Pioneering E-Sport:
The Experience Economy and the Marketing of Early 1980s Arcade Gaming Contests

MICHAEL BOROWY
DAL YONG JIN
Simon Fraser University

This article sets out to historicize the development of e-sport (organized competitive digital gaming) in the early 1980s using three new conceptual frameworks. We identify e-sport as an accompaniment of the broader embryonic gamer culture, a hallmark of the “experience economy” concept, and as a succession of consumer practices whose development was coterminous with the rise of event marketing as a leading promotional business strategy. By examining the origins of e-sport as both a marketized event and experiential commodity, we see this period as a transitory era bridging different phases in the areas of sports, marketing, and technology, resulting in the expansion of competitive cyberathleticism.

Keywords: e-sport, professional gamer, arcade, experience economy, event marketing, video games, public events

Introduction

In the early 2000s, competitive player-versus-player digital game play (henceforth e-sports) has been a heavily promoted feature of overall gamer culture. Although e-sport—known as an electronic sport and the leagues in which players compete through networked games and related activities (Jin, 2010)—has existed since the early 1980s, the increased attention toward the activity in the 21st century has signaled that the gaming industry is adopting more flexible avenues of public event consumption with the goal of generating higher profit margins. While stand-alone e-sports events are common, their use as adjuncts of other industry events, including major trade shows, press conferences, and even traveling orchestras, demonstrates that competitive gaming continues to play a major role in the machinery of game industry event marketing.
Public events and their associated spectacle, particularly those based on sport, have long been seen as idyllic subjects in a more thorough examination of a comprehensive cultural, sociological, and political understanding of a group of people (Burton, 1999; Kyle, 2007). However, while game studies scholars are beginning to acknowledge arcades as the true birthplace of the e-sports movement, there is little discussion of how e-sport in arcades developed as a response to the growing experience- and event-centric economy. In particular, historical e-sport as a series of events that were symptomatic of rising trends in the realm of marketing during the 1980s is yet to be adequately addressed. The incorporation of public gaming competitions (which largely followed the conventions of established sports-event marketing) into the overall marketing of digital games resulted in a preliminary, mediatized state for “cyberathletics” in which the professional arcade gamer could become a celebrity, complete with sponsorship, press coverage, and fame. Requirements that transform an activity into a legitimate sport—a centralized governing body, formal record keeping, the setting of guidelines, and the promotion and encouragement of fair competition—were already firmly in place by the mid-1980s.

This article therefore sets out to historicize the origins of e-sport, particularly in the United States in the early to mid-1980s, within the confluence of three major contextual elements. First, early e-sport events accompanied the rapid ascension of digital game play and its attendant gamer culture at the arcade. Second, e-sports originated at a time when the concept of an experience economy was gaining momentum as an economic development, being discussed in both scholarly writings and business. Third, these initial e-sport contests took place during a time when the hands-on, calculated adoption and consolidation of event marketing as a vehicle for corporate promotional growth began to take center stage.\(^1\) By examining the origins of e-sport as both a marketized event and experiential commodity, we begin to see this period as a transitory era bridging different phases in the areas of sports, marketing, and technology. An examination of the formation of this new sporting event is timely because it helps us answer questions about the construction of sport-like activities, how they are promoted, and what the concept of media as sport can tell us about the experiential consumption phase of the digital economy.

Understanding the Experience Economy

The idea of the experience economy emerges from the commentary on global economic change over the last few millennia (for instance, transitions from agricultural to industrial and then to services production). Several authors including Kaname Akamatsu and Alvin Toffler have discussed these changes extensively during the 20th century. Although not all had used the explicit phrase “experience economy,” many of these theorists nevertheless provided a useful conceptual basis for understanding the emergent shift toward experiential commodification on a global scale, or they forecasted such a swing but used

\(^{1}\)Significantly, the economy of experience concept has accentuated two major types of promotional marketing that have been especially noteworthy throughout the 1990s and 2000s. Event marketing was the first, but when widely available broadband Internet service enabled larger audiences access to the Internet, the community emphasis of event marketing was coupled with Web 2.0 in the creation of participatory social networking sites, which have become the predominant delivery methods for advertisers.
different terminology. This conceptual foundation offers a strong vantage point for the study of the incipient e-sport business as a commodity development at the juncture of experiential consumerism, event marketing, and the staging of spectacular sporting events.

In the 1960s, Japanese scholar Kaname Akamatsu (1962) popularized the idea of a “flying geese model” of economic and technological development in Asia. He described how Japan, the most developed nation in the region, was analogous to the lead in a skein of geese, with successive groups (such as second-tier newly industrializing economies, including Korea and Taiwan, or third-tier ASEAN countries, such as the Philippines) following behind. Each tier represented a particular socioeconomic formation that the respective countries were “traveling” through, based on labor availability and costs as well as comparative advantage in the market. As the lead goose entered a new type of economic production, it would pass down its former holdings in that area. For example, Japan, once the leader in minor electronics and automobile manufacturing, passed down a large share of these industries as it moved toward more services-oriented businesses in the 1980s and 1990s.

