iscte

**INSTITUTO
UNIVERSITÁRIO
DE LISBOA**

Integrating a Three-Dimensional Approach to Sustainability in Portuguese Esports Organizations: The Successful Case of SAW Gaming Group

João Filipe Dórdio Gonçalves

Master's (MSc) in Management of Services and Technology

Supervisor:
Invited Assistant Prof. José Pedro Campino, PhD,
ISCTE Business School

August, 2024

Department of Marketing, Operations and General Management

Integrating a Three-Dimensional Approach to Sustainability in Portuguese Esports Organizations: The Successful Case of SAW Gaming Group

João Filipe Dórdio Gonçalves

Master's (MSc) in Management of Services and Technology

Supervisor:
Invited Assistant Prof. José Pedro Campino, PhD,
ISCTE Business School

August, 2024

Dedicated to my grandfather Luís, who lives in my memory every day

Acknowledgements

The successful completion of this thesis represents an important milestone in my life, an arduous and persistent process that began during a study experience in Slovenia and ended with months of hard work back home.

My first words of gratitude go to my supervisor, Professor José Campino, who, with all the patience, availability and commitment he had already shown as a professor, proved from day one to be the right person to embark on this challenge with me. I will never forget the many times he used the plural to stand by my side and give me the support and strength I needed to continue on my journey, always believing in my abilities. Your constant presence was essential to the final result, and I will forever recognize how lucky I was that you agreed to guide me through this thesis.

My appreciation extends to my family, a crucial element behind all my achievements. To my parents, João e Luísa, for accompanying and supporting me through all the challenges in my life, and for their strong belief in my worth. To my grandmother Lucinda, who welcomed me in Lisbon with open arms and gave me everything so that I only needed to focus on my responsibilities, for her companionship and joy. To my grandmother Irene for all her concern, affection and love. To my grandfather Vitor, for being my inspiration in life, for his strength and perseverance, for taking risks and being a self-made man in every sense of the word, and for everything he represents to me as a person. And to my uncles and cousins for their unconditional support and for often being there when I needed the most.

Finally, my last acknowledgments go to all my friends, who are the closest I have to feeling what siblinghood is all about. To those who have always been there, who know me better than anyone and take pride in my achievements, and to those I met during my time in Lisbon, who helped me expand my horizons and push my dreams even further. This accomplishment also carries your stamp.

This page was intentionally left blank

Resumo

Vivemos num período em que os esports estão a emergir como uma das principais indústrias de entretenimento para as próximas décadas. Com as projeções de receita e audiência a aumentarem consistentemente todos os anos, as organizações de esports ocupam um lugar de destaque neste cenário, ao terem a possibilidade de contribuir para uma maior profissionalização do setor. Ainda assim, a adoção de práticas sustentáveis que possibilitem um equilíbrio tridimensional entre as responsabilidades económicas e as preocupações sociais e ambientais mantém-se como o principal desafio que estas organizações enfrentam, e a sua importância na promoção de um ecossistema sustentável para todos continua a ser subestimada.

Este caso de estudo investiga a integração da estrutura *Triple Bottom Line* nas organizações de esports, focando-se no caso de sucesso da organização portuguesa SAW Gaming Group, que desde a sua fundação se comprometeu a adotar estratégias inovadoras e eficazes numa perspetiva de sustentabilidade a longo prazo. Para tal, foram primeiramente identificados alguns problemas comuns que afetam a sustentabilidade das organizações, seguidos de soluções ajustadas, assentes sobretudo na experiência da organização SAW Gaming Group, mas recorrendo também a exemplos de outras organizações para reforçar a consistência do caso.

A metodologia, centrada na obtenção de dados secundários qualitativos, permitiu reconhecer a importância crescente das estratégias de monetização e de envolvimento dos fãs, e o impacto positivo de uma relação de proximidade com os stakeholders focada na obtenção de valor partilhado. Espera-se que este estudo contribua para realçar e incentivar a importância de futuras investigações neste domínio.

This page was intentionally left blank

Abstract

We live in a period where esports are emerging as one of the major entertainment industries for the next few decades. With revenue and audience projections rising consistently every year, esports organizations hold a prominent place in this scenario, by having the chance of contributing to a greater professionalization of the sector. Even so, the adoption of sustainable practices that strike a three-dimensional balance between economic responsibilities and social and environmental concerns remains the main challenge faced by these organizations, and its importance in fostering a sustainable ecosystem for everyone continues to be underestimated.

