



Vaasan yliopisto
UNIVERSITY OF VAASA

Lari Tuominen

**Exploratory research on the strategic growth
factors of E-sports Organizations**

School of Management
Master's thesis in Economics
and Business Administration
Strategic Business Develop-
ment

Vaasa 2024

UNIVERSITY OF VAASA**School of Management**

Author:	Lari Tuominen
Title of the Thesis:	Exploratory research on the strategic growth factors of E-sports Organizations
Degree:	Master of Science in Economics and Business Administration
Programme:	Strategic Business Development
Supervisor:	Paula Linna
Year:	2024 Pages: 55

ABSTRACT:

Gaming as a social event has evolved rapidly into a competitive industry which can already be compared to traditional sports. Understanding how organizations within this industry grow is crucial as the industry grows and sustains its place in the world of sport entertainment. The industry has received only scarce research as of currently, and this study aims to create a foundation for further research into the strategic growth factors of e-sports organizations.

This study takes into consideration how new ventures have been researched to grow and what key factors influence this growth. Thus, the literature reviewed in this thesis concentrates on the literature of New Venture Growth to gain an understanding on how new ventures have grown and then through empirical study, use these factors as a starting point in compiling a list of key factors that influence the growth of e-sports organizations. Due to the lack of research and the newness of the industry, this study conducted qualitative research using theme interviews through online channels. The six participants within this study represent a good portion of the e-sports industry in Finland with founding members of e-sports organizations and experts in the field.

This study concludes that there are multiple factors that influence the growth of e-sports organizations, some that are applicable to traditional new ventures and some that were found through the data-driven analysis, such as diversifying revenue streams. The competitive side of the industry is currently not at a stage where organizations can sustain their growth merely through succeeding in the competitive environment. Furthermore, this study suggests that e-sports organizations should focus on creating alternative business models alongside competition to create alternative revenue flows to sustain the growth. Another key finding of the study is that the current stage of the e-sports industry allows organizations to grow and take advantage of the evolving industry. Although the industry has some larger organizations, there is no organization that has established its place at the top. Low entry barriers of the industry allow organizations to enter the market and drive growth through correct strategic choices.

KEYWORDS: E-sports, Competitive Gaming, New Venture Growth, Entrepreneurship

VAASAN YLIOPISTO**Johtamisen yksikkö, Strateginen liiketoiminnan kehitys**

Tekijä:	Lari Tuominen
Tutkielman nimi:	Exploratory research on the strategic growth factors of E-sports Organizations
Tutkinto:	Master of Science in Economics and Business Administration
Oppiaine:	Strategic Business Development
Työn ohjaaja:	Paula Linna
Valmistumisvuosi:	2024 Sivumäärä: 55

TIIVISTELMÄ:

Videopelit sosiaalisena tapahtumana on kehittynyt vauhdilla kilpailulliseksi teollisuudenalaksi, jota voidaan jo verrata perinteisiin urheilulajeihin. Alan kasvaessa ja vakiinnuttaessaan asemansa viihdeteollisuuden maailmassa, on erittäin tärkeää ymmärtää, miten e-urheiluorganisaatiot kasvavat. Alaan ei ole kohdistunut laajamittaista tieteellistä tutkimusta, ja tämän tutkimuksen tarkoitus on luoda pohjaa tulevaisuuden tutkimuksille, joiden tarkoitus on selvittää e-urheiluorganisaatioiden strategisia kasvutekijöitä.

Tämä tutkimuksen teoriaosuus pohjautuu New Venture Growth -kirjallisuuteen, jota on käytetty tutkimaan miten uudet yritykset tai organisaatiot kasvavat ja mitkä ovat ne kasvutekijät, jotka kasvuun vaikuttavat. Teoreettiseen kehykseen pohjautuen empiirisellä tutkimuksella tämän tutkimuksen tarkoitus on luoda viitekehys niistä tekijöistä, jotka vaikuttavat kasvuun e-urheiluorganisaatioissa. Koska alaa ei ole vielä tutkittu laajasti ja ala itsessään on nuori, tutkimuksessa käytetään laadullisia menetelmiä, jotka on suoritettu verkkotapaamisalustoilla. Haastatteluiden kuusi osallistujaa edustaa isoa osaa e-urheilu-teollisuudesta Suomessa. Haastateltavat ovat organisaatioiden perustajajäseniä tai alan asiantuntijoita.

Tämän tutkimuksen mukaan e-urheiluorganisaatioiden kasvuun vaikuttaa lukuisat tekijät. Osa kasvutekijöistä on samaistettavissa perinteisiin yrityksiin, sekä osa kasvutekijöistä on havaittu aineistolähtöisen analyysin perusteella, kuten tulovirtojen monipuolistaminen. Tällä hetkellä e-urheiluteollisuus ei ole pisteessä, jossa organisaatiot voivat ylläpitää orgaanista kasvuaan pelkästään menestymällä kilpailullisesti. Tästä johtuen, tämä tutkimus ehdottaa, että e-urheiluorganisaatioiden tulisi pyrkiä luomaan vaihtoehtoisia liiketoimintamalleja kilpailullisen puolen rinnalle voidakseen saada tulovirtoja muualta. Tutkimuksen toinen havainto liittyy alan rakenteeseen. E-urheiluteollisuuden on edelleen kasvuvaiheessa, ja tämä mahdollistaa organisaatioiden kasvun hyödyntämällä alan epätäydellisyyksiä. Vaikka alalla on jo suuria organisaatioita, minkään organisaation ei voida sanoa vakiinnuttaneen paikkansa, vaan liikehdintää tapahtuu koko ajan. Alan matalat markkinoille pääsyn esteet mahdollistavat uusien organisaatioiden luonnin sekä kasvun oikeiden strategisten valintojen kautta.

KEYWORDS: E-urheilu, E-urheiluteollisuus, New Venture Growth, kilpapelaaaminen, yrittäjyys.

Contents

1	Introduction	6
1.1	Relevancy of the study	6
1.2	Research question	7
2	What is E-sports?	8
2.1	What is an E-sports Organization?	8
3	Literature review	11
3.1	New Venture Growth	12
3.2	Entrepreneur	12
3.3	Industry Structure	13
3.4	Strategy	13
3.5	Resources	14
3.5.1	Human capital	14
3.5.2	Financial Capital	15
3.5.3	Resource-based theory (RBV)	15
3.6	Organizational Structure	16
3.7	Conclusion	16
4	Methodology	18
4.1	Research Method	18
4.2	Research approach	19
4.3	Data collection	20
4.4	Data analysis	22
5	Findings	24
5.1	Interview results	24
5.2	Strategy	24
5.3	Business Models	25
5.4	Social Media	26
5.5	Industry Structure	26
5.6	Entrepreneurial characteristics	28

5.7	Available resources	29
5.8	Summary of the findings	31
6	Discussion	36
6.1	Theoretical Contribution	40
6.2	Managerial Implications	41
6.3	Conclusion	43
6.4	Limitations	44
6.5	Further research suggestions	44
	References	46
	Appendices	54
	Appendix 1. Theme interview questions	54

Figures

Figure 1	Key Themes of the Study	17
Figure 2	Interview Themes	20
Figure 3	List of Interviewees	21
Figure 4	Growth factors of E-sports organizations (modified from Sandberg, 1986)	36

Tables

Table 1	Data Analysis Table.....	35
---------	--------------------------	----

1 Introduction

This thesis concludes an empirical study on the strategic growth factors of E-sports and a comparative analysis between E-sports and start-ups. The goal of the study is to identify how and why has the popularity of E-sports has risen exponentially over the years, even through the Covid-19 pandemic. E-sports as an industry is fairly new and therefore most organizations within the industry can be seen as start-ups, an analysis will be made on what similarities and differences can be found between e-sports organizations and “regular” start-up companies.

First, the paper will present what E-sports is in general and how the industry has developed through the years. Then a literature review is conducted on New Venture Growth and other relevant terms presented to find reference points between the two main themes of the study. As mentioned previously, a qualitative analysis will be conducted to empirically learn about the research questions.

1.1 Relevancy of the study

As digitalization is rapidly taking over the world, E-sports as a form of sport and entertainment is establishing its place in a world saturated with traditional sports. Academic literature on E-sports is scarce (Hamari & Sjöblom, 2017; Kim, Nauright & Suveawatanakul, 2020), but developing as more data and empirical studies are conducted. With E-sports being a combination of video games and traditional sports, it has not been researched to the same extent as the two forementioned themes. (Cuesta-Valino; Gutierrez-Rodriguez; & Loranca-Valle, 2022)

E-Sports as an industry and as a challenger to traditional sports has risen exponentially in recent years. Between 2016 and 2018, ticket revenue from major events within the industry rose from \$32 million to \$59 million with an estimated market size of \$906 million (Newzoo, 2018). In 2022, the market size had grown to an estimate of \$1,44 billion, with forecasts of the industry reaching over \$5 billion by 2029 (Fortune Business Insights,

2022). The rapid growth of the industry despite a global Covid-19 pandemic indicates that the industry is attracting viewers and sponsorships to take part in the growth of rather new industry. In 2022, total viewership in E-sports reached 532 million worldwide (Insider Intelligence, 2023). Sponsorships within the industry are occurring similarly to traditional sports, where most of the sponsorships are coming outside of the industry. In a study conducted by Cuesta-Valino et.al (2022, p.2), “94% of the companies that have signed agreements to sponsor events, teams, player or competitions are not companies related to the gaming sector”.

A testament to the growth of the industry is that not only has the attendance and revenue streams grown rapidly, but the fact that some E-sports organizations have been listed as publicly traded companies such as Faze Clan and Astralis (Nordland, 2023). This milestone represents the commercialization and maturation of the e-sports industry. The industry has grown its relevance and is gathering interest outside the niche enthusiasts.

This study focuses on how E-sports as an industry has grown with such momentum and how an individual E-sports organization can succeed within the industry.

1.2 Research question

As mentioned above, the literature on e-sports as an industry is still fairly new, and the growth the industry has shown in recent years, more thorough research is required on *how* e-sports organizations grow. As the literature review will present, the studies regarding new ventures have focused on quantitative research, which has not clearly identified how these organizations grow.

To obtain greater understanding on how e-sports organizations grow, the research question of this study is as follows:

What are the key factors that influence the growth of e-sports organizations?