While Akamatsu’s model was useful in defining the Asian manufacturing market, it was also adapted to a global framework where Japan was joined by other industrial powers such as the United States in identifying a global division of production. This economic model is especially useful because it indicates how each era builds upon the last, and in the experience economy, the primary product for sale is a holistic experience or memory and not necessarily the tangible good that would have been the basis of the pre-services period. Although experience has been a driving commodity in many sectors (the arts, sports, travel, and so on) for much of history, the argument here is that, on a global level, the shift is significant enough that this has become a primary type of capital gain and the highest level of value accumulation.

Similarly attempting to forecast approaching economic trends during the early 1970s, futurist Alvin Toffler anticipated the shift to an experience-centric market. Toffler referred to what he called the experience industries as contributing to the “throw away culture” in which “man’s relationships with things are increasingly temporary” (1970, p. 51, emphasis in original). Toffler’s analysis of the changing economy pointed to the new range of products being bought and sold in the market beyond cars and appliances to anticipate the underlying shift in the overall economic structure. He emphasized the expansion of popular arts and culture, recognizing that the existing cultural industries were “devoted to the creating or staging of specialized psychological experiences.” He anticipated “the growth of a strange

\[2\] Furthermore, with his gaze focused on the synergy between computerization and its implication for the experience industries, in *Future Shock* Toffler predicts that a consumer-based digital gaming industry was on the horizon. He suggests that we shall also witness a revolutionary expansion of certain industries whose sole output consists not of manufactured goods, nor even of ordinary services, but of pre-programmed “experiences.” The experience industry could turn out to be one of the pillars of super-industrialism, the very foundation, in fact, of the post-service economy. (Toffler, 1970, p. 226)
new sector based on what can only be called the ‘experience industries,’” because the key to the post-service economy, he argued, lay “in the psychologization of all production, beginning with manufacture” (Toffler, 1970, p. 221). Growth in these industries would be driven by designing goods beyond basic needs whose added value was based on the appeal to “psychological extras” for the consumer. In other words, consumers are willing to pay for nonutilitarian extras when purchasing products in the name of experience or memory. The product actually becomes lived involvement at a particular moment and place—what is packaged and sold is the consumption process. Toffler noted that experiential products could be of two types: “Simulated environments” would be associated with computers, robotics, historical reenactment, museums, and so on. “Live environments” would be represented by experiential geographical hubs and in many ways are functionally like sports, travel, and gaming events (Toffler, 1970, pp. 230–231).

Business history remarks on the experience economy as a concept that was first identified by the work of Pine and Gilmore (1998). Although they acknowledged that the consumption of experience has been a driver of economic growth through various sectors (the arts, cuisine, sports, travel, etc.) throughout much of history, the argument developed by Pine and Gilmore is that, on a global level, the marketing of experience commodities has become the primary type of capital accumulation accentuating the nonutilitarian aspects of consumer goods. As we will see, the increasing emphasis on the branded experience became integral to the marketing of public gaming events in the early growth stage of the digital games industry.

After Pine and Gilmore’s preliminary business-centric analysis of this global economic shift, several authors set out to more precisely define the phrase. Poulsson and Kale (2004, p. 270) saw commercial experience as “an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter.” They highlight that, although the experience economy concept could be a part of the service sector, there are significant differentiators—namely, a service entails something that is done for you, and an experience is a product that does something to you, leaving you with a memory. In fact, they argue, a key difference is that experience is exemplified by an intensified consumption phase; the act of consuming largely is the product. Darmer and Sundbo (2008) add that, although an experience can consist of a product (they give the example of a theater play), it can also be a supplement to a product; the experience becomes the entirety of the package, including the consumer’s state of mind. They reiterate that experiences include connotative elements, including place of consumption, décor, design, marketing, usage, and symbolic values and associations that constitute the experience, which could be applied to everything from shoes to vacations. Furthermore, experiences can be physical or nonphysical, mentally demanding or not, passive or active. Importantly, they also note that experiences can be visited (the primary goal of tourism), or the experiences can come to the consumer (such as ordering a film from Netflix).

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3 What is significant about the e-sport case in the context of these circumstances is that competitive digital gaming, as a publicly mediated spectacle, became a synthesis of these two types. The simulated computerization of the first was seamlessly integrated into and imposed onto a template based on live events as the framing of public electronic game play as a type of contest took hold.
Redefining the Event as Experiential Business Strategy and the Rise of Arcade Games as E-Sport

One of the most compelling aspects of the marketing of experiential goods is the constituent notion of relationship marketing, through which goods are sold by creating loyalty through the building of brand-relevant experiences for the consumer. Whereas traditional, Fordist-era marketing stressed rational consumer choice and higher-value single transactions, relationship marketing builds extra intangible value in a product. Marketing in the experience economy appeals both to a consumer’s rationality and his or her emotions, highlighting customer retention, service, quality, and individualization/customization (Chang, Yuan, & Hsu, 2010; Coles, 2008, p. 240; Musico, 2009). In fact, Kocurek (2012) saw the rise of coin-operated games as “an introduction to the spending practices essential to the emergent consumer economy . . . correspond[ing] with a shift in consumer spending away from durable goods and toward novel entertainment” (p. 205). She saw these shifts as likewise suggesting a transition from Fordist manufacturing and consumption to postmodernist forms. These factors were particularly important for the emerging digital gaming industry of the 1970s and 1980s, which quickly came under attack as harmful to youth. Arcade operators and game producers soon appealed to the construction and valorization of a unified gamer culture by advertising public gaming spaces as sites where the new gaming community could come together.