This case study investigates the integration of the *Triple Bottom Line* structure in esports organizations, focusing on the successful case of the Portuguese organization SAW Gaming Group, which has been committed since its foundation to adopting innovative and effective strategies with a long-term sustainability perspective. To achieve this, a number of common problems affecting the sustainability of organizations were first identified, followed by appropriate solutions based mainly on the experience of the organization SAW Gaming Group, but also using examples from other organizations to improve the consistency of the case.

The methodology, centered on obtaining qualitative secondary data, made it possible to recognize the growing importance of monetization and fan engagement strategies, and the positive impact of a close relationship with stakeholders focused on achieving shared value. It is hoped that this study will help to highlight and encourage the importance of future research in this field.

This page was intentionally left blank

Index

List of Figures

This page was intentionally left blank

x

List of Tables

This page was intentionally left blank

List of Annexes

This page was intentionally left blank

List of Abbreviations

CAGR – Compound Annual Growth Rate

CEO – Chief Executive Officer

CS – Corporate Sustainability

ESG – Environmental, Social and Governance

GDP – Gross Domestic Product

IMF – International Monetary Fund

LAN – Local Area Networks

OGA – Online Gamers Association

TBL – Triple Bottom Line

TSM – Team SoloMid

This page was intentionally left blank

Chapter 1

Introduction

Despite being popularly considered a phenomenon that has only emerged in recent years, the truth is that the first traces of what we now consider esports date back to the early days of computers. Games on consoles, computers or smartphones have been part of our society for several decades and their acceptance among the general population is today much greater than it was just ten years ago (Block & Haack, 2021).

The term esports derives from the combination of "electronic" and "sports" (Scholz, 2019) and is commonly used when referring to different teams or individual players competing against each other to be the best in a specific game (Hallmann & Giel, 2018). Lee & Schoenstedt (2011) pointed to the separation of esports into two different periods: the arcade era – between the 80s and 90s – and the internet era – where the famous Local Area Networks (LAN) began to grow in popularity and naturally changed the initial competition model of human-versus-machine for another of human-versus-human.

Over the last few years, esports have become one of the fastest-growing forms of new media, driven mainly by the constant emergence of new games (Hamari & Sjöblom, 2017) and by technological and cultural developments that have opened up space for the implementation of new business models and new ways of monetizing video games (Scholz, 2019). This continued growth was boosted most recently during the COVID-19 pandemic, when the absence of traditional sports fostered societal interest in esports, leading to viewing peaks on all livestreaming platforms during the lockdown. If, on the one hand, the industry suffered from the cancellation of events, on the other, it managed to expand into markets where very little activity had taken place, leading to an increase in consumption by fans (Gough, 2024).

In today's business world, sustainability has become a critical issue. Companies in many sectors are increasingly recognizing the importance of sustainable practices, not only for the environment, but also for their long-term profitability and social impact, with some prominent companies demonstrating that sustainability can be a driver of innovation, efficiency, and lasting business value (Kiron et al., 2017). As consumer awareness grows, businesses that prioritize sustainability are better positioned to thrive in a competitive market.

Despite the rapid growth of esports as a global phenomenon, it is still very rare to find studies addressing sustainability issues in organizations. Research began several years ago by focusing mostly on explaining esports to an unfamiliar academic audience, but as scholars became more acquainted with the topic, work shifted towards understanding behaviors, cognitive patterns and social interactions around the game (Reitman et al., 2019). Most of the published research focuses on broad

sustainability issues covering the whole sector and not just clubs in particular (Nyström et al., 2022).

The concept of sustainability in business is often encapsulated by the *Triple Bottom Line* (TBL) framework, which emphasizes the need for organizations to balance economic growth, social inclusion, and environmental protection (Elkington, 1997). Esports organizations are not immune to the constant demand for sustainable practices, as they face more and more scrutiny while they grow and become more professional, reason why integrating the TBL framework into their structures is becoming increasingly critical. Demonstrating a commitment to sustainability can attract investors who prioritize environmental, social and governance (ESG) criteria in their investment decisions (Janson et al., 2023).

SAW Gaming Group (henceforth referred to as SAW) is a portuguese esports organization, founded in 2020, which in a short period of time has managed to achieve an international reputation that no other national organization has ever come close to achieving. The organization is characterized by having built a powerful brand, through strategies such as establishing a strong presence on social media, investing in digital marketing, gathering the best national talent, bringing together reputable sponsors with significant investment power, among others. The most important outcome of these strategies has been the sustainable growth since its inception, which has allowed them to gradually increase the scope of investments and reach unprecedented competitive heights for a tiny reality like Portugal.