2 What is E-sports?

E-sports as a form of entertainment and sport has developed with rapid steps with first steps towards competitive gaming taking place in the early 2000s, mostly in the Western world, and has since expanded largely to Asia and other parts of the world. Even though the rise of E-sports arguably began in the early 2000s, first competitive gaming events occurred in the 1970s as video gaming in general became increasingly popular amongst the young population. (Zhouxiang, 2016).

Unsurprisingly, all the factors affecting the entertainment side of competitive gaming have grown as the industry has become more popular: skill levels within the players, general organization of these events, games that are played competitively and the overall level of professionalism within the industry. In 2022, the biggest E-sports event called “League of Legends World Championships” held in the Chase Center in San Francisco, California gathered over 5,1 million concurrent viewers combining the attendance in the stadium and online watching via livestreams etc. (Simic, 2022). The total prize pool of the event was 2,23 million USD with almost 500 thousand USD going to the winning team (Gough, 2022). A drastic improvement within a decade from a Call of Duty event called Call of Duty: Experience in 2011 held in a massive hangar in Los Angeles, with an attendance of about 6000 people.

The events which can be seen as the highlights of the industry from an entertainment point of view, have shifted from small Local Area Network (LAN) events held in hangars or even video game stores to filling stadiums built for traditional sports. As the industry has grown, how have the organizations within the industry developed through the years and how has the industry of video gaming adapted to the rise of competitive gaming?

2.1 What is an E-sports Organization?

The goal of this chapter is to present a typical e-sports organization that operates internationally. E-sports organizations differ vastly from organization to another, but the extent

that the industry has grown to in recent years is important to understand, and that can be visualized by presenting an established organization within the industry.

As other industries, the industry of competitive gaming sees new organizations being formed daily, most of them starting as a friend group proceeding to climb the ranks. Some of these have risen quite quickly to success, but most of the top E-sports organizations we see today are the ones that have stood the test of time. This chapter will review one of the biggest and historic organizations in the industry, Complexity Gaming. In addition, comparative research will be conducted to learn about the differences between the top organizations in the industry in terms of sporting achievements, but also the business side of the industry. As competitive gaming has developed, so has the organizations within developed. From purely being a team for a certain title and competing in said title to growing an organization taking part in multiple titles across the industry, selling merchandise, hiring content creators and much more.

Complexity Gaming as an E-sports organization was founded in 2003. 20 years since establishing the foundation for greatness, the organization has accomplished over a hundred championships across tens of different game titles. Currently Complexity Gaming is competing in 11 different games, as a team or individual professionals representing the organization. In addition, Complexity has 22 content creators representing the brand. In 2017, Complexity was setting up the foundation of bringing together competitive gaming and traditional sports. The owner of Dallas Cowboys (NFL) Jerry Jones was introduced to the organization's ownership. (Complexity, 2023)

The structure of an E-sports team depends on the game that the team is based on. Some games are played competitively individually or as a duo, and others as a team of 4-5 members. Most of the top E-sports titles today are played as a team. Whereas in the beginning of competitive gaming the teams consisted of only the players and possibly a coach, although coaches were mostly used by the bigger, already established teams. In today's competitive gaming, in addition to coaches being the bare minimum for teams' success, most teams are using analysts to better understand the opposition and overall, how their certain "plays" work. In Counter-Strike: Global Offensive the roster of

Complexity Gaming includes five players and in addition the team also has a coach, an analyst, and a manager responsible for making changes in the roster along with the coach, if the team is underperforming.

As content creation has grown rapidly as a form of entertainment (Gardner & Lehnert, 2016), E-sports organizations have joined the movement and obtained content creators as a part of their organization. As mentioned previously, there are 22 content creators representing the brand today in addition to the professional gamers.

As the industry is becoming more and more commercialized, other streams of revenue must be included in the operation of a E-sports organization. E-sports organization called 100 Thieves can be named as one of the leading organizations in the field of selling merchandise and creating content in addition to competitive gaming. Established in 2017 by an ex-professional Call of Duty player Matthew “Nadeshot” Haag, 100 Thieves competes in only 5 different game titles currently, but the number of content creators in the organization surpasses the number of previously mentioned Complexity Gaming with 24 content creators (100 Thieves, 2023). When entering the organizations web page, the front page and the overall look resembles more of a online clothing store rather than a page of E-sports organizations. Within the industry, 100 Thieves and other organizations operating in similar fashion in terms of competing less and focusing more on other streams of revenue has been called “Hoodie Organizations”, a term for an organization that focuses heavily on merchandise selling in comparison to traditional organizations with competition as their priority number one.

3 Literature review

New ventures are vital for the development of entrepreneurial ecosystems as they create jobs, innovation and in general part-take in the overall economic development of the area that they operate in. New Venture Growth has been a field of study for decades and has been researched thoroughly over the years to determine what are factors that contribute to the growth of new ventures (Gilbert, McDougall, & Audretsch, 2006).

The aim for this literature review is to explore the current literature on new venture growth to better understand the underlying contributors and key factors connected to the growth of new ventures. The literature review will focus on the main frameworks within the literature and other various aspects including external and internal factors that influence new venture growth. New Venture Growth as a framework was selected for the thesis as the theory is used to answer questions related to why companies grow and furthermore, why do the companies grow more than their competitors. According to a study conducted by Barringer, Jones and Neubaum (2005), only a marginal share of newly established companies grow so that they can be seen as a large company. Although the theory was first presented nearly 40 years ago and the world of business has rapidly evolved since then, the theory highlights key areas of organizational growth factors that are still relevant. For instance, Teece (2007) found in their study that although the world of business has seen a tremendous transformation in terms of technology, the basic principles of entrepreneurial capabilities and strategic planning are key factors of growth. Conducting a literature review on New Venture Growth helps form an understanding of different factors that influence the growth of new ventures, and the qualitative study is used to analyze how the selected factors (see Research question) influence the growth of e-sports organizations.

New Venture growth as a field of literature focuses on new ventures and the parametrics that sustain the possible growth and success of these companies. The literature has seen quite a few contradictions on whether it can be certainly identified which are the main contributing factors that advance the new ventures. The literature focuses on the reasoning

behind why some ventures grow and others don't but how this growth is attained has not been addressed as much. (Gilbert et.al, 2006.)

3.1 New Venture Growth

With new ventures or small startups in general, the newness and smallness of the organization will be a causation for larger risks compared to established companies (Gilbert, McDougall, & Audretsch, 2006). One of main models for New Venture Growth has been created by William Sandberg (1986) arguing that the main factors contributing to the performance of a new venture include the entrepreneur, industry structure and strategy.

Sandberg's model was expanded in 1998 to include other internal factors such as systems, processes, resources, and organizational structure (Sandberg 1986; Gilbert et.al 2006; Chrisman, Bauerschmidt & Hofer 1998).

3.2 Entrepreneur

The idea that the growth and direction of a startup closely mirrors the personality and character of its founder has been a popular subject of study. While many personality attributes have been explored in relation to this, it is commonly understood that these traits indirectly influence a company's expansion (Baum & Locke, 2004; Baum, Locke & Smith, 2001). Instead, more tangible factors like the entrepreneur's educational history, previous experience in a relevant industry, and past endeavors in initiating or managing startups are more directly linked to the company's growth (Gilbert et.al, 2006; Baum et.al, 2001). Prior experience in scaling businesses also plays a significant role in propelling the growth trajectory of new ventures. (Wasilczuk, 2000.) Although prior experience enhances the entrepreneur's decision making, Chrisman, McMullan & Hall (2005) found that excessive knowledge can lead to decrease in sales of new ventures.

When startups are established by groups instead of solo founders, the collective experiences of the founding members play a significant role. Roles and responsibilities can be

effectively divided between the founding members (Gilbert et.al. 2006), and effective communications can increase sales of the venture (Ensley, Pearson & Amason, 2002). Although bigger teams can lead to an increased number of disagreements, West & Meyer (1998) found that disagreements in top management “correlate positively with the growth of firms relative to their competitors (Gilbert et.al, 2006: 931).

3.3 Industry Structure

The industry a company decides to operate in is a key determinant of the success of the company. As previously mentioned, the prior experience of the entrepreneur plays a significant role, and the knowledge of the industry and how it grows is paramount (Gilbert et.al, 2006). Hofer & Sandberg (1987) argued that the industry structure is the most important factor for new ventures. Hofer & Sandberg (1987) presented five key characteristics of the industry structure: Stability, competitive structure, stage of evolution, entry barriers and the products and services provided within the industry.

According to Hofer & Sandberg (1987) key elements of the industry that forecast growth of a new venture are instability and overall an industry in its early stages (Castrogiovanni, 1991), a clear market leader within the industry, low entry barriers that the company can raise after it has entered market, and homogenous product offering, offering the company to either differentiate itself or search for a market niche.

3.4 Strategy

The literature regarding the selection of a strategy for a new venture has not identified a single most effective strategy influencing growth (Gilbert et.al, 2006). Research has shown conflicting results based on the chosen strategy for a new venture. In his research Sandberg (1986) found positive results when a venture applied differentiated strategies. On the contrary, using a focused strategy has been found to have positive influence (Siegel, Siegel & MacMillan, 1993) and negative influence (Baum et.al, 2001) on sales and employment growth. A clear differentiator in these studies has been shown to be the timeline of studies. In a short period of time, competencies required by focused strategy can be difficult to attain (Gilbert et.al, 2006)

A venture founded with greater starting capital has shown itself to have better results with focused strategies. Investments made in marketing cooperatives or research and development during the early phases of the company have had a positive influence on growth of the company using focused strategies (McGee, Dowling & Megginson, 1995; McGee & Dowling, 1994).

In conclusion, the strategy chosen in a new venture must be dependent on multiple variables. Research shows that a differentiated strategy has been more effective for a new venture, especially when entering a market in its early stages. (Gilbert et.al, 2006; Sandberg & Hofer, 1987).

3.5 Resources

Chrisman et.al (1998) expanded the New Venture Growth model established by Sandberg (1986) to include resources, organizational structure, processes, and systems to key functions influencing the growth of new ventures. Resources in this context are determined as human capital and financial capital. In addition, this chapter reviews the literature of resource-based theory (RBV) based on the works of Wernerfelt (1984) and Barney (1991).