The rising significance and financial potential of the promotional event became synonymous with the intensification of the experience economy concept. Spectacular events would soon take the lead among subsets of marketing, and the elevated degree to which the packaging and focusing of the event as a significant business activity became apparent. Johansson and Näslund (2007) saw the production of the promotional event through the concept of theatricality in the sense that techniques from the theater were implemented by companies that pursued event marketing. Because “the postulation of the experience economy favors theatrical presentation over reality,” they assert, “in accordance with a fascination for spectacle, the theatrical and the spectacular have been hailed as key value creating qualities of the experience economy” (p. 157).

In the 1990s, as Pine and Gilmore were developing their thesis on the experience economy, event marketing was quickly taking shape as the leading promotional tool for many companies, an instrument whose growth rate was exceeding all other promotional methods. Integrating corporate sponsorship of an event with various other marketing elements, including advertising, sales promotion, and public relations, event marketing in the 1990s would grow to $12 billion annually by mid-decade, growing at a rate of approximately 17% per year (Avrich, 1994, p. 132). By 1998, this number had jumped to $17.4 billion worldwide (Taylor & Cunningham, 1999, p. 425). In 2009, when VSS Communications Industry Forecast estimated that U.S. expenditures on event marketing and sponsorship would reach $22.01 billion, the breakdown of contributing sectors was not surprising. Although the rapid growth of event marketing was largely due to sports, the entertainment industries soon began to embrace it as well. Of the $22.01 billion, sport event sponsorship took $8.70 billion in 2009, by far the largest amount; entertainment, tours, and attractions followed with $1.2 billion, which was matched by event-based causes; then arts ($636 million); festivals, fairs, and events ($519 million); and associations ($388 million) (Odell, 2009).
The increased popularity of the promotional event during the 1990s was instigated by the public event practices of the 1980s. The e-sport model used conventional sport as a template, which was itself undergoing fundamental changes in the 1980s in sales and marketing practices. While government supports produced stadia, educational programs, co-promotion, and various other subsidies and supports, the introduction of corporate media–sport synergies would infuse sport with capital through media intervention (especially television) and a massive influx of advertising and accompany an overall transformation of sport by introducing these new ancillary constituents.

The Olympics especially help us understand the emergence of the spectacular sports model in which mass audiences for sporting events are produced as both live and mediated fans. Whereas the growth of other mediated sport spectacles that emphasized the event marketing trend during the 1980s—such as the Super Bowl and World Cup, which embody and perpetuate the media–sport nexus—the Olympic Games illustrate the state-of-the-art marketing techniques employed in the production of sports events on a global scale. The changing scope of the Games’ relationship with commodified audiences, corporate interests, and prevailing media (all driving components of event marketing), according to Gruneau (1984), is best illustrated by the 1984 Games in Los Angeles. During the two previous Games (1976, 1980), host cities experienced heavy financial losses from staging the event. Consequently, few cities bid to host the 1984 Games, and Los Angeles essentially went unopposed. When organizers of these Games were looking for creative directors for the opening ceremony, they turned to Hollywood. With several dozen “official” product sponsors and an opening ceremony featuring 84 grand pianos and a procession of wagons, Gruneau argues that these particular Games “are best understood as a more fully developed expression of the incorporation of sporting practice into the ever-expanding marketplace of international capitalism” (Gruneau, 1984, p. 2).

Moreover, the LA Games were the first instance of a profit-making Olympics, and they “rewrote the formula for staging the global sports spectacle” (Tomlinson & Young, 2006, p. 10) for subsequent generations (). Establishing a new standard whereby public events would be expected to feature spectacular ceremonies, “the showbiz spectacle pre-empted the sports festival right from the start” (Tomlinson, 1996, p. 590).

When the conceptual models of sport and media amalgamated with the rise of the video game industry and public competition, e-sports arose as a product of this environment. Arcade e-sport events became an important part of the emerging experience economy in the early 1980s. While the arcade cabinets being produced were still physical consumer electronic items, the gaming industry began to market the game play experience that the machines would offer. Because the distinguishing characteristics of these games when compared to competing media (such as film or television) included

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4 John Kelly (2006) also historically analyzed the relationship between baseball and capitalism with the case of the World Baseball Classic.

5 Some game designers and researchers, including Fares Kayali (2013), still broadly interchange sports video games and e-sports; however, e-sports is organized competitive digital gaming, and professional gamers play not only sports video games but also other game genres, particularly real-time strategy games, including StarCraft I and II.
participant involvement, content manipulation, and flexibility, digital games soon became synonymous with the new post-Fordist digital economy (Kline, Dyer-Witheford, & de Peuter, 2003). Soon game producers would use various mediums to entice gamers into arcades; Sega's Zaxxon (1982) was among the first arcade games with an expensive television ad in which viewers were encouraged to “experience the control as you climb and dive. Feel the power as you attack and evade.” The commercial, featuring a man engrossed in the arcade game, ended with an unambiguous message: “At your favorite arcade.”