SAW is a prime example of this dynamic interaction between competitive success and sustainable practices, and the immediate and long-term benefits that these dynamics can bring. This case study shows that it is indeed possible for an esports organization to thrive in Portugal (something that until a while ago seemed illusory), and can gain increased relevance for those who hold leadership positions in organizations and who value integrating sustainability into their business models in an effective way. By examining the case of SAW Gaming Group, this study provides a model of how esports organizations can not only survive, but also prosper by establishing a firm commitment to sustainable development.

The remaining content of this thesis is divided into different parts respecting the structure conducive to a pedagogical case study. As such, the second chapter will focus on developing the case study, exploring the current panorama of esports and organizations, both in Portugal and abroad, and where the organization under focus will be presented in more detail. The third chapter will present the methodology used during the development of the research, and the fourth chapter will provide a literature review of the relevant concepts covered throughout the work, as well as the presentation of an animation plan for the case study, and a final discussion of the results obtained. The case study ends with a conclusion that summarizes the most relevant points of the case study and its implications and contributions for the future.

Case Study Context

2.1. Problem Contextualization and Relevance

The rapid growth of the esports industry globally has positioned it as a significant cultural and economic phenomenon, bringing with it a number of issues. One of the main discussions commonly raised when discussing sustainability in esports focuses on the importance for organizations to implement strategies capable of meeting the challenges of designing a sustainable business model (Scholz, 2020).

Some of the problems that tend to attract attention and end up hindering this goal are related to issues of financial instability (Browning, 2022), poor talent acquisition and retention (Smith N. , 2022), player burnout (Poulus et al., 2024), among other less-discussed problems such as poor management of the organization's brand and reputation, a lack of diversity and equality, and a limited commitment to the values of environmental sustainability.

There is already some published research in the area that investigates aspects ranging from the business, management and legal aspects of the industry, to concerns about players' health and performance, but there is no exhaustive and complete exploration of these elements in the context of managing an esports organization. While existing research provides valuable insights into the evolving dynamics of esports, it does not address the convergence of these elements for the creation of sustainable esports teams, which is why there is a need to develop a deeper understanding on this topic. This gap is particularly relevant to the portuguese esports scene, as there are no studies on the characteristics and development of this industry in the country.

As this remains a current problem and representative of a reality that has been proving difficult to overcome, it is important to study these dynamics in the context of an organization that has managed to establish itself as a national benchmark in the sector. It is important to understand how this upward trajectory occurred, what strategies, practices and decisions were adopted to maintain this advantage over other organizations and how technological innovation and adaptation to the new trends have influenced the success and sustainability of the organization.

By analyzing the factors that have contributed to SAW's sustained competitive success, along with occasional examples from other organizations, this work provides valuable information on effective business strategies, management practices and innovation processes that can be adopted by other organizations, enabling them to thrive in a challenging environment. Understanding these strategies can also help to create a more robust and stable ecosystem for esports in Portugal, something that has been hard to achieve in recent years.

2.2.   The Development of Esports and Its Relevance Today

The fast-growing phenomenon around esports is undeniable and continues to gain momentum, as the intersection of gaming and sports offers an innovative wave of branding opportunities and entertainment for millions of people around the world.

The industry became an area of great importance almost overnight, quickly transitioning from a first stage marketing budget industry to a well-defined mainstream phenomenon through the contribution of prominent sponsoring companies, generating new commercial opportunities to the structures and stakeholders involved (Deloitte, 2019). Together with private investors' burning need to explore new fields for funding, huge investments were made which contributed positively to the flourishing attractiveness of the industry, until, eventually, even governments started to offer funds (Ashton, 2019).

However, several questions arise about the nature of this growth and the prospects for the sector as a sustainable long-term business. The future of esports depends not only on its current popularity, but also on the industry's ability to effectively address some critical concerns, with esports organizations playing an important part in this. To achieve this, it becomes important to understand how this growth has taken place from a macro perspective, as this is the only way to understand the vicissitudes that shape the industry.

A broader look at the whole sector will prove essential, and parallels can then be drawn to see how quickly Portugal has kept up with the progress seen abroad. Comparing this reality to countries in similar positions (whether socially, economically or even geographically) will make it possible to assess the progress made and define the type of ecosystem where portuguese esports organizations have struggled to assert themselves.

