Twitter Thread by D’Arcy Coolican



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1/ Theory: esports is to traditional sports as ecommerce is to brick & mortar retail.

3 similarities. 1 difference.

Thread ■

2/ Similarity 1: In ecommerce and esports, some people overvalue(d) the in-person experience.

3/ Remember when they said we’d never buy clothes online because we need to try them on first? Remember when they said that shopping was a communal experience?

4/ Eventually they said we’d buy small things online, but we’d never buy something expensive like a car online?

5/ For reference, online clothing is a $300B market today. Online cars is at $50B in US alone.

I think they underestimated how consumer behavior can change.

6/ They’re making the same mistake with esports. They say the “in-person sports experience” can’t be replicated online. They say it’s about the crowd and community. "You need to see a game in person to get hooked."

I think they underestimate how consumer behavior can change.

7/ The experience is never the exact same, but ecommerce used the advantages it has (endless selection, one-click ordering, never leave home) and developed ways to overcome it’s disadvantages (free returns on everything).

Gaming and esports will do the same thing.

8/ You can play fortnite anytime you want with people around the world. It’s inherently social. It naturally generates video content (without a huge stadium in the middle of a city). Those are big advantages. They’ll figure out ways to overcome the challenges.

9/ Similarity 2: In ecommerce and esports, the stars have more control and the conglomerates/franchises have less. This creates a unique advantage.

10/ Stars don’t need brands to endorse or franchises to play for. Their celebrity is the brand. The other pieces, like distribution, can be outsourced.

11/ In old days a celeb would endorse a makeup line. Now Kylie Jenner owns her own (& outsources production)

In old days LeBron dealt with Dan Gilbert cause he owned the franchise. Ninja basically owns his own franchise (& outsources monetization). Bet @KingJames is jealous.

@KingJames 12/ Removing the brand/franchise gatekeepers gave ecommerce an unfair advantage. It sped up experimentation and innovation. It created endless variation.

I think it will do the same in esports/gaming.

@KingJames 13/ Similarity 3: The legacy distributors can’t keep up with digitally native ones.

@KingJames 14/ Brick and mortar retailers like Macy’s saw ecommerce as a compliment to their “core” B&M business, even as it began to shrink. They kept asking themselves how to merge the two.

Amazon and Shopify just built digitally native ecommerce.

@KingJames 15/ ESPN's viewership is in decline, but it's just adding esports content in the same format as the World Series.

Twitch & Caffeine don't have legacy constraints. They’ve built digitally native platforms around new consumption patterns. (fwiw @overtime has too)

@KingJames @overtime 16/ But there's one big difference:

Esports is kind of a (profitable) marketing channel for game publishers. To my knowledge, ecommerce never had anyone that could influence the ecosystem like that.

@KingJames @overtime 17/ It’s a wild card that can change incentives. Unclear to me how this impacts things in the long run.

@KingJames @overtime 18/ If theory is right, who ends up building the esports stack? Who's the Shopify, Amazon, the 3P shippers, the packaging companies, etc. of gaming/esports?