Although commercial video games had been around since the early 1970s, Burnham (2001) notes that it was during the early 1980s that the “arcade explosion” launched the industry into the public spotlight. DeMaria and Wilson (2004) similarly claim that 1981 and 1982 constitute “the most significant years in arcade game history” (p. 83). The explosion refers to numerous themes. This includes industry efforts to market gaming through designing more and better arcade games, especially in 1980–1981, which brought Centipede, Pac-Man, Donkey Kong, Frogger, and Galaga. The explosion also refers to the rapid diffusion of interactive gaming, new innovative game forms, growing popularity among young people, and the economic growth in digital entertainment technologies. Arcades in 1981–1982 earned an estimated $5 billion annually, meaning that 20 billion quarters were inserted into the machines (Burnham, 2001, p. 278; Sheff & Eddy, 1999, p. 149). In what constituted 75,000 annual man-years of video game play, gamers would support an industry that earned “twice as much money as all Nevada casinos combined, nearly twice as much money as the movie industry, and three times as much money as major league baseball, basketball, and football” (Kent, 2001, p. 152). By 1982, 1.5 million arcade machines were in operation in about 24,000 full arcades and 400,000 street locations in the United States (Kent, 2001).

Studies of these formative arcade spaces provide not only insight into the broader ideas pertaining to event and experience marketing but also an appreciation of the processes undergoing change in the digital games industry today. Kocurek (2012) refers to such indicators—especially in popular conceptions of youth, masculinity, and technology—as values and ideas that are becoming refined through the contemporary gaming industry, yet ones that were readily observed in the arcade culture of the 1970s and 1980s. The video arcade emerges as a public commercial and consumer practice where the production, marketing, and distribution of machines all played key roles in the staging of the arcade experience. The popularity of public gaming also exploded during a time when consumers were not only spending more on amusement but also demanding new and stimulating ways to engage with their media and leisure. In other words, this era was defined by emergent cultural practices largely resulting from the novelty of the computer age and the compulsion to spend money on these innovative forms of entertainment.

Popular descriptive and historical accounts recounting arcades as vibrant cultural sites of experiential consumption abound (Burnham, 2001; DeMaria & Wilson, 2004; Herman, 1997; Wolf, 2002). Many of these interpretations highlighted the centrality of rivalry as gamers jockeyed for the top of the scoreboard, but they also did a good job of demonstrating how arcade operators were able to successfully implement a fledgling sporting event in a showy, casino-like environment. In fact, this focus on audiovisual stimulation was important for both manufacturers (to capture and retain players at their machines) and arcade owners (the constant drive toward bigger arcades with more pizzazz and energy,
which meant more drawing power). The combination of contest and sensory glitz into one entity became a hallmark of 1980s youth culture. For example, Collins (2012) examined the role that sound played in attracting and exciting early arcade-goers: “To walk into an arcade was to experience an overwhelming onslaught of crashes, laser guns, synthesized speech, and electronic beeping music, all competing for our attention” (p. 119). She noted that many of the sounds were relics from the technically constrained “electromechanical and slot machines” era that preceded digital gaming, but the audiovisual spectacle of the arcade nevertheless would become synonymous with play, competition, and youth. Kocurek (2012) similarly sees arcades as having the key conceptual components of sight, sound, and play—computerized beeps combine with futuristic glowing neon displays in the creation of a thoroughly mediatized form of play.

While game manufacturers were advertising promised whimsical in-game experiences, enterprising people began to sell a secondary experience market that, although still rooted firmly in gaming, would also provide a social environment in which the gaming experience would play out through live events. The results were establishments such as arcades where gamers could congregate to socialize and compete against one another. In the 1980s, tournaments helped to build gamer communities at arcades, resulting in a robust competitive landscape where each arcade would have its own superstar players who were renowned by others and targets for aspirants. The growing media coverage of arcade-based e-sports fostered mounting public debate about the emerging gamer culture and its growing host of young male player celebrities. As a reflection of their immense popularity, arcades were depicted in all facets of 1980s popular culture, contributing to the coining of the term “gamer generation” with its concomitant portrayal of the gamer. Certainly spectatorship was already a major cornerstone of the arcade experience, and soon the totality of the event fostered organized contest: “e-sports are not unique to this current historical moment, but can be traced back to even the earliest days of computer gaming” (Taylor, 2012, p. 3). These early systematized matches therefore can be seen as preliminary media-sport spectacles, fueled by event marketing but also embracing and a part of what would soon be known as the experience economy.

**Arcade Contests and the Experience Economy**

The emergence of organized competitive digital game play in the 1980s is one part of the long history of public play. When the new video games industry was introduced in public arcades, venue proprietors rapidly identified the competitive nature of many of the gamers who would compete for high scores. Soon these arcade administrators were putting on tournaments, and they borrowed much from the history of sports as both a form of competitive play and as public spectacle. At the same time that arcade e-sports was reaching its pinnacle, the 1984 Los Angeles Olympics set a new standard for the marketing of event-based cultural commodities, providing a turning point for business models intending to sustain perpetual economic growth (Gruneau, 1984; Rader, 2004; Tomlinson, 2006). These are the cultural practices as well as the marketing and business strategies that would foster the expansion of sports culture and provide the impetus for the further marketization of early e-sport as events within the digitalizing experience marketplace.
Even after their time in the spotlight, and in accordance with Toffler’s predictions, professional arcade gamers were leveraging their successes in e-sport toward the promotion of arcades as meccas of competition, as had happened with professional sport throughout the 20th century. Achievement played a large role in furthering the notion that certain gaming-oriented spaces could become nodes of (cyber)athletic tourism. U.S. pro arcade gamer Leo Daniels, who had earned five national records and coached other players (including two other national champions), recognized at an early point that his competitive feats at the arcade could be a major drawing point for business, beyond training and coaching other players. Daniels was managing the Light Years Amusement Centre in North Carolina, where eight of the state’s records had been set. He related that attempts had been made to attract attendees and spur centralized competition at this particular arcade by issuing challenges: “When we opened, we advertised for people to come down and try to break records or challenge me” (Associated Press, 1982, p. 17). The promotion of (cyber)athletic competition thus can be seen as a major contributor to the triumph of arcade spaces as major vehicles of experiential, event-oriented youth culture in the early 1980s.