2.2.1.   Industry Overview and Growth

In 2022, worldwide revenues generated in the esports market reached €1.4 billion, with China accounting for almost a third of the world's total amount. These numbers are expected to exceed the €2 billion mark by 2028[1] (Statista, 2024), and come mainly from sponsorship and advertising, but also from other sources such as publisher fees, media rights, or event revenues[2].

Sponsorship revenues have been the foundation on which the esports market was built, so, it's no surprise that it continues to be the highest-grossing revenue stream, bringing in around €800 million

---

[1] Annex A.
[2] The esports' betting market is also one of the biggest sources of revenue in esports. However, as it is still a poorly regulated market, and even banned in certain countries, it was decided to not include it for consistency purposes.

just in 2022, the equivalent to more than 60% of the total revenues[3]. While it's undeniable that sponsorship deals have allowed esports to expand their reach significantly, relying on a single revenue stream becomes risky for any organization. That's why successful esports organizations are diversifying their revenue streams, to protect themselves from any unexpected fluctuations in the sponsorship market, while ensuring that their revenues will continue to grow.

More direct forms of fan monetization such as digital and streaming – the two fastest-growing revenue streams (with 2020-2025 CAGRs of +27.2% and +24.8%, respectively) – while still comprising a small fraction of annual revenues, have proven useful in helping organizations innovate and get more resilient, and are becoming an increasingly important part of brands' strategy (Newzoo, 2022).

Benefiting from unprecedented exposure as a result of the global shutdown caused by the COVID-19 pandemic, esports have managed to carve out their own space and recorded the largest increase in revenue since 2017, when in 2022 they grew by almost 40%, due to the expansion of world economies after the lockdown. Most of the revenue was collected by China, the USA and Europe, which together comprise around 70% of the global market. When considering that these are the world's largest economies in terms of GDP[4], these figures don't come as a shock, since a wealthy economy and rising incomes lead to an increase in people's level of consumption (Diacon & Maha, 2015).

In the upcoming years, markets such as South Asia[5] and Latin America[6] are anticipated to be the new major drivers of these numbers (Newzoo, 2022), as shown by the CAGR projections for these regions for the period 2023 to 2028[7], which are expected to grow at a faster rate than the world average, as well as that of countries such as China and the USA. A pioneering study carried out by YouGov (2023) shed even more light on this trend, by mapping the distribution of esports fans across the world and uncovering which markets have the highest percentage of followers[8]. This research shows that among the 15 countries with the highest proportion of esports followers as a percentage of the country's total population, more than a half are part of the South Asian cluster, and almost all of them represent emerging economies with a strong potential for growth.

The statistics suggest that it is very likely to be China leading the sector's global expansion over the next few years, largely due to its booming economy and the high proportion of its population that

---

[3] Annex B.
[4] Annex C.
[5] The South Asian cluster is limited due to the information available, and includes countries from the regions of the Southeast (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam), Middle East (Israel, Saudi Arabia, Türkiye and UAE) and Southern Asia (India and Pakistan).
[6] The Latin American cluster is limited due to the information available, and includes the countries of Argentina, Brazil, Chile, Colombia, Mexico and Peru.
[7] Annex D and E.
[8] Annex F.

is engaged with the esports market. This path should be followed not only by the USA, European countries and other East Asian powerhouses (such as South Korea), but also by other untapped economies (such as India or emerging economies in the Middle East and Africa), paving the way for a future with diversified opportunities and increased competitiveness.

2.2.2. Audience and Live Streaming Market

Underpinning the increase in revenues is the significant rise in viewership, which grew by 8.7% in 2022, to reach a total of 532 million viewers. The Global Esports & Live Streaming Market Report (2022) estimated that the number of esports enthusiasts[9] will grow to 318 million with a CAGR of +8.1% between 2020 and 2025, when the total audience will surpass the 640 million mark[10].

Despite most of the esports consumer base still being made up of young men, the truth is that there has been a positive trend in the number of women involved. In 2021, women accounted for 1/3 of the enthusiastic esports audience, with approximately 2/3 of them aged 21 or over[11]. In addition, statistics relating to the demographics of the esports audience revealed that 74% of enthusiasts are employed full-time, and 44% of these belong to the high-income bracket[12], making this segment very attractive to consumer brands, who are increasingly tempted to invest in the market when they feel there are greater prospects of financial returns in the future (Newzoo, 2022).

