

Video gaming surge shows pivot opportunity from Sports to eSports, but authenticity is key

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Video gaming has exploded during the coronavirus pandemic as consumers shelter in place, but the eSports opportunity for dietary supplement brands and ingredient firms has been around for a while. Will more brands pivot and what do they need to know?

According to Verizon, peak hour video gaming surged by 75% during the week March 10-17, as the novel coronavirus pandemic tightened its grip on the US (via the *Hollywood Reporter*).

While there are an estimated **2.5 billion video gamers worldwide**, the global audience for eSports is estimated at 443 million (eSports is loosely defined as competitive, organized video gaming, often played in huge arenas in front of live audiences).

“Even before Covid-19, eSports was a booming industry,” said Ceci Snyder, Global Product Manager at Kemin Human Nutrition & Health. *“With the closure of traditional sports, eSports is gaining even more interest from the home-bound consumer. The participation growth rate and younger demographic profile make the eSports category an opportunity that supplement makers should not ignore.”*

Indeed, leading US colleges such as the **University of Utah** and the **University of California-Irvine** have begun to offer eSports programs and scholarships.

Joshua Schall of **J. Schall Consulting** even believes that eSports could be an Olympic event during his lifetime, particularly with the rise of augmented reality gaming that include a physical, athletic component in addition

to the mental acuity test of traditional games.

Long dominated by caffeine-rich energy beverages, some brands are already successfully positioned for the eSports. In Europe, brands like Runtime (meal replacements, energy drinks and high protein bars specifically designed for gamers) and Neubria (multi-vitamin and -mineral capsules with added lutein & zeaxanthin, *Ginkgo biloba*, blueberry extract, tyrosine, Alpha GPC, and more) have been around for several years.

In the US, the leader is G-Fuel with a *“huge share of the market”*, said Schall, and brands are now starting to dip their toes into this. For example, Ghost Lifestyle will be launching a nootropic / energy supplement for the gamer community soon, he said.

The pivot



Image: G-Fuel

G-Fuel recently launched a Doom-themed “pre-workout” powder supplement with 300 mg of caffeine per serving to coincide with the release of *DOOM Eternal*.

As consumers shelter in place during the coronavirus outbreak, sales of traditional pre-workouts for gym goers have dropped off, said Schall.

“These products could hypothetically be used by gamers, but this hasn’t been seen as an opportunity by the ownership teams, and I’m not sure they understand the potential. A lot of companies have not capitalized on the opportunity,” he added. *“It’s a paradigm shift for people in sports nutrition to wrap their head around eSports.”*

Kevin Bell, partner at Arnall Golden Gregory LLP and a leading IP attorney, told us that traditional sports nutrition brands should pivot and begin thinking about other possibilities for their products. *“eSports has been sitting in front of them for years,”* he said.

The cross over with traditional sports is well underway with The Arnold hosting eSports initiatives for the past few years. SxSW in Austin, TX included a gaming expo in 2019, where ingredient supplier Kyowa Hakko

exhibited to get in front of the community with its Cognizin citicholine ingredient.

“When we were at SxSW introducing Cognizin in 2019 there was so much excitement from the gaming community on what nootropics can do to ‘power your game’,” said Kyowa’s Elyse Lovett. *“There was a lot of interest in the cognitive health aspect in gaming, especially on health benefits like focus, attention, and concentration.”*

Ingredients

Bell said that a lot of the opportunities for dietary supplement players are going to be around mental acuity and cognitive abilities (and therefore the nootropic-type ingredients) or eye health care (for all that blue light exposure in front of screens).

Some ingredient suppliers are already pursuing the opportunity. Kemin’s Snyder told us: *“We know that many new opportunities for FloraGLO Lutein will come from products with tangible health benefits such as sharper vision, or products that address common complaints such as eye fatigue from screen time. The e-Sports category fits both of these trends.”*

Nutrition21 recently launched an ingredient specifically for gamers called nooLVL (bonded arginine silicate combined with an additional dose of inositol), and [conducted a study with video gamers to support its claims](#) (Tartar et al. *Nutrients*, 2019, 11(10), 2326).