The fact that e-sport’s history was firmly rooted in face-to-face competitive play at arcades and did not originate through networked gaming via the Internet is also significant. This would suggest that gaming has always been a competitive pursuit, and e-sport was not necessarily founded by league promoters in the 1990s. Furthermore, while the concerted efforts to institutionalize professional gaming as sport could be seen as a strictly 1980s phenomenon, there were already important forerunners during the 1970s. At one event, the All Japan TV Game Championships in Tokyo, which was sponsored by arcade manufacturer Sega, 16 finalists (taken from a pool of 300 local champions throughout Japan) competed in an event that foreshadowed the coming public e-sport boom in the 1980s in the United States. Significantly, the Vending Times newspaper reported that an official for Sega had already realized “the importance of such tournaments to foster better business relationships between the maker-location-customer and create an atmosphere of competition on TV amusement games” (“Sega Sponsors All,” 1974, 69). Even at a time when the ideas of event marketing and the experience economy were beginning to take shape, game developers and arcade administrators were able to use associated strategies to harmonize the primordial gaming community by establishing an event linking game creators, public gaming proprietors, and digital game consumers, irrespective of whether they were casual or competitive players.

What is generally considered the first video game tournament ever was staged in 1980 by Atari, producer of the video game version of Space Invaders. The First National Space Invaders Competition, which took place in New York, had widespread print and television coverage; had regional events in Los Angeles, San Francisco, Fort Worth, Chicago, and New York City; and attracted over 10,000 overall participants (“Players Guide,” 1982; Polsson, 2012). As shown in Figure 1, this event closely resembled today’s e-sport competitions. The following year, on October 28, 1981, Seattle-based Tournament Games, a company whose history included promoting tournaments for billiards, foosball, and darts in the 1970s, staged a three-day national video game championship at the Chicago Exposition Center. Significantly, the event was promoted as “a major new sporting contest in which 10,000 to 15,000 of the world’s best video-game players would go head-to-head on a single game—Centipede” (Kent, 2001, p. 162, emphasis
addicted. 6 Atari, developer and publisher of the game, initially agreed to forward $240,000 to finance and promote the tournament (which was later renegotiated to $100,000), sending out 1,500 promotional packages to arcade operators across the U.S. and launching a month-long ad campaign in Chicago (Smith, 2012a).

Figure 1a. Space Invaders World Championship from 1980–1981.

6Although they expected tens of thousands of competitors, the organizers misgauged the scope of attendance as contestants were expected to provide for their own transportation and housing as well as the $60 entry fee—something that most of the teenage players could not afford—along with the fact that practice cabinets were not free and had a short time limit. Furthermore, many contestants were not informed that Centipede would be the only game in the tournament; some had come for Asteroids and other Atari games. Only 174 players ended up attending for the various contests (such as foosball and air hockey) at the event, with only 138 participating in the Centipede competition (Kent, 2001; Smith, 2012a).
Figure 1b. The earliest tournaments for games in the 1980s (Space Invaders) paved the way for structurally similar modern e-sport contests such as this 2013 tournament for the popular PC game, League of Legends.


By 1984, the national Video Game Masters Tournament, which was held in several U.S. cities, including San Jose, New York City, and Anchorage, would judge player scores in 60 official arcade games (Millar, 1984). At this time, arcades were already robust play spaces that foreshadowed accelerated commercialization when it came to the sale of public experiences. However, a major difference between professional sports like hockey and football and e-sports lay in the role that digital technologies would play as not only as promotional media but the medium of competition itself. Because two-player games were a rarity, and the most popular games were based on a high-score benchmark, these early contests derived scoring templates from popular sports like golf and bowling. The fact that arcade play in the early 1980s typically did not feature competitors facing off simultaneously on the same screen was something that early proponents had to factor in when making the argument that playing arcade games could become an audience-driven sport-like pursuit.
The Sportification Process of Early Arcade Gaming

As the arcade gaming industry ballooned in the early 1980s, shrewd entrepreneurs staged video game tournaments and began to construct a dialogue of institutionalization and professionalization. An expensive television, radio, and newspaper ad campaign was inaugurated alongside the Electronic Circus event in 1983, during which participants were enticed by assurances of a salary and official pro status. The event’s promoter and creator, Jim Riley, anticipated gate receipts between $1.5 million and $2.5 million per weekend, providing abundant funds for prize money. In fact, Riley expected the top-ranked player to be earning about $3,000 per week before endorsements (Smith 2013c); if a player was on top for the entire 40 weeks of the event, it was thought that Electronic Circus could crown the first six-figure professional gamer in history.