There are two different ways for the esports audience to watch competitions: either in person at physical events, or via live streaming platforms. Twitch is the leading live-streaming platform in the western market, with a market share of 71%[13] (Stream Hatchet, 2023), having increased its market strength after being acquired by Amazon in 2014 (Wingfield, 2014). It is available worldwide (with the exception of China), and is expected to maintain a dominant position in video game streaming as performing hardware becomes more available and internet infrastructure evolves in emerging markets, especially in the Middle East, Africa and Latin America.

Twitch has become a leading force in the gaming industry and in the universal media ecosystem in recent years, and although there are other live streaming platforms (such as YouTube Gaming or Facebook Live), the platform is home to the largest gaming community in history (Churchill & Xu, 2016), who watch it progressively on a daily basis, making it an integral component of their lives (Gros et al., 2017). Streaming platforms have had a major impact on the explosive growth of esports

---

[9] In Newzoo's Annual Report, an "esports enthusiast" is defined as someone who watches professional esports content more than once a month, as opposed to "occasional viewers" who do it less frequently.
[10] Annex G.
[11] Annex H.
[12] Annex I.
[13] Annex J.

6

by providing high-quality access to competitions for large audiences, and this deep integration with streaming is boosting mainstream recognition of competitive gaming as a spectator sport. As 5G internet becomes more widespread, enabling lower latency and faster speeds, the streaming experience is expected to improve even further, enhancing user experience and contributing to a smoother experience for the fans (CacheFly, 2024).

2.2.3. The Portuguese Context

The esports movement in Portugal began in the early 2000s with the appearance of the XL Party, a larger national event that served as the first impetus for what we now consider real esports. Until then, most competitions took place at regional LAN parties[14] and were almost always organized by groups of friends or in university environments (Silva, 2020).

At the beginning of the 2010s, more structured competitions began to emerge in the most popular video games played in Portugal – such as Counter-Strike or League of Legends – and halfway through the decade, it became more common to see traditional portuguese sports clubs investing significantly in esports (Barateli, 2024), especially in games that recreate their real-world counterparts, such as FIFA in football, or NBA2K in basketball. In fact, this trend has been observed in many countries around the world, with 400 sports teams having already entered the esports market by 2019 (Scholz et al., 2021).

Particularly in virtual football (FIFA), Portugal boasts a completely unique reality when compared to many other countries, benefiting from the substantial investment made by the Portuguese Football Federation. Clubs such as SL Benfica, Sporting CP or FC Porto have created their own esports sections to compete in FIFA, joining esports organizations that were already participating, and unleashing a level of competitiveness that is rarely seen in other countries (Sequeira & Faria, 2023). That's why Portugal is currently one of the countries with the highest concentration of FIFA players competing in world-class competitions, even reaching the first place in the world ranking in 2022 (Seixas, 2022).

The progressive growth of domestic competition has led to the emergence of live events on an international scale, organized by portuguese and foreign companies. These events end up being decisive in the growth of the industry by attracting passionate crowds to competition venues, boosting digital consumption and generating multiple sources of revenue (Eventbrite, 2015). An excellent example of the impact of this sort of events was the organization of the Blast Pro Series in Lisbon in 2018, one of the most emblematic Counter-Strike tournaments in the world, which brought more than 20,000 visitors to the venue and saw online viewership soar past the million mark (Ferreira C. , 2019).

---

[14] A LAN party is a social gathering of participants with personal computers (which can concentrate up to thousands of people), where a local area network (LAN) connection is established between the devices via a router or switch, mainly for the purpose of playing multiplayer video games together.

The evolution of the portuguese market has always been in a positive direction, in line with the rest of Europe, albeit at a slower pace. A comparative analysis with 19 other European economies (Table 2.1) shows that the portuguese market has always been one of the slowest to grow, and this trend is expected to continue in the next few years. The CAGR projected between 2019 and 2028 shows that Portugal will only grow at a faster rate than Romania and Lithuania, and below any of the other countries in the control group.

Table 2.1 – Projected Esports Revenue Growth and CAGR – European Countries (2019 – 2028)