3.5.1 Human capital

Often with new ventures, the human capital within the company consists of the founding member(s) and in the later stages the workforce hired for the company. A high education is found to have a positive influence (Baum et.al, 2001), but argued that the skills required for successful entrepreneurship are not necessarily attained by high education (Parker, 2004). In addition, Nielsen (2015) found that entrepreneurs launching their first venture who possess an academic degree tend to underperform compared to their counterparts without a degree. From a financial perspective, studies show that entrepreneurs with high education can receive financing easier for their ventures as a formal education is seen as a positive impact on the success of a venture. (Unger, Rauch, Frese & Rosenbusch, 2011; Davidsson & Honig 2003). As the company matures, the nature of human capital changes (Thakur, 1999). The need for specialized work force decreases as the company transfers

to its growth phase, and a need for less specialized workers increases to fulfil production needs (Cardon, 2003)

3.5.2 Financial Capital

A key implication of financial capital in new ventures is the fact that resourcefulness of the founder mitigates the risks and lessens liabilities created by the newness of a venture. Individuals with greater starting financial capital are often positioned at an advantage when founding a new venture. Their financial capacities allow them more flexibility whilst navigating the entrepreneurial journey. The buffer created by resources enables the founders to iteratively refine their business model and strategy without immediate existential threats (Cooper, Gimeno-Gascon & Woo, 1994; Colombo & Grilli, 2005; Linder, Lechner & Pelzel, 2020). Financial capital of new ventures originates from either the founding member(s) or it is obtained externally, banks or venture capitalist (Gilbert et.al, 2006).

3.5.3 Resource-based theory (RBV)

RBV as a theory was founded based on the works of Wernerfelt (1984) and Barney (1991), extending the work of Penrose (1959), the theory of the growth of the firm. The theory focused on the perspective of resources within a company and how these resources are used collectively in order to produce distinct goods for sale. As each company has its own differentiated set of resources, each unique set of resources is the differentiator for each company. (Penrose 1959; Burvill, Jones-Evans & Rowlands, 2018.) As the development of a firm is continuous project (Penrose, 1959), the limitations expansions “include unused resources, lack of managerial familiarity and lack of specialized knowledge” (Burvill et.al, 2018: 932).

Wernerfelt (1984) argues that in addition to the set of resources that differentiates a company, its products are an equivalent source differentiating from the competitors. A key theory in the field of strategic management (Burvill et.al, 2018), RBV claims that the key functions of the firm achieving sustainable competitive advantage are its internal resources and capabilities. Additionally, these resources are to be valuable, rare, inimitable,

and non-substitutable (VRIN). (Wernerfelt, 1984; Barney, 1991.) The unique proposition of the company's resources enables it to differentiate itself in a way that cannot be copied by competitors, creating *sustainable* competitive advantage (Barney, 1991). Although key theories in the field, both the theory of the growth of the firm and RBV have faced quite a bit of criticism. RBV has been criticized for being too vague and tautological (Rugman & Verbeke, 2002; Priem & Butler, 2001) and Penrose's theory is argued to lack of empirical testing and that the theory would require updates (Nason, Brinckmann & Wiklund, 2012) "due to the emergence of the knowledge-based economy" (Burvill et.al, 2018: 932).

3.6 Organizational Structure

As a venture grows, it is essential for the company to invest in its organizational structure, to set clear functional roles and responsibilities (Sine, Mitsuhashi, Kirsch, 2006). As a newly founded venture, the company may lack the resources to sustain functionalization and specialized capabilities of the individuals (Gilbert et.al, 2006). Kazanjian & Drazin (1990) emphasized the importance of creating a clear structure for decision making within the firm. A growing organization requires the traditional functions, and the expertise required to fulfil and succeed within these new roles. The literature on organizational structure (Sine et.al, 2006; Gilbert et.al, 2006; Kazanjian & Drazin, 1990) slightly contradicts the findings regarding human capital. While the organizational structure requires expertise in specialized roles as ventures expand (Sine et.al, 2006; Kazanjian & Drazin, 1990), the literature on human capital especially from a production perspective emphasizes the need for less-skilled workers (Cardon, 2003).

How an organization is structured can vary depending on multiple aspects, including the industry and available resources. Barringer, Jones & Neubaum (2005) found that new ventures that compensated their employees appropriately according to the growth of the firm grew rapidly.

3.7 Conclusion

This chapter concludes the literature review on New Venture growth and highlights the key themes for this study regarding the strategic growth factors of E-sports organizations.

As this literature review presented, there are a vast number of variables influencing the growth of new ventures. The individualistic characteristics of the entrepreneur(s), different key components of the industry the venture is established in and resources available are key factors that determine the growth of a new venture. As there is no universally applicable growth strategy, the venture is required to make strategic choices based on their unique resources and selected industry. For this study, the paper highlights the key themes of the literature review that are focused on during the empirical study (Figure 1)

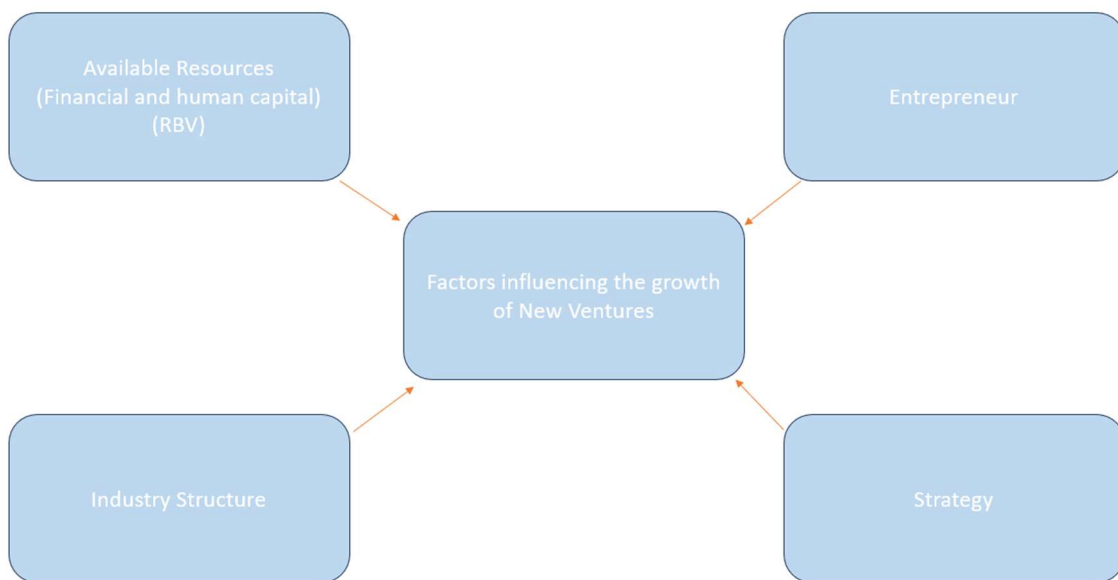


Figure 1 Key Themes of the Study

Figure 1 presents four key themes for this research: Available resources of the venture, the entrepreneur and their characteristics, the industry structure and strategy chosen by the venture. These four characteristics have been identified to have an influence on the growth of new ventures and are now applied empirically to identify whether these factors influence the growth of E-sports organizations.

4 Methodology

The methodology chapter of the thesis presents information and reasoning behind the chosen methods and materials used in the research. Aspects such as the research method, data collection and analysis are discussed.

4.1 Research Method

This research aims to find out how *Strategy*, *Industry Structure*, *Entrepreneurial Characteristics* and *Available Resources* as growth factors influence the growth of E-sports organizations. As an industry, e-sports has grown rapidly in recent years and is projected to grow even further. As a result, the main objective is to understand what key factors e-sports organizations should focus on when implementing actions to further their growth.

Academic research is dominantly carried out either with qualitative or quantitative methods. Qualitative methods are commonly used when researching a “myriad phenomena” (Köhler, Smith & Bhakoo, 2022: 184) or otherwise a topic that goes beyond numerical analysis. As e-sports as an industry has received little research as of now, using a quantitative research method to support theories could become challenging due to lack of research. As this thesis has focused on the literature of new venture growth, a framework for traditional industries, this research applies a qualitative research methodology to understand whether the same principles of growth apply to a fairly new industry. Qualitative research methods apply interviews for data collection, in which the questions / conversation can be either structured or open-ended (Laksham, Sinha, Biswas, Charles & Arora, 2000). Open-ended interviews leave the possibility of expanding on detailed questions which cannot be answered by a simple yes or no. Furthermore, qualitative methods focus on observations in addition to the interview questions. (Laksham et.al, 2000) The interviews are documented, and the data is formed into a transcript to enable data analysis after the interviews are conducted.

4.2 Research approach

A qualitative research method was chosen for this thesis to obtain in-depth understanding of how e-sports organizations grow and what are the key factors influencing the growth. Theme interviews will be held in this research for six people working within the e-sports industry, most people either a founding member of an organization or with position of top-level management within an e-sports organization. As previously mentioned, the questions in qualitative research methods can be either open-ended or structured.

With a open-ended interview, the interviewee will have the opportunity to clarify complex questions and to be able to express their emotions which can in some instances be data worth collecting (Laksham et.al, 2000). To clarify the interview method, theme interviews will be held. Theme interviews are commonly used when the research involves multiple aspects (themes) from which the phenomena can be observed from. In addition, theme interviews allow the discussion to digress via elaborating on the interviewee questions and asking questions that might emerge, depending on the answers of the interviewee. (Kananen, 2015.)

Figure 2 presents the four themes the interviews will consider. Interview questions have been formed to gain understanding on each of the themes, with a possibility of asking extended questions from the interviewee if necessary.