The Electronic Circus revealed an early digital manifestation of Toffler’s predictions. The idea was conceived by a promoter who envisioned a traveling video game circus, complete with ringmaster, top professional players, live music, and amusement rides. The show’s three main components included the “World’s Largest Video Arcade” (more than 500 games freely playable), a Video Circus with three rings (one featuring a band, another costumed characters, and one with chimps trained in Pac-Man that would take on human opponents), and a “Superstar Pro Tour” in which 30 star players (which ended up being 8) would take on any local challengers who were assembled by arcade operators at each tour stop, in 10 different arcade games. The event was initially meant to start at Boston’s Bayside Expo Center before touring 200 cities over 40 weeks. However, several of the main attractions were removed before the kickoff as financial problems plagued the promoters. Nevertheless, the remnants of the event carried on for almost a week (after which poor attendance would lead to the closure of the Circus) as live rock and gospel bands were joined by amusement park rides, clowns, jugglers, and other performers, and, in a stunning realization of Toffler’s “live environment” prediction, over 500 video games were spread throughout eight themed Disney park-like areas (including Outer Galaxies, Jungle Safari, and Dragon Quest) (Smith, 2013c). Although Superstar Productions, the event’s promoter, lost $2 million and declared bankruptcy, the players who were involved with the tournament would still independently launch a national tour of 48 cities (Smith, 2013c).

Much of this promotional framing of video game play as a sport was due to several factors that increased the professionalization of public play competitions. Walter Day’s forming of Twin Galaxies as an official scorekeeper for the industry was one. Established in 1981, Twin Galaxies, “The Official Scoreboard for Electronic Entertainment” (Twin Galaxies, 2011), collects rankings and scores, tournament data, and statistics exclusively based on digital gaming, much in the same way that other publications compile sports statistics. The formation of this organization fulfilled several criteria required for institutionalizing gaming as a sport: record keeping, the setting of guidelines, and the promotion and encouragement of competition. In fact, the success of the Twin Galaxies organization and an arcade bearing its name in Ottumwa, Iowa, resulted in that city becoming a hub of experiential brand consumption. Ottumwa soon became known as the birthplace of organized competitive video game playing and promptly gained the title of “Video Game Capital of the World.” Shortly after the 1981 establishment of Twin Galaxies, and as Toffler had predicted in the 1970s, game fans and cyberathletes were making the trek to the city for the same reasons people visited other experiential hubs like Las Vegas, Niagara Falls, and Atlantic City. This is
only one of the ways that Toffler was able to identify that experience would be manipulated for high-growth industrial usage in the near future.

Second, the creation of the U.S. National Video Game Team in the mid-1980s was another early indicator of the professionalization of gaming. Comprised of the best arcade players, the team was present at many tournaments, expos, and trade shows and handed arcade challenges to foreign embassies, nudging the international community to participate in tournaments in what paved the way for the World Cyber Games a decade and a half later. It also sponsored and funded invitational contests, such as the third annual American Video Game Challenge during January 12–13, 1985, in which only the 50 best North American players were allowed to compete. They were indeed “history’s first professional video game team” (Dean, 2005, para. 89). Fans lined up for the experience to watch this renowned squad play, and event administrators saw their attendance as a value-adding boon for their tournaments, opening ceremonies, and publicity events, establishing the team as a group of athlete-like celebrities in what portended increasing celebrity-event co-promotion not only in the gaming business but across other sports and entertainment industries as well.

Third, the continued growing media interest fast-forwarded the staging of digitally mediated sporting competitions, as these events were soon relived in gaming fanzines, newspapers, and news reports on television. The aptly staged event, according to Johansson and Näslund (2007), “provide[s] a powerful way to reach customers—not only those that take part, but also others who will learn about it afterwards through media” (p. 158). To solidify gaming competitions both as new sporting events and novel constituents of the experience economy, this media reporting was crucial for the early development of e-sport in arcades, particularly during the formative years of 1981 and 1982. In fact, early newspaper and magazine accounts also tell us a great deal about the marketing of these new cybersport contests.

With the boom of digital game tournaments across the United States and Canada, including large contests in Los Angeles, Toronto, and Chicago, major media outlets such as The New York Times began covering the events. An early article, titled “For Fans of Video Games, Fast Fingers Are Big Help” (Montgomery, 1981), first documented the competitive nature of gaming tournaments for the paper’s substantial readership. The article mentioned that a tournament sponsored by Atari and taking place at Manhattan’s Citicorp Center was featuring contestants from 10 European countries in the finals. Significantly, young players were already assuming traditional professional sports roles, suggesting that the interplay between this new and growing medium and sports was not just rhetorical. In fact, one 15-year-old champion was accompanied by a 17-year-old manager, the latter exulting that “Just about everything he knows, I taught him” (Montgomery, 1981, p. 45). The realization that player–manager relationships were at the core of modern sport and the reflection of these relationships in major national news outlets solidified the marketing of competitive digital game play as a new kind of athletics to be experienced notably by an involved audience.