“We are seeing the level of sophistication in product formulations moving beyond just caffeine and sugar into science-backed functional ingredients, so the category is maturing as the market expands,” said Joe Weiss, president of Nutrition 21.

“We began our discovery of the esports category a few years ago when some of our brand partners reported that gamers were using traditional pre-workouts (with Nutrition21 ingredients) before playing video games and having great success. Our team jumped on this and developed a non-stim ingredient that could deliver powerful advantages for gamers.

Weiss added: *“Gaming is taxing, and even after 60 minutes of intense gaming, users saw improvement in motor speed, a reduction in errors, and an increase visual attention and reaction time.*

“In the next 6-12 months I think we will see more products coming out to address the “whole body” of the Gamer and begin to replace the energy-in-a-can products we have grown used to. Sugary and caffeinated drinks will give way to products that provide important nutrients and health benefits.”

Delivery

There are already examples of successful eSports supplements that use traditional supplement delivery forms such as pills, capsules, powders, and so on, but *“there is exciting interest in unique deliver forms like drinkable shots, snackable gummies, and functional beverages,”* said Kyowa’s Lovett. *“More of a ‘take while you play’ kind of approach rather than a ‘take with food in the morning’.”*

There may also be an opportunity for timed release products, said Arnall Golden Gregory’s Bell

Joshua Schall said that ready-to-eat (RTE) and ready-to-drink (RTD) products are big for the eSports space. *“Gamers are looking for single portions that are quick and convenient,”* he said.

Authenticity



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With so much potential, where are the challenges for supplement brands exploring the eSports market?

“Yes, a lot of people are gaming but only a small number see it as a livelihood and therefore would be looking to supplements for that boost,” said Schall. *“These events bring in huge numbers of young people, you can now get college scholarships for gaming, and colleges have teams, but there’s still a lot of work to do to build out the infrastructure.”*

In addition, there is also the challenge of the eSports community itself, which is willing to support other eSports companies, versus welcoming “outsiders”, he said.

Examples of the gaming community coming out with some interesting products of their own (by Gamers/ for Gamers) include [JerkyXP](#) (beef jerky for gamers) and [GamerGOO](#) (a no-sweat hand gel for better grip control).

Indeed, [speaking with NutraIngredients in 2018](#), Aleksandrs Zavoloks, CEO of Berlin-based Runtime, said: *“I do not believe that traditional supplement companies can develop authentic products. The authenticity of the brand is one of the reasons why they trust Runtime and use our products.”*

Schall said: *“It’s hard for outsiders to break in, and that shows the importance of working with ‘twitch athletes’. And that explains the success of G-Fuel, which is a lot more than just the formulation.”*

Nonetheless, Nutrition21’s Weiss sees a new frontier emerging for dietary supplements. *“As we watch the e-sports sector evolve and the ‘traditional gamer profile’ diversify, our industry is being presented with a whole new consumer base, carrying a unique set of needs. These consumers are no different than any other niche in our society, Gamers want products that are customized to their needs, health concerns, and interests,”* he said.

According to data gathered by Nutrition 21:

- Globally, the audience size of the eSports market is 443 million, this number has surpassed viewership of American football and Rugby Combined (Source: *Forbes/ Green Man Gaming*)
- Last year, Twitch (an online platform for Gamers) had 2.2 million broadcasters and 15 million daily viewers. Twitch is currently outperforming MNSBC, CNN, ESPN and Fox News in terms of peak concurrent

viewership. (Source: *BusinessInsider*)

- According to *Deloitte*, investments in the e-sports industry jumped from \$490 million in 2017 to \$4.5 billion in 2018, a staggering YoY growth rate of 837%.

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