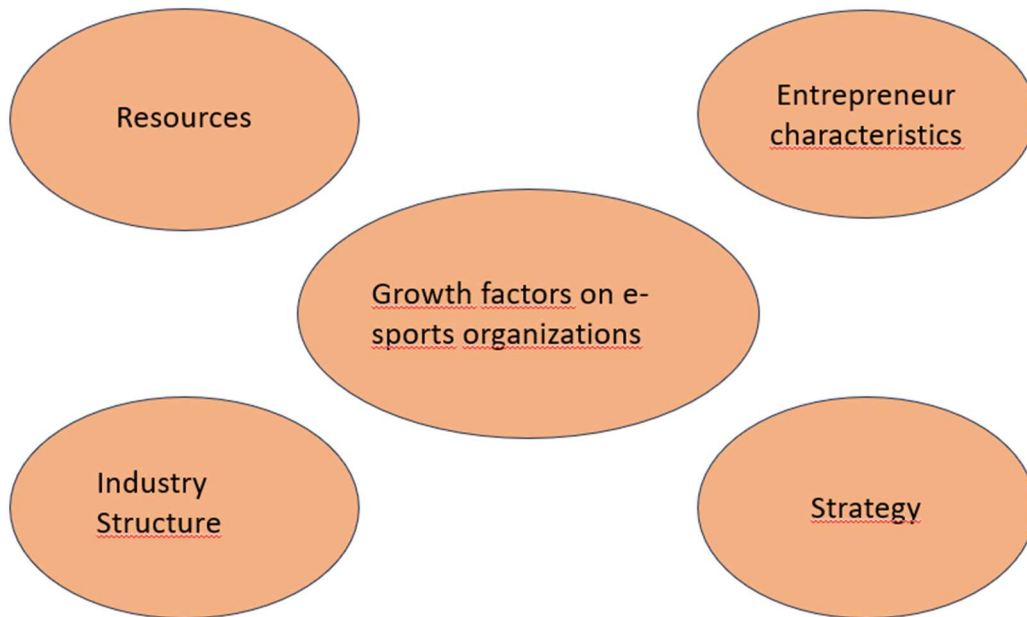


Figure 2 Interview Themes

4.3 Data collection

Theme interviews were held for this research. The four themes within this research are Resources (Financial and human resources), entrepreneur characteristics, strategy and industry structure. The questions have been formed around these four themes and they include open-ended questions. The research objective is to find out and understand how e-sports organizations grow and what are the main factors contributing to the growth.

Data for the research was collected from said interviews. Collected data can be divided into primary and secondary sources. Primary sources in qualitative research are often the interviews, while the secondary sources are already existing data about the interviewee, the subject of the research. (Kananen, 2015; Lancaster, 2004). Lancaster (2004) argued that secondary data should be analyzed first, and if the secondary data is not adequate to fulfill the research, then primary data should be used. This research used primary data that is collected via theme interviews.

For this research to gain validity and reliability, the sampling needs to be gathered carefully. In this research, the data is collected via interviews, so choosing the people for the interviews is crucial. For an interviewee to be chosen, they need to be involved in the phenomena that is studied. If the people involved cannot be reached, the next option is to choose people that have the most in-depth knowledge of the phenomena. (Kananen, 2015) The sample group in this research are 6 people that are heavily involved in the industry. The interviewees are mostly founding members / executive personnel within e-sports organizations, and in addition people that are heavily involved in the industry and the organization, although not having a top-level position within any e-sports organization. The organizations the interviewees represent are both small / recently founded organizations and bigger, international organizations that are known world-wide. Introducing smaller and bigger organizations can create a scenario where the answers differ, depending on the perspective of the interviewee.

Interviewee	Name	Organization	Role
Interviewee #1	Teemu Angervo	FinHouse	Founding member
Interviewee #2	Tuukka Grönberg	Bastu5	CEO
Interviewee #3	Max Berg	BlueWhites	Community Manager
Interviewee #4	Joona Leppänen	Ence	Marketing Director
Interviewee #5	Jussi Kallioniemi	RoundsGG	CEO
Interviewee #6	Lasse Salminen	Havu Gaming	CEO

Figure 3 List of Interviewees

Figure 3 presents the interviewees. The interviews were conducted virtually via Microsoft Teams between November 27th and December 10th, 2023. As mentioned previously, all the interviewees work in the e-sports industry and are either founding members / executive personnel or are otherwise heavily involved in the industry with great in-depth knowledge. The interviewees were primarily identified via researching e-sports organization primarily based in Finland. Researcher also used his own connections within the industry to find interested participants for the study. Each interviewee was contacted via email to inquire about their interest in participating in the research by conducting an hour long interview. The interviews were held as follows:

Interview 1: November 30th 2023, 18:30-19:30

Interview 2: December 4th 2023, 18:00-19:00

Interview 3: December 6th 2023, 17:00-18:00

Interview 4: December 7th 2023, 10:00-11:00

Interview 5: December 7th 2023, 20:00-21:00

Interview 6: December 8th 2023, 12:00-13:00

4.4 Data analysis

As the data collection was conducted qualitatively, so has the data analysis. All interviews within this research were conducted virtually via Teams to enable transcripts of the interviews for data analysis later. Transcribes enable the data to be commensurate and can be compared against each other.

Thematic analysis is highly useful for highlighting key points from a large data set such as interviews, and to also obtain information that might not have been anticipated (Nowell, Norris, White & Moules, 2017). To form the themes for data analysis, the researcher must either apply an inductive or a deductive method (Kiger & Varpio, 2020). This research has formed the themes inductively, based on the data gathered through the literature review. Some of the interviews were held in Finnish, so parts of the data will be translated into English to ensure the analysis is comparable between different sets of data.

The original research plan was to use theory-driven analysis based on the four interview themes of the study. As the data was being analyzed, there were additional themes that occurred on multiple occasions and therefore the analysis method was changed to be done data driven. The themes that are analyzed in this study are *Strategy*, *Industry Structure*, *Entrepreneurial characteristics*, *Available Resources*, and the additional themes are *Business Models and social media*.

The data was formed categorically for each theme to gather in-depth knowledge of each theme. The interview questions were formed on the basis of literature, and in addition the questions were open-ended which resulted in more specific questions in each interview. These extra questions were formed based on the data gathered at that point. Table 1 presents the data analysis table that is formed to demonstrate key codes from the analyzed data.

5 Findings

The interview themes from which the interview questions were based on are directly founded on the basis of literature review conducted of the New Venture Growth. Although establishing a solid foundation to the study, New Venture Growth has distinctive adequacies in relation to the topic studied, the e-sports industry. The analysis of the data has been conducted via data driven methods.

5.1 Interview results

The interviews started with interviewees briefly introducing themselves, their organizations and their roles and responsibilities within their organizations. This chapter will discuss the findings of the data, separated into each theme to follow the original data collection strategy. Table 1 presents the key findings of the data analysis formed into a data analysis table (see chapter 5.8).

5.2 Strategy

Based on the data it can be identified that e-sports organizations cannot just focus on competitive success and achieve growth. Although competitive success and competition in general is the foundation of successful e-sports organizations, in terms of competition prizes the financial benefits are not at least currently at a level that an organization can use them to grow. Another factor in terms of competitive success is the fact that multiple interviewees stated that a vast majority of prize money is directed to the players as a bonus and a motivating factor towards success. In terms of strategic choices and objectives, the data indicates that e-sports organizations should follow a differentiated strategy. The application of differentiated strategies allows organizations to create alternative methods of creating revenue and gaining attraction. These methods include the use of different business models, which will be discussed as a separate finding next, and acquiring sponsorships and partnerships with suitable companies. Based on the gathered data, often the revenue gained from competitive success, be it from tournaments or league formats, does not in itself enable growth of an e-sports organization from a financial perspective. However, success in competition can increase the brand and reputation of the organization,

which can be utilized to scale up other business models the organization has decided to pursue.

« Sales of course dictates quite a lot how big you can do things and what kind of a budget you have at use, so I think that is one of the most important aspects in a company. » - Interviewee #6

“Creating an e-sports organization is not a terribly big thing in my opinion in Finland, but if you want to succeed and possibly generate revenue or any other form of significant growth, you have to internationalize.” – Interviewee # 2

5.3 Business Models

As mentioned in the previous subchapter, operating alternative business models in addition to competition within the e-sports industry is a key factor in the growth of e-sports organizations according to the data. Although the size of the organizations the participants differ vastly, most of the participants indicated that their organization is or is planning to operate on alternative business models to boost revenue streams and therefore enable the growth of their organization. A vast number of business models can be used. The business models mentioned in the data included investing and growing talent that could be sold to other organizations for profit, merchandising, acquiring partnerships and competitive success is used as a form of gaining attraction and visibility to grow the other business models. Some of the business models used can be seen in traditional sports, and the sporting industry in general can be highly beneficial to observe in terms of alternative revenue streams. As mentioned in the starting part of this chapter, the financial gain from competition within the e-sports industry currently is fairly small to have a direct impact on the growth of the organization, and therefore organizations should operate other business models to create the revenue streams required to grow.

“...It (sponsorships and partnerships) covers a lion’s share of the revenue, collaboration partners, and therefore are sort of financial enablers to run this sort of operation.” – Interviewee #5

”...So we thought our long-term plan would be a system like AFC Ajax Amsterdam had, to be able to develop players and sell them forwards .. To buy players cheaper and develop them and sell them at higher prices.” – Interviewee #2

5.4 Social Media

The data indicates that a key factor of growth in the e-sports industry is utilizing social media and gaining attraction and visibility by doing so. Although growing rapidly, the industry is currently fairly small with a niche market segment. In addition, the scene in Finland especially is currently small and visibility can be hard to gain through competitive success due to lack of viewership. Marketing in general is highly important for any company, and there is no difference in the e-sports industry. A vast majority of the participants mentioned social media in some way as an important tool for their organization. Over time, the gained attraction from individuals in the industry or individual organizations can have a positive influence for the industry itself as well.

Based on the analyzed data, multiple participants also mentioned the importance of individual players growing their own brand through social media. In traditional sports, popular individuals can have a massive impact on the attraction gained by the organization, but the individual themselves benefit from having a following in the industry, as popularity can be seen as a key factor on whether a player is employed to an organization, in addition to their skillset and ability within the game they compete in.

5.5 Industry Structure

Table 1 presents the key themes coded from this theme of the interviews. The data suggests that the industry itself is new and still growing, and there are no organizations that hold a massive portion of the industry. Smaller organizations can challenge the larger organizations and gain market share through the right strategic choices. The answer was similar when asked from both representatives from larger and smaller organizations, implicating that the industry is seen similarly. Participants from larger organizations also

indicated that they have had the same struggles of growth in the past as the smaller organizations.

All the organizations that the participants represent are based in Finland, although some do operate internationally at this point. Understanding the operating market was seen as a key factor for the industry. When it comes to competing in e-sports especially in Finland, the participants in majority expressed that Counter-Strike: Global Offensive is a title that is almost a must to compete in. This differs from country to country, so understanding what is popular in the operating market is an important factor.

“...But in Finland Counter-Strike: Global Offensive seems like that you need to be involved in it if you want to exist.” – Interviewee #5

Sponsorships or collaboration partners are a crucial part of how organizations are able to operate in the industry. When asked about the importance of these factors for interviewees' organizations, the smaller organizations implied that currently their impact is not as large, but at the same time recognized that in order to grow, there is a need for acquiring sponsorships and collaboration partners to support revenue flows. With bigger organizations, sponsorships and collaboration partners are a cornerstone of their organization in terms of financial support but also to gain more attraction through partnerships.

A key implication for the industry structure in the data was the comparison to traditional sports organizations and the industries themselves. Although currently on a smaller scale, e-sports industry works similarly to traditional sports. The comparison was mentioned in most interviews in different ways, and as the traditional sports industry is more developed, the e-sports industry and the organizations within the industry could benefit from examining the best practices of not only the sporting side of the industry, but the operational strategies and business models to enhance the effectiveness and sustainability of the growing e-sports industry.

“The industry is fairly new so that there are no massive organizations like Manchester United which are impossible to get down from the top ...That it's always easier to get to the top than to stay at the top.” – Interviewee #2

5.6 Entrepreneurial characteristics

The third theme of the interviews was entrepreneurial characteristics. The goal of this theme was to research the impact entrepreneurs'/founders' personal characteristics have on the growth of e-sports organizations.

Table 1 presents the findings of the data based on a thematic analysis conducted. Although much of the data indicates that prior entrepreneurial experiences and industry knowledge are identified to be highly important for the founding members, the data does not provide a conclusive answer on whether either metric is more important than the other one. However, based on the analyzed data one or both previously mentioned characteristics could be beneficial to the growth of e-sports organizations. Among the interviewees there are solo founders and founders that have founded their organizations with a group of people. When establishing an e-sports organization as a group, the data indicates that acquiring versatile knowledge and talent within the founding group is beneficial. As a group, it can be easier to divide roles and responsibilities based on the skillsets of each founder, enabling the members to focus on their strengths within their skillsets.

“In my opinion they are both equally important. One needs someone who understands the industry and then also someone who understands entrepreneurship” – Interviewee #3

“... We all sort of have different strengths and everyone has their own story on what they bring to this table. If everyone had the same tunnel vision it wouldn't so smart so it's good that there is versatile experience and differentiating views on things...” – Interviewee #4

In terms of entrepreneurial characteristics, the data suggest that interpersonal skills both within and outside the organization are seen as a beneficial factor for the entrepreneur according to the interviewees. The interviewees who emphasized the importance of interpersonal skills included both individuals that founded their organizations independently and those who established their organizations as a team.

One must be open, especially open to ideas... The way you need to work people is to be open, to be able listen... It's not just my idea which is getting forward" – Interviewee #1

5.7 Available resources

The last theme of the interview discussed available resources of the organization and what influence does resources have on the growth of the organization. In this framework, the term *resources* consist of both the financial resources of the organization and human capital, as in the personnel within the organization and their specialized knowledge.

Analyzing the data in regards of available resources confirms the importance of both financial resources and human capital to the growth of the organization. Table 1 presents the key findings from the analyzed data. Organizations are heavily dependent on their financial resources, as it enables organizations to expand and invest more in aspects that enhance the growth of the organization, be it personnel or social media marketing for instance. Although the participants represent differently sized organizations, all interviewees shared the importance of financial resources as a growth factor. To an extent organizations can grow without financial resources, but the limit to which organizations can grow without resources is very low.

"Well, it (financial resources) does have a crucial importance... For example, in terms of players, we should have enough resources so that the players do not need to switch organization when we proceed to next level." – Interviewee #5

"Usually when the financial view is positive, then we also courageously invest and usually we invest in fact in talent and personnel, because in the end growth comes from having enough people doing things." -Interviewee #4

As mentioned earlier, organizations are inclined to expand their operations to differentiating business models other than competition within the industry. This is supported by the

findings that prize awards received from competitive success have little to none influence on the growth of the organization from a financial standpoint, as this revenue is often allocated to the players. However, the attraction and visibility gained by succeeding in competition is beneficial to organizations and can be leveraged in their other business models that create revenue, for example merchandise sales.

“...Competitive success of course enables lots of things. If you are at the top in the world, it is a very different starting point versus if you are ranked 170th in the world. Of course it does help, but in the end this operation is ran in a way that it wouldn't be the only defining aspect.” – Interviewee #4

The majority of the data suggests that human capital is highly important to e-sports organizations. E-sports as an industry is a niche market and it can be difficult to find personnel with great knowledge of the industry operates. Interviewees shared the idea that it is very important to be able to hold on to their skilled personnel, which is made possible by having adequate financial resources, but also by creating a positive working environment.

In terms of human capital, the data indicates that having a *franchise* player within the organization can be extremely beneficial to the organization and its growth. Traditionally sports and e-sports as well have an abundance of personal brands that can be even bigger than the brand of the organization they represent. These individuals are often very skilled in terms of the title they compete in, but the brand they have built can help the organization stay attractive even during unsuccessful times competition wise. Although these individuals are highly important to the organization, there are risks involved in these situations. If the *franchise* player leaves the team, their fanbase might leave with them to next team. This supports the previous findings of this theme that an organization is heavily dependent on their human capital and must be able to engage and keep their skilled individuals within the organization.

“It (having a ”franchise player”) does have a big impact, it was seen when we had xseveN and Aerial who are well known players and now that they have both left, it has had an impact on certain contents and how they were consumed slightly. xseveN and Aerial interested (the fans) even when we did not succeed.” -Interviewee #6

5.8 Summary of the findings

The aim of this study was to conduct an exploratory research to obtain a better understanding of what are the key factors that influence the growth of e-sports organizations. The findings of this study can be found from the chapter above and are combined into a smaller chapter here.

The interviewees of the study represent a large variety within the e-sports industry in Finland. The participants represent the larger, medium-sized and currently smaller e-sports organizations, including a professional in the industry who has founded an organization that creates competitive tournaments in Finland. As the industry is rapidly growing but still in the early stages, the variety of the participants can benefit the study to understand how the larger organization have succeeded to grow and how are the smaller organizations attempting to grow, and whether there are vast differences within these approaches.

A key finding of the study is that almost all of the organizations are operating or aiming to operate alternative business models in addition to competitive e-sports. This is often done as competitive success is at least not at this stage of the industry a sustainable form of revenue that could allow the organization to grow. Alternative business models are applied and operated on to create alternative revenue streams, but also to make sure that the organization does not rely on a single source of income, competition. As the industry grows, the financial benefit from competitive success will most likely grow, but whether organizations can solely rely on that is yet to be discovered.

In terms of financial resources, acquiring strategic partnerships and/or sponsorships is also found to be a key factor of growth. As stated previously, e-sports organizations face challenges regarding the financial side of business, as the revenue streams can often be difficult to obtain, and competitive success does not guarantee financial success. Strategic partnerships and sponsorships are a major contributor to the growth and development of

e-sports organizations in terms of financial aid, but also a great form of gaining more attraction and visibility through co-marketing ventures etc.

A third key finding of the study relates to the theme entrepreneurial characteristics. The data suggests that when establishing a new e-sports organization, the founder of the organization must either have prior knowledge and experience of entrepreneurship or knowledge of the e-sports industry. While neither of the two metrics cannot be distinctively established to be more important than the other, a founder must have at least one of these characteristics. The data does not imply a distinctive difference on whether it is more beneficial to create an organization solo or to create an organization as a group. However, it can be implied that when establishing an organization as a group which has different skillsets and knowledge within the group, these individuals' strengths can be used in correct places and divide the responsibilities to match individual strengths.

Human capital is a key factor for enhancing the growth of e-sports organizations, the data suggests. As a niche market, it can be difficult to find skilled individuals to play for the organization, but also to find skilled staff in terms of the operational side of the organization. For a human capital perspective, having a *franchise* player can benefit the organization. These sorts of players tend to be high-end players in terms of their skills within their competitive title, but *franchise* players often have a massive personal brand and following which interests the fanbase even when the team is not succeeding competitively. If an organization is able to keep this sort of a player in the organization for a longer period of time, it can have positive influence on the organization collectively.

Table 1 presents the data analysis table that is formed to demonstrate key codes from the analyzed data.

Code	Theme	Citation	Interview
Stage of Evolution	Industry Structure	"The industry is fairly new so that there are no massive organizations like Manchester United which are impossible to get down from the top	Interview #2

		...That it's always easier to get to the top than to stay at the top."	
Understanding operating market	Industry Structure	"...But in Finland Counter-Strike: Global Offensive seems like that you need to be involved in it if you want to exist."	Interview #5
Sponsorships/Strategic partnerships	Resources	"...It covers a lion's share of the revenue, collaboration partners, and therefore are sort of financial enablers to run this sort of operation."	Interview #4
Internationalization	Strategy	"Creating an e-sports organization is not a terribly big thing in my opinion in Finland, but if you want to succeed and possibly generate revenue or any other form of significant growth, you have to internationalize."	Interview #1
Focus on increasing sales	Strategy	"Creating an e-sports organization is not a terribly big thing in my opinion in Finland, but if you want to succeed and possibly generate revenue or any other form of significant growth, you have to internationalize."	Interview #6
Entrepreneurial Experience and Industry Knowledge	Entrepreneurial characteristics	"In my opinion they are both equally important. One needs someone who understands the industry and then also someone who	Interview #3

		understands entrepreneurship”	
Versatility within the founding team	Entrepreneurial characteristics	“...We all sort of have different strengths and everyone has their own story on what they bring to this table. If everyone had the same tunnel vision it wouldn't so smart so it's good that there is versatile experience and differentiating views on things...”	Interview #4
Competitive success is not enough	Business Models	“...Competitive success of course enables lots of things. If you are at the top in the world, it is a very different starting point versus if you are ranked 170 th in the world. Of course it does help, but in the end this operation is ran in a way that it wouldn't be the only defining aspect.”	Interview #4
Use social media to gain more attraction and visibility	Social Media	“Where we now focus primarily is to grow as an organization and that is almost impossible without merits. One must win tournaments and get recognition that way. .. Big goal is visibility in social media”	Interview #3
Importance of human capital	Resources	“It (having a ”franchise player”) does have a big impact, it was seen when we had xseven and Aerial who are well known player and now that they have both left, it has had an	Interview #6

		impact on certain contents and how they consumed slightly. xseveN and Aerial interested even when we did not succeed.”	
--	--	---	--

Table 1 Data Analysis Table

6 Discussion

The aim of this chapter is to compare the literature reviewed in chapter 3 to the analysis of the data in chapter 5. This chapter aims to describe the insights and disparities that emerge between theory and empirical data. Each of the factors analyzed in the previous chapter will be discussed. However, as the analysis was data-driven, some of the factors included have not been originally reviewed in terms of literature.