Revenues (in millions of €)	2019	2020	2021	2022	2023	2028	CAGR (2019-2028)
Republic of Ireland	0,50	0,60	0,80	1,20	1,50	4,40	27,33%
Norway	5,10	5,60	6,20	8,60	9,90	17,40	14,61%
Spain	19,40	22,00	26,50	35,50	40,60	64,40	14,26%
Sweden	11,10	12,00	14,20	19,00	21,60	35,90	13,93%
Switzerland	4,80	4,90	5,60	7,30	8,20	15,00	13,50%
Poland	7,60	8,20	9,30	11,90	13,30	22,70	12,93%
Netherlands	7,40	8,00	8,90	11,40	12,50	22,10	12,93%
European Average	11,18	11,89	13,76	17,82	19,89	30,95	11,98%
Germany	47,30	51,90	62,00	78,80	87,40	130,10	11,90%
Italy	15,70	16,10	18,90	24,80	28,00	42,50	11,70%
United Kingdom	26,20	26,60	31,40	41,10	46,20	70,80	11,68%
France	24,40	24,40	28,40	38,00	42,70	65,10	11,52%
Greece	2,00	2,10	2,30	2,80	3,20	5,30	11,44%
Finland	3,40	3,60	3,80	5,00	5,50	8,80	11,14%
Denmark	5,60	5,80	6,50	8,20	9,00	14,40	11,06%
Austria	5,40	5,90	6,30	7,90	8,60	13,80	10,99%
Russia	21,50	23,60	26,50	33,30	36,60	51,90	10,29%
Belgium	7,10	7,40	8,00	9,90	10,70	16,60	9,90%
Portugal	3,50	3,50	3,90	4,70	5,10	7,90	9,47%
Romania	3,20	3,30	3,30	4,20	4,40	6,40	8,01%
Lithuania	2,30	2,30	2,30	2,80	2,80	3,40	4,44%

Source: Own elaboration with data collected from Statista (2024)

With the exception of Ireland, which can be considered an outlier in this analysis due to its low figures, the truth is that most countries tend to grow faster than Portugal. It's interesting to look at countries like Poland or Spain, for example, which have similar GDPs to Portugal, but much higher growth rates. Specially Spain, which is the second country with the highest CAGR in this period (excluding Ireland), and with many similar characteristics to Portugal that in a different reality could bring the two countries closer together (age pyramid, geographical position, culture, etc.).

Conversely, the number of competitive players has been showing positive figures when compared to the rest of Europe. Although this number remained practically unchanged from 2019 to 2023, the fact is that almost every country in the control group showed a significant reduction in competitive players, largely due to the Covid-19 pandemic which reduced the number of competitions and therefore the number of players taking part in them, especially those participating in local events or small online tournaments.

Table 2.2 shows the evolution of the number of competitive players in each European country included in the study, between 2019 and 2023, per million inhabitants (in order to make the data more consistent and reliable). As can be seen, although still reflecting some effects of the pandemic, the number of portuguese players participating competitively has remained practically the same over the last 5 years, as opposed to 3/4 of the control group, which on average has fallen by almost 7% per year. Furthermore, Portugal is the 6th European country with the highest number of competitive players per million inhabitants in 2023.

Table 2.2 – Competitive Players per Million Inhabitants – European Countries (2019 – 2023)

Number of Competitive Players (per million inhabitants)	2019	2020	2021	2022	2023	Average Annual Growth Rate
Denmark	90,4	83,3	65,6	59,8	57,5	-9,09%
Finland	70,3	77,9	66,7	54,4	47,5	-8,11%
Sweden	57,8	53,7	45,5	39,3	35,8	-9,50%
Norway	45,7	46,7	45,9	41,7	34,0	-6,41%
Lithuania	31,5	42,9	31,1	27,3	28,1	-2,71%
Portugal	23,4	22,7	20,4	24,5	22,9	-0,57%
Netherlands	28,5	25,4	25,9	21,5	19,0	-8,32%
European Average	26,3	26,1	23,1	21,4	19,0	-6,93%
France	20,6	17,7	18,2	18,1	16,9	-4,42%
Poland	14,2	15,8	16,5	16,4	15,0	1,50%
Republic of Ireland	16,0	13,4	10,9	13,0	13,4	-4,03%
Switzerland	21,5	19,5	18,1	18,2	13,0	-9,85%
United Kingdom	15,2	13,9	15,3	15,2	12,8	-3,91%
Belgium	17,5	17,4	15,9	13,0	12,0	-7,88%
Germany	14,4	15,3	14,0	14,6	11,7	-4,64%
Austria	23,3	17,5	12,0	10,0	8,7	-15,68%
Spain	11,5	12,8	10,5	9,8	8,2	-7,15%
Romania	5,3	5,8	7,4	8,8	6,5	5,45%
Russia	6,1	6,4	7,7	6,2	6,5	1,39%
Italy	4,2	4,9	5,7	5,1	5,6	8,18%
Greece	8,9	9,0	9,1	10,4	5,3	-10,14%

Source: Own elaboration with data collected from Esports Earnings (2024) and World Bank Group (2024)

So, what does this tell us in practical terms? How can