthermore, were are able to answer the hypotheses of our study. Referring to Hypothesis 1 we found the postulated positive relationship of consumer similarity, which confirms prior literature from marketing (Brocato et al., 2012; Shen et al., 2010) and Information Systems research (Soror et al., 2015) that the reflective system has a meaningful impact on the behavior under consideration and extends the validity to the context of esports. On a level of theory, this finding suggests the importance of social (group related) aspects of consumer behavior. Looking to the realms of psychological research a theory worth testing in the context of esports can be the social identity approach (Tajfel & Turner, 2004), which differentiates personal and social characteristics as predictors of a specific behavior of interest. One potentially fruitful way for esports companies can be to use the concept of saliency (Bergami & Bagozzi, 2000) to underline individualized similarities between consumers to influence their perception in a desired way.

With regard to Hypothesis 2 we transferred the validity of

findings from marketing research (Christenson et al., 2012; Reschly et al., 2008) to the context of esports and illustrated the meaningful impact of the impulsive system. On a level of theory, we understand the impact of positive emotions as a reference to the assumption of Woods (2001), who underlines the importance of emotions for brand marketing (Woods, 2004). Based on this finding, the question of which emotions play a meaningful role in the context of a particular brand in the context of esports arises. Accordingly, the circular model of emotion (Plutchik & Conte, 1997) and other conceptual approaches can be used (Aaker, Stayman, & Vezina, 1988). Referring to practice, we understand this finding as a call for a professional value and emotion management for esports companies, which is already disseminated in the regular economy outside the context of esports (Heath, Brandt, & Nairn, 2006; Rosenbaum-Elliott, Percy, & Pervan, 2015).

Referring to the interaction effect customer similarity and affect the results of our study indicate that the impulsive and the reflective system indeed do interact with each other as predictors of consumer engagement, which explains disjunctive shares of the variance of consumer engagement exceeding the explanatory power of the two main effects. On a level of theory, this finding illustrates the benefit of using theories of dual processing in the context of esports. On a level of practice, we record that it is beneficial for esports brands to simultaneously achieve the goals of high consumer similarity and positive affect, which can be done by an individualized strategy of communication with different clusters of consumers.

Limitations and Outlook

Besides the significant insights, like every other study our study includes several limitations. Subsequently, we will name two of them and illustrate potential ways to deal with them in future research. First, regarding the theoretical framework of dual

systems, it is unclear what factors determine when a consumer will rely on their intuition (impulsive system) or think analytically (reflective system). Although the goal of the paper at hand was not to extend the underlying theoretical assumptions, it still seems beneficial for future studies to test other operationalizations of both systems, their interplay, and triggering conditions in the context of esports to derive a more holistic empirical picture. Second, we only looked at League of Legends as the economically most important esports game. More research is needed to illuminate similarities and differences to consumers of other esports games to extend the external validity of our findings.

Conclusion

Based on assumptions of theories of dual systems, the study at hand used a quasi-experimental approach to illustrate disjunctive effects of the impulsive and the reflective system of consumer engagement and can be understand a one of the first elements to make sense of the fast growing and economically meaningful context of esports.

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