For this study the author has created a model that has been formed on the foundation of Sandberg's (1986) New Venture Growth. Figure 4 presents this thesis' model on the strategic growth factors of E-sports organizations. Additional factors that the data-driven analysis revealed are alternative business models to diversify revenue streams of the organization, and social media as a form of gaining attraction in addition to the attraction gained by possible competitive success.



Figure 4 Growth factors of E-sports organizations (modified from Sandberg, 1986)

The literature review on strategy and furthermore on whether the literature had found a singular, most effective strategical application that can forecast the growth of new ventures. Within the literature reviewed, there was no universally effective strategy found. While Sandberg et.al (1986) found differentiated strategies to have positive results with

new ventures, Siegel et.al (1993) found that using a focused strategy is also linked with growth. On the contrary, Baum et.al (2001) found negative impact with the usage of focused strategies among new ventures. Although related to non-profitable organizations, Mendoza-Abarca & Gras (2019) argued that organizations that have diverse revenue streams in addition various product lines are more likely to survive the early stages of the organization. (Shepherd, Souitaris & Gruber, 2021.)

Although theoretically, research has not found a universal, most effective strategy for new ventures, the data within this research indicates that in the e-sports industry, following a differentiated strategy is beneficial for the growth of e-sports organizations. This claim is supported by the data as the monetary benefits from competitive success in the industry currently is not enough to sustain growth and furthermore, revenue gained from competitive success is mostly distributed to the players. Applying a differentiated strategy and in this context meaning to operate various business models in addition to the competing in e-sports is found in this study to be one of the key factors of growth within e-sports organizations.

Similarly to strategy, when comparing the literature reviewed regarding industry structure and the analyzed data from the data set, there are disparities and similarities to be noticed. Stability, competitive structure, stage of evolution, entry barriers and the products and services provided within the industry were described as the five characteristics of industry structure by Hofer & Sandberg (1987). Although having only scarce research conducted (Hamari & Sjöblom, 2017), multiple authors argue that e-sports as an industry is growing rapidly (Hamari & Sjöblom, 2017; Cuesta-Valino et.al, 2022; Kim et.al, 2020), and could therefore be argued that the industry is still in early phases. This statement is as well supported by the analyzed data of this study, as multiple participants argued that although the rapid growth in recent years, the industry is still evolving and attempting to become a more sustainable industry.

Additionally, a clear implication of the market's current stage of evolution is that although there are larger organizations in the industry, there is no singular organization that controls a vast majority of the industry, the data suggests. On a similar note, the data suggests that

while there are clearly larger organizations currently operating, the smaller organizations are able to challenge the larger organizations and gain market share through correct strategic choices. This claim is supported by the data received from participants representing the larger organizations that their organizations have had similar difficulties in their early years that the smaller organizations are currently facing.

As the literature review stated, the entrepreneur's characteristics and its relation to the growth of new ventures has been researched extensively, but as of currently, there has been no distinctive characteristics that universally would contribute positively to the growth of new ventures. While Gilbert et.al (2006) found that industry knowledge and education can enhance growth, Chrisman et.al (2005) contradict the statement as their study concluded that too much knowledge can negatively influence performance. Within the data set, there was a mix of solo-founders and participants that established their e-sports organization with a group of people. If an organization is founded by a group, interpersonal skills (Ensley et.al, 2002) aggregated entrepreneurial characteristics (Gilbert et.al, 2006; Jin, Madison, Kraiczy, Kellermanns, Crook & Xi, 2017) influence positively to the growth of new ventures.

The data analyzed suggest similarly that there are no singular characteristics that are uniquely more important factors than others. As theory suggested, industrial knowledge and prior entrepreneurial experiences can positively influence the growth of new ventures (Gilbert et.al, 2006; Baum et.al, 2001; Wasilczuk, 2000; Chrisman et.al, 2005). This statement can somewhat be supported by the findings of this thesis, but with addition that neither of the two metrics can be said to be significantly more important than the other but having at least one of the two was found to be beneficial for the growth of e-sports organizations. In terms of a founding group, the data supports the importance of interpersonal skills and the variety in skillsets between the founding members. While both methods (founding and organization solo and founding as a group) are applicable in the e-sports industry, similar to traditional organizations, one can argue that when founding as a group and specifically when there is a mix of skillsets and experiences combined with great interpersonal skills, each founding member can focus on their strengths and the team

can divide roles and responsibilities accordingly, founding as a team can be seen as more beneficial to the growth of a new e-sports organization.

Resources as a concept is a crucial part of any organization. One of the main factors of financial resources is to mitigate the risks and liabilities by creating a buffer that therefore allows the organization to trial by error and not face immediate threats of bankruptcy (Cooper et.al, 1994; Colombo & Grilli, 2005; Linder et.al,2020). Additionally, the more financial resources an organization has, the more possibilities it has to expand its operation by investments in different areas within or outside the organization. (Gilbert et.al. 2006.) The data clearly supports the theory as most participants claim financial resources as a key factor for the growth of their organization. According to the data, financial resources allow e-sports organizations to keep their skilled personnel (human capital) and in general make investments to enhance the growth of the organization. However, there is a contradiction within the data in regard to the early stages of the organization. The data suggests that in the early stages of an e-sports organization, to an extent the organization is run on a voluntary basis, meaning that only a small minority may have a salary in the organization. Organization can be considered more as a committed hobby that is striving to grow and by gaining financial resources to be able to pay salaries. In these scenarios, the importance of financial resources is not as important, as there is no internal monetary flow. Participants that represent these organizations, however, stated that in order to grow, financial resources are required and in the context of striving for growth, financial resources are a key factor.

The literature regarding human capital in this thesis and in the literature of New Venture Growth has concentrated more on the human capital of the entrepreneur. There is no conclusive support on the literature presented in this thesis as the data collection and data analysis was conducted in a manner to investigate the importance of human capital within the organization, excluding the entrepreneur(s). Cardon (2003) argued that as an organization grows, the need for human capital shifts from specialized personnel to less specialized, as human capital is more required to fulfill production needs. Regarding the e-sports industry, the data within this study does not support this idea. However, the newness of the e-sports industry may be in a state where the organizations in the industry have not

fully discovered the optimal way of operating, which would then enhance the organization's ability to hire a less specialized workforce. The data suggests that within e-sports organizations, there is more need for specialized personnel to be able to create and sustain a coherent organizational structure. As mentioned in the literature review, the literature regarding human capital (Cardon, 2003) and regarding organizational structure (Sine et.al, 2006; Kazanjian & Drazin, 1990) contradict one another. These results regarding human capital may also be affected not only by the stage of the organization, but also the stage of evolution within the industry.

6.1 Theoretical Contribution

A key implication of this study is that while William Sandberg's (1986) theory of New Venture Growth is a good foundational theory to build on, the theory currently cannot be directly applied to the industry of E-sports. The theory has been reviewed extensively and authors have not been able to identify a one-size-fits-all version of the New Venture Growth. For example, there is no conclusive answer as to which strategy is to be chosen for the venture to grow (Sandberg, 1986; Siegel et.al, 1993; Baum et.al, 2001). Also, in terms of entrepreneurial characteristics, there is no conclusive list of the characteristics that universally can be proven to enhance the growth of a new venture (Baum et.al, 2001; Wasilczuk, 2000; Chrisman et.al, 2005). As the theory was first established nearly 40 years ago, some updates are needed for it to be applicable in the modern business environment. However, as stated, the theory has created principles to the literature of venture growth that are applicable even today. The theory serves as a great foundation to research growth and to create new models to study growth factors. As Koeller and Lechler (2006:434) stated: "The resulting lack of analytical consensus has limited efforts to develop a theory -based framework that balances management and economic explanations of new venture performance".

In the context of e-sports, the literature cannot be directly applied when studying the growth factors of e-sports organizations. The main adequacy of the theory in this study's context is the lack of technological advancements that the theory has not addressed. As the e-sports industry is heavily reliant on technology (streaming platforms, computers

etc), solely relying on the foundation of New Venture growth may lead to an insufficient study that has not addressed the challenges and possibilities created by the online environment that e-sports primarily operate on. For the context of e-sports, this study has continued the literature of New Venture Growth to acknowledge the need for alternative business models to create sustainable revenue flows and the use of social media as a platform for gaining attraction.

6.2 Managerial Implications

This thesis has conducted an exploratory research on the strategic growth factors of e-sports organizations. The findings of the study include the importance of strategical choices such as diversifying revenue streams by operating on alternative business models alongside the foundation of the organization, competition. Acquiring partnerships and sponsorships is also a key factor both in terms of financial gain but also a form of gaining attraction. As a niche market, the e-sports industry is small as of now, but is rapidly growing and therefore organizations operating in the industry must have the ability to adapt and respond to changes the dynamic business environment creates. In addition to being a small market, the importance of human capital is vital for an organization's growth. People with either industry knowledge or the skillsets required in the industry can be difficult to attain and sustain in the long-term, which implicates the importance of good company culture and the well-being of personnel.

The main managerial implication of this study is to diversify revenue streams. Additional implications include understanding the market the organization operates in and ensuring retention within the organization.

As discussed in previous chapters, the data suggests diversifying revenue streams by operating alternative business models is one of the most important factors on the growth of e-sports organizations. Competitive success as a singular revenue stream most likely will not be able to enable the growth of an organization on its own. Although competitive success is often a cornerstone of an e-sports organization, other business models must be operated to increase revenue flows of the organization, which can lead to better success

in competition through player/coach acquisitions or other investments to the sporting side of the organization. Possible business models are plenty, and they do not necessarily need to be directly linked to industry itself, although a business model within the industry can benefit from gaining attraction via competitive success. Currently, a popular business model within the industry is acquiring either strategic partnerships for a service/product business or general sponsorships that increase the revenue in exchange for visibility. The share which sponsorships account for in terms of revenue is over 40% (Huettermann, Trail, Pizzo, Stallone, 2023; Newzoo, 2019)

Understanding the operating market, while a somewhat obvious statement, is a major managerial implication of this study. Operating market in this context can mean either the country or the title the organization competes in or a mixture of both. However, especially in the early phases of the organization, operations tend to be in the country the organization is located in. When striving for growth, an organization must compete in a title that is highly recognized in the operating market. For the industry to grow as a whole there needs to be developments made in multiple titles for them to become more attractive to the viewers and this in turn requires organizations to participate in these titles. However, for individual growth the organization benefits the most when it competes in titles that are the most attractive. This implication can change as the industry grows and more titles become available in terms of monetary benefits (sustainable prize money, increased viewership etc.)

The third managerial implication of this study relates to human capital. As a niche market, skilled individuals can be hard to attain, both in terms of professional players, but also back-office staff that understand how industry works. A good work environment is a must so that employees are happy to work for an organization, and as the organization grows, to make sure the organization can retain the skilled employees to 1) enhance the competitive success of the organization and possibly improve brand reputation and image through the player's own personal brand and 2) make sure the skilled back-office staff that run the organization, it's alternative business models are encouraged to stay at the same organization in contrast to switching to a competitor.

6.3 Conclusion

The goal of this thesis was to discover and observe the key factors that influence the growth of e-sports organizations. As an industry, e-sports are a new phenomenon that has attracted the world of entertainment and due to the increased interest, the industry has grown rapidly. As an entertainment industry, this thesis observes the similarities and differences in the growth of e-sports organizations and that of traditional companies, through the literature of New Venture Growth.

The industry lacks deep research and therefore understanding of what are key factors that contribute to the growth of these organizations. As the industry is rapidly expanding and steadily closing the gap on traditional sports, it is essential to understand how organizations can grow in this highly dynamic and competitive industry. This study was conducted by qualitative methods with six interviews held virtually and transcribed to gain understanding on the phenomenon. The interviewing method chosen was theme interviews with four different themes and background information. Five of the interviewees were either founding members of e-sports organizations or held top-level positions within their industry. One of the interviewees is a founder in an organization that organizes e-sports tournaments in Finland and is heavily involved in the industry and has deep understanding of the phenomenon, as they have observed multiple organizations during the years and gained knowledge on their growth or the lack of.

The key implications of this study as mentioned above, is for e-sports organizations to operate alternative business models in addition to competitive e-sports to ensure steady and sustainable revenue streams. Competitive success is crucial for any e-sports organization, but as the monetary benefits as of currently do not enable organizations to solely focus on competition, the additional revenue streams can help the organization to survive in unsuccessful times and thrive when success is present in competition. Especially in smaller markets, e-sports organizations must be capable of understanding how their market operates and what is interesting to the customers (viewers/fans). Understanding what titles are the most prominent in terms of monetary gain and possible viewership is a crucial skill. As the industry is fairly small, the importance of human capital rises. Finding

and retaining skilled professionals within the organization was found to be a key factor of growth in e-sports organizations.

The research question of this thesis was: *What are the key factors that influence the growth of e-sports organizations?* As mentioned previously, this study will not compile a conclusive list of growth factors, but the study found that industry structure, entrepreneurial characteristics, Resources (human and financial capital) and alternative business models are key factors that when conducted correctly, can have a positive influence on the growth of e-sports organizations.

6.4 Limitations

There are limitations to this study. Although some organizations the interviewees were from are international organizations, they are all based in Finland and the majority of these organizations have yet expanded to the international level. The operating country can have a difference in how e-sports organizations grow. Second, there were six interviewees in this research. There is a risk that having six interviews can lead to insufficient information. However, the interviews were held virtually face-to-face in order to obtain a greater understanding of the phenomena as emotions and behavioral factors were also analyzed. The organizations interviewees represent differ largely in terms of size and available resources. Although this difference could be a factor in how interviewees see the phenomena differently, it is highly important to study both smaller and larger organizations to understand the key differences and how the industry for example is seen.

6.5 Further research suggestions

As a study of the strategic growth factors of E-sports organizations, this study conducted exploratory research to find key factors which influence the growth of e-sports organizations. The findings of this study, while a decent starting point, do not compose a conclusive list of the factors influencing the growth. This study, however, can be expanded on and used as a foundation for further research. The field of e-sports has scarce research conducted on currently, and as the industry grows, it is highly important for research to

focus on how these organizations grow (growth factors) and, does the growth of e-sports organizations differ from the growth of traditional companies/organizations.

References

- 100 Thieves. (2023). *100 Thieves*. Retrieved March 27, 2023, from <https://100thieves.com/>
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99-120. doi:10.1177/014920639101700108
- Barringer, B. R.; Jones, F. D.; & Neubaum, D. O. (2005). A quantitative content analysis of the characteristics of rapid growth firms and their founders. *Journal of Business Venturing*, *20*(5), 663-687. doi:10.1016/j.jbusvent.2004.03.004
- Barringer, B. R.; Jones, F. F.; & Neubaum, D. R. (2005). A quantitative content analysis of the characteristics of rapid-growth firms and their founders. *Journal of Business Venturing*, *20*(5), 663-687. doi:10.1016/j.jbusvent.2004.03.004
- Baum, R. J.; & Locke, E. A. (2004). The Relationship of Entrepreneurial Traits, Skill, and Motivation to Subsequent Venture Growth. *Journal of Applied Psychology*, *89*(4), 587-598. doi:10.1037/0021-9010.89.4.587
- Baum, R. J.; Locke, E. A.; & Smith, K. G. (2001). A Multidimensional Model of Venture Growth. *Academy of Management Journal*, *44*(2), 292-303. doi:10.5465/3069456
- Burvill, S. M.; Jones-Evans, D.; & Rowlands, H. (2018). Reconceptualising the principles of Penrose's (1959) theory and the resource based view of the firm: The generation of a new conceptual framework. *Journal of Small Business and Enterprise Development*, *25*(6), 930-959. doi:10.1108/JSBED-11-2017-0361
- Cardon, M. S. (2003). Contingent labor as an enabler of entrepreneurial growth. *Human Resource Management*, *42*(4), 357-373. doi:10.1002/hrm.10095
- Castrogiovanni, G. J. (1991). Environmental Munificence: A Theoretical Assessment. *The Academy of Management Review*, *16*(3), 542-565. doi:10.2307/258917
- Chrisman, J. J., Bauerschmidt, A., & Hofer, C. W. (1998). The Determinants of New Venture Performance: An Extended model. *Entrepreneurship Theory and Practice*, *23*(1), 5-29. doi:10.1177/104225879802300101

- Chrisman, J. J.; McMullan, E.; & Hall, J. (2005). The influence of guided preparation on the long-term performance of new ventures. *Journal of Business Venturing*, 20(6), 769-791. doi:10.1016/j.jbusvent.2004.10.001
- Colombo, M. H.; & Grilli, L. (2005). Founders' Human Capital and the Growth of New Technology-based Firms: A Competence-based View. *Research Policy*, 34(6), 795-816. doi:10.1016/j.respol.2005.03.010
- Complexity. (2023). *About Complexity*. Haettu 2023 osoitteesta Complexity Gaming: <https://complexity.gg/about/>
- Cooper, A. C.; Gimeno-Gascon, J. F.; & Woo, C. Y. (1994). Initial human and Financial Capital as Predictors of New Venture Performance. *Journal of Business Venturing*, 9(5), 371-395. doi:10.1016/0883-9026(94)90013-2
- Cuesta-Valino, P.; Gutierrez-Rodriguez, P.; & Loranca-Valle, C. (2022). Sponsorship image and value creation in E-sports. *Journal of Business Research*, 145, 198-209.
- Davidsson, P.; & Honig, B. (2003). The Role of Social and Human Capital Among Nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301-331. doi:10.1016/S0883-9026(02)00097-6
- Ensley, M. D.; Pearson, A. W.; & Amason, A. C. (2002). Understanding the dynamics of new venture top management teams: cohesion, conflict and new venture performances. *Journal of Business Venturing*, 17(4), 365-386. doi:10.1016/S0883-9026(00)00065-3
- Fortune Business Insights. (2022). *eSports Market Size, Share & Covid-19 Impact Analysis, By Streaming Type, By Revenue Streaming, Advert, By Gaming Genre and Regional Forecast 2022-2029*.
- Gardner, J.; & Lehnert, K. (2016). What's new about new media? How multi-channel networks work with content creators. *Business Horizons*, 59(3), 293-302. doi:https://doi-org/10.1016/j.bushor.2016.01.009
- Gilbert, B. A., McDougall, P. P., & Audretsch, D. B. (2006). New Venture Growth: A Review and Extension. *Journal of Management*, 32(6), 751-1030. doi:10.1177/0149206306293860

- Gough, C. (2022, December 7). *Prize money awarded to winning teams in League of Legends World Championships from 2011 to 2022*. Retrieved from Statista: <https://www.statista.com/statistics/807152/league-of-legends-championships-prize-money-for-winners/>
- Hamari, J.;& Sjöblom, M. (2017). What is Esports and why do people watch it? *Internet Research*, 27(2), 211-232. doi:10.1108/IntR-04-2016-0085
- Hofer, C. W.;& Sandberg, W. R. (1987). Improving New Venture Performance: Some Guidelines for Success. *American Journal of Small Business*, 12(1), 11-26. doi:10.1177/104225878701200101
- Huettermann, M.;Trail, G. T.;Pizzo, A. D.;& Stallone, V. (2023). Esports Sponsorship: An Empirical Examination of Esports Consumers' Perceptions of Non-Endemic Sponsors. *Journal of Global Sport Management*, 8(2), 524-549. doi:10.1080/24704067.2020.1846906
- Insider Intelligence. (2023). *Esports Ecosystem in 2023: Key Industry companies, viewership growth trends, and market revenue stats*.
- Jin, L.;Madison, K.;Kraiczyn, N. D.;Kellermanns, F. W.;Crook, R. T.;& Xi, J. (2017). Entrepreneurial Team Composition Characteristics and New Venture Performance: A Meta-Analysis. *Entrepreneurship theory and practice*, 41(5), 743-771. doi:10.1111/etap.12232
- Kananen, J. (2015). *Opinnäytetyön kirjoittajan opas: Näin kirjoitan opinnäytetyön tai pro gradun alusta loppuun*. Jyväskylä: Jyväskylän ammattikorkeakoulu.
- Kazanjian, R. K.;& Drazin, R. (1990). A stage-contingent model of design and growth for technology based new ventures. *Journal of Business Venturing*, 5(3), 137-150. doi:10.1016/0883-9026(90)90028-R
- Kiger, M. E.;& Varpio, L. (2020). Thematic analysis of qualitative data: AMEE Guide No. 131. *Medical Teacher*, 42(8), 846-854. doi:10.1080/0142159X.2020.1755030
- Kim, Y. H.;& Nauright, J. S. (2020). The rise of E-Sports and potential for Post-COVID continued growth. *Sport in Society*, 23(11), 1861-1871. doi:10.1080/17430437.2020.1819695