In 1982, The New York Times continued its coverage of e-sport and the broader gaming industry in a piece noting the role of convergent business practices, particularly cross-promotion between the gaming industry and other entertainment sectors. As movie studios were losing ground to game developers in the struggle for consumer entertainment dollars, synergies between the two became
increasingly common. Lucasfilm lent out its technical expertise and eagerly licensed its intellectual properties (including *Star Wars*) to game studios, Paramount Pictures entered the digital games industry as a producer and distributor through its ownership of Sega, and other companies soon deepened their investments. When Walt Disney Productions was licensing its upcoming TRON franchise for the gaming market, the company coordinated the releases of the film and arcade game, and at Bally Manufacturing Corporation’s (the company behind the TRON games) Aladdin’s Castle arcades, promotional contests paved the way for an e-sport championship in New York that would likewise take place simultaneously with the film and game releases in July 1982 (Harmetz, 1982).

One of the most significant events in the legitimation of early gaming competitions as sport-like activities occurred in November 1982, when *Life* magazine visited the Twin Galaxies arcade to photograph the best video game players in the United States for its special issue, “The Year in Pictures” (Burnham, 2001, p. 239; Dean 2005). The inclusion of arcade gamers in *Life* magazine within a discourse of sports and athletics was seen as a major step for both the players and the industry. Jonasson and Thiborg (2010) assert that “Being a sport makes the activity automatically legitimized and accepted. In that respect, organizers as well as players attain a high social status and obtain bigger funding and sponsoring” (p. 293). The year before, in 1981, 15-year-old Steve Juraszek had his picture in *TIME* magazine for scoring almost 16 million points in a 16-hour game of Defender (Kent, 2001, p. 152). In the minds of the gamers, the celebration of their achievements through recognition in national magazines and newspapers and success in tournaments was a major motivator for advanced play and reinforced the acceptability of public competitive gaming as well as the notion of expert or seasoned players. Without an obvious alternative route to justifying their gaming, players would engage in spectacular competitive feats not only for love of the game but to gain notoriety.

These factors culminated in the recognition of gaming as a sports-like contest. In 1985, at the popular Captain Video arcade in Los Angeles, the best arcade game players, along with ABC News, *USA Today*, and Guinness Book, congregated to commemorate the 3rd Annual Player of the Year Coronation Day contest. The results of this competition were to be featured in the 1985 iteration of the *Guinness Book of Sports Records*. The next year’s installment of the *Guinness Book of World Records* proper went a step beyond, including high scores for dozens of games as well as the names and hometowns of the record holders (Dean, 2005). This legitimation of early high scores by Guinness Book reinforces the idea that histories of e-sport need to factor in early arcade play, because these examples contribute to the evidence of a growing professionalization of competitive gaming during the 1980s.

The growing interest in the video game industry also resulted in attempts to promote gaming with TV programs. As early as 1982, competitive arcade gaming was being televised for a national (U.S.) audience. In his account of the game show *Starcade*, contestant Damon Claussen (2001) described the process of applying for an audition, the televised competition itself, and, more importantly, the sentiments of competing on television. He stated that “the next best thing to being at the arcade was watching one on

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*Although the publication of the more recent *Gamer’s Editions* (2008 onward) has sparked much discussion about the potential growth of e-sport, many of those engaged in this dialogue have been unaware that Guinness has been publishing high score records since the early 1980s.*
It was no doubt ahead of its time” (p. 332). The show’s pilot, which aired on San Francisco’s NBC affiliate KRON on Sunday, September 13, 1981, even earned the highest viewership in its time slot (Smith, 2012b). *Starcade* aired on WTBS between 1982 and 1984, making it the first video game television show featuring competitive gaming, preceding others such as *Video Power* (1990–1992) and *Nick Arcade* (1992–1993).

Dedicated e-sports shows have existed since the early 1980s, but more generally focused game shows also have featured video game competitions throughout the years. The best early example of this occurred in 1983, when U.S. television reality game show *That’s Incredible!* (1980–1984) featured three arcade pros competing to determine the national video game champion. Kennedy (1983) recounts this particular episode from the perspective of 16-year-old gamer Ben Gold as he competed in the challenge, which was filmed at the ABC studios in front of more than 100 people. The event is not so far displaced from current blockbuster events—bright stage lights, a large TV audience, celebrity host (Cathy Lee Crosby), and even a gold medal for “the first video game champion of the world” (Dean, 2005; Kinser, 2006). Although this latter designation would be considered contentious in the era of the World Cyber Games (WCG) and networked e-sports, it is one echoed by Walter Day, who considers players like Gold pioneers of professional gaming and that “The player of yesteryear is just as good as the players of today. There just weren’t as many opportunities for sponsorships and competitions back then” (Kinser, 2006, para. 29). Day considers Gold the first-ever video game champion, and Gold foresaw the future of e-sports, envisioning higher payouts and more competitive events that are now commonplace. Some have gone so far as to call these events the “first ever Videogame Olympics” (Burnham, 2001, p. 239). Although these early competitions shared several characteristics with the WCG—such as a torch-lighting ceremony, parades, elimination qualifiers, and medals—they still lacked a crucial formative factor of both the Olympic Games and the WCG: an international presence. Although it was not a truly global affair, the discourse of e-sports contests in the early 1980s comparing these competitions to the Olympic Games is significant.

TV programs were important for not only drawing the comparison between video gaming and sports but building the star system of gamers. In her story on the 1984 Video Game Masters Tournament, Millar (1984) spoke to competitive arcade gamer Roy Shildt (at the time of her writing, he was the record holder of arcade game *Missile Command*), who stated that beyond several hard-core players insisting that video games are sports, “Whatever video competition means, it can sometimes be profitable to those good enough to win world records” (p. 4b). In fact, for his early e-sports achievements, Shildt had received sponsorships from companies including Taco Bell and Nike, suggesting a greater variety of corporate sponsors than those involved with modern e-sports, which are predominantly corporations in the telecommunications and IT sectors. The star-making process can minimize the fickle nature of creative industry fans by assuring that a star can bring in a healthy profit, offsetting the costs of other endeavors, and has become a major staple of the media sports cultural complex. This is also one example of the ubiquitous promotion of ancillary goods in the cultural industries overall. Sponsors and promoters advance large sums of capital into the marketing of professionalized celebrities, from which they expect returns on their investments. But this professionalization of gamers as sportspeople also fostered acceptance of gamer culture and competitive gaming as experiential consumer events. As the perpetual journey to the
top of the glowing scoreboard became all-encompassing for youth across North America, the e-sport product was ever-present during this formative period.

And yet despite the varied competitive successes of the new professional gamer class and of e-sport more broadly, whether in the 1980s or today, one of the key issues facing the burgeoning sport is the issue of gender inclusivity. Claims of gender inequalities have coincided with outcries over so-called gaming addiction and overuse, violence, and more broadly the various moral panics associated with digital game play. Several authors (Hjorth, Ng, & Huhh, 2009; Jin, 2010; Taylor, Jenson, & de Castell, 2009) have drawn attention to the palpable absence of females in the highest levels of e-sport. Notably, this exclusion is systematic and fundamentally at the conceptual core of competitive digital game play. The highest levels of e-sport have always had deep-seated connections to public game play—in other words, playing in a physical space, whether being expected to compete at a physical arcade, practicing in a PC café, or attending a modern tournament. Even the highest levels of practice and display of skill in today’s e-sport market occur publicly, with top gamers streaming their exploits online on websites such as TwitchTV. However, these public gaming spaces have always been overly aggressive and masculinized and, as such, have often precluded participation by hesitant female gamers, who are often considered subpar or seeking attention before even having the chance to play. The borrowing of the e-sport vernacular from conventional sport has likewise had a deterrent effect, because it has promoted a cocooning effect, insulating those who use it from those who merely witness it. When combined, these factors have contributed to the difficulties experienced by women who wish to compete at the highest levels. Future studies on the subject are likely to find that these trends have changed very little between the inception of e-sport in early 1980s arcades and today’s networked global matches viewed by audiences often numbering in the hundreds of thousands.

Conclusion

During the late 1970s and early 1980s, arcade competitions became increasingly organized and sanctioned as public contests complete with title sponsors, audiences, and even some media coverage. These e-sport events became vehicles for promoting media platforms and linked sport and technology (Hutchins, 2008; Jin, 2010). Competitive gaming’s position as an amalgamation of sport, media, and technology makes it an ideal case study of the virtualized spectacle of the experience economy. The e-sport event can be considered something of a hyperexperiential product, a “post-experience experience” in the sense that, while the initial experiential consumer product is the game play provided by the publisher, a secondary consumption phase begins through the witnessing of already familiar games as an audience commodity when considered along with e-sport tournament spectatorship.

The e-sport event originates as merely one response to historical developments when it comes to public sites of entertainment, such as the amusement park, circus, or carnival. However, it is also an extension of the mediated sports spectacle within the digital market economy. Gaming events provide an important opportunity for the mass marketing and promotion of the digital industries as part of a broader transposition of competitive play within the experience economy. Sport has served as an example of successful entertainment-based event marketing in a mediated culture where play has become an involved, performance-centric experience as well as a spectatorial one.
The centrality of public events to this new economic orientation is clear:

The magic of the event, which makes it such a central feature of the experience economy, lies in its emotional and aesthetic potency. The event becomes a medium for creative cross-fertilization between the logos of business rationality and the pathos of playfulness. (Johansson & Näslund, 2007, p. 160)

Arguably, there is no better example of the combination of media as sport than e-sport, and by examining its origins we see how this competitive play activity grew along with the developments of both event marketing and the experience economy. Public gaming repositioned players and fans within a promotional chain that organized synergies between competitive play, public events, spectating, marketing, and business strategy. Historically, this made conventional sporting events a leading commodity in the mediated marketplace, and examining these convergences reveals important synergies when it comes to the marketing of gaming as a competitive play experience as well.

This article has situated the origins of competitive digital gaming during the early 1980s as a combination of the developing gamer culture, history of spectacular sports, event marketing, and the emergent experience-centric economy to contextualize the newly materializing digital creative industries. Public events and their attendant promotional orientations are outlets and facilitators of public relations ingenuity and marketing muscle, and this is no different when it comes to e-sport as a prototypical experience commodity. Professional gaming competitions have promised very specific gamer demographics to sponsors and hosts for several decades, but they also have repositioned play to offer a more involved type of spectacle and splendor for the attendee.
References