- Kim, Y. H.;Nauright, J.;& Suveatwatanakul, C. (2020). The rise of E-sports and potential for Post-COVID continued growth. *Sport In Society*, 23(11), 1861-1871. doi:10.1080/17430437.2020.1819695
- Koeller, T. C.;& Lechler, T. G. (2006). Economic and Managerial Perspectives on New Venture Growth: An Integrated Analysis. *Small Business Economics*, 26(5), 427-437. doi:10.1007/s11187-005-5068-8
- Köhler, T.;Smith, A.;& Bhakoo, V. (2022). Templates in Qualitative Research Methods: Origins, Limitations, and New Directions. *Organizational Research Methods*, 25(2), 183-210. doi:10.1177/109442812111060710
- Laksham, M.;Sinha, L.;Biswas, M.;Charles, M.;& Arora, N. K. (2000). Quantitative vs qualitative research methods. *Indian Journal of pediatrics*, 67(5), 369-377. doi:10.1007/BF02820690
- Lancaster, G. (2004). *Research Methods in Management : A Concise Introduction to Research in Management and Business Consultancy*. Taylor & Francis Group.
- Linder, C.;Lechner, C.;& Pelzel, F. (2020). Many Roads Lead to Rome: How Human, Social and Financial Capital Are Related to New Venture Survival. *Entrepreneurship Theory and Practice*, 44(5), 909-932. doi:10.1177/1042258719867558
- McGee, J. E.;& Dowling, M. J. (1994). Using R&D Cooperative Arrangements to Leverage Managerial Experience: A Study of Technology-intensive New Ventures. *Journal of Business Venturing*, 9(1), 33-48. doi:10.1016/0883-9026(94)90025-6
- McGee, J. E.;Dowling, M. J.;& Megginson, W. L. (1995). Cooperative Strategy and New Venture Performance: The Role of Business Strategy and Management Expertise. *Strategic Management Journal*, 16(7), 565-580. doi:10.1002/smj.4250160706
- Mendoza-Abarca, K. I.;& Gras, D. (2019). The Performance Effects of Pursuing a Diversification Strategy by Newly Founded Nonprofit Organizations. *Journal of Management*, 45(3), 984-1008. doi:10.1177/0149206316685854
- Nason, R.;Brinckmann, J.;& Wiklund, J. (2012). A Systematic Assessment and Extension of the Theory of the Growth of the Firm. *Frontiers of Entrepreneurship Research*, 32(9), 390-404.
- Newzoo. (2018). *Global Esports Market Report 2018*. Goldman Sachs.

- Newzoo. (2019). *Newzoo Global Esports Market Report 2019*. Newzoo. Retrieved January 28, 2024, from <https://newzoo.com/resources/trend-reports/newzoo-global-esports-market-report-2019-light-version>
- Nielsen, K. (2015). Human Capital and New Venture Performance: The Industry Choice and Performance of Academic Entrepreneurs. *Journal of Technology Transfer*, 40(3), 453-474. doi:10.1007/s10961-014-9345-z
- Nordland, J. (26. May 2023). *Esports Insider*. Haettu 1. November 2026 osoitteesta List of Publicly traded esports teams: <https://esportsinsider.com/2023/05/list-of-publicly-traded-esports-teams>
- Nowell, L. S.;Norris, J. M.;White, D. E.;& Moules, N. J. (2017). Thematic Analysis: Striving to Meet the Trustworthiness Criteria. *International Journal of Qualitative Methods*, 16(1), 1-13. doi:10.1177/1609406917733847
- Penrose, E. (1959). *The Theory of the Growth of the Firm*. Oxford: Oxford University Press.
- Priem, R.;& Butler, J. (2001). Is the resource-based "view" a useful perspective for strategic management research? *The Academy of Management Review*, 26(1), 22-40. doi:10.5465/AMR.2001.27879279
- Rugman, A. M.;& Verbeke, A. (2002). Edith Penrose's contribution to the resource-based view of strategic management. *Strategic Management Journal*, 23(8), 769-780. doi:10.1002/smj.240
- Sandberg, W. R. (1986). *New venture performance: The role of strategy and industry structure*. Lexington, MA: Lexington Books.
- Sandberg, W. R. (1986). *New Venture Performance: The role of strategy and industry structure*. Lexington, MA: Lexington Books.
- Shepherd, D. A.;Souitaris, V.;& Gruber, M. (2021). Creating New Ventures: A Review and Research Agenda. *Journal of Management*, 47(1), 11-42. doi:10.1177/0149206319900537
- Siegel, R.;Siegel, E.;& MacMillan, I. C. (1993). Characteristics distinguishing high-growth ventures. *Journal of Business Venturing*, 8(2), 169-180. doi:10.1016/0883-9026(93)90018-Z

- Simic, I. (2022). *Top 10 highest-viewed esports events of 2022*. Noudettu osoitteesta Esports Insider: <https://esportsinsider.com/2022/12/highest-viewed-esports-events-2022>
- Sine, W. D.;Mitsuhashi, H.;& Kirsch, D. A. (2006). Revisiting Burns and Stalker: Formal Structure and New Venture Performance in Emerging Economic Sectors. *Academy of Management Journal*, 49(1), 121-132. doi:10.5465/AMJ.2006.20785590
- Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350. doi:10.1002/smj.640
- Thakur, S. P. (1999). Size of investment, opportunity choice and human resources in new venture growth: Some typologies. *Journal of Business Venturing*, 14(3), 283-309. doi:10.1016/S0883-9026(98)00002-0
- Unger, J. M.;Rauch, A.;Frese, M.;& Rosenbusch, N. (2011). Human Capital and Entrepreneurial Success: A Meta-analytical Review. *Journal of Business Venturing*, 26(3), 341-358. doi:10.1016/j.jbusvent.2009.09.004
- Wasilczuk, J. (2000). Advantageous competence of owner/managers to grow the firm in Poland: Empirical Evidence. *Journal of Small Business Management*, 38(2), 88-94.
- Wernerfelt, B. (1984). A Resource-Based View of The Firm. *Strategic Management Journal*, 5(2), 171-180. doi:10.1002/smj.4250050207
- West, P. G.;& Meyer, D. G. (1998). To agree or not to agree? Consensus and performance in new ventures. *Journal of Business Venturing*, 13(5), 385-422. doi:10.1016/S0883-9026(97)00037-2
- Zhouxiang, L. (2016). From E-Heroine to E-Sports: The Development of Competitive Gaming in China. *The International Journal of the History of Sport*, 33(18), 2186-2206. doi:10.1080/09523367.2017.1358167

:

Figure 1 Key Themes of the Study 17

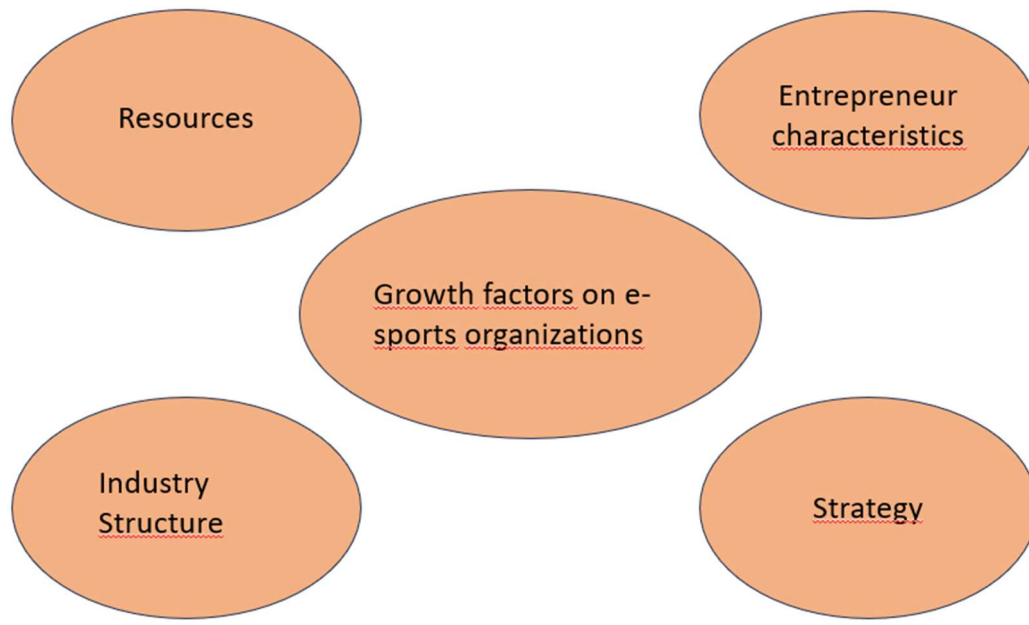
Figure 2 Interview Themes 20

Figure 3 List of Interviewees..... 21

Figure 4 Growth factors of E-sports organizations (modified from Sandberg, 1986) 36

Appendices

Appendix 1. Theme interview questions



Interview themes

Background

1. Please introduce yourself and your organization

Theme 1: strategy

2. What strategic objectives have you set for your organization? / What strategic objectives do you see as the most crucial for the growth of e-sports organizations? (tournament success, brand identity, content creation etc.)
3. What other aspects are crucial for growth in addition to competition success (marketing, sponsorships, partners etc)?
4. How do you adapt your strategy to the changes in market conditions and emerging trends?
5. How do you balance the short-term objectives and long-term strategic goals for the growth of your organization

Theme 2: Industry structure

1. How would you describe the industry as to how it is today?

2. What aspects of the industry do you consider when formulating growth strategies?
3. What influence do partnerships and collaboration with stakeholders within or outside of the industry have on the growth of your organization?
4. How do you see the growth opportunities within the industry depending on the size of the organization?
5. How important is the title(s) an organization competes into the success of the organization?
6. How do you see the competitive setting in the industry between the bigger and smaller organizations?

Theme 3: entrepreneur characteristics

1. As a founding member / entrepreneur of the organization, what personal characteristics or qualities do you believe are essential for driving growth of an e-sports organization?
2. What entrepreneurial challenges have you encountered with this organization and how have you handled them?

Theme 4: Available resources

1. How do financial resources, including investments and budget allocation, directly contribute to the growth of your organization?
2. In terms of financial resources, how dependent are the organizations of succeeding in competitions? Does the answer depend on the size of the organization?
3. What influence does human capital have on the growth of your organization? How important are individual players in terms of brand growth and reputation, in addition to success in competitions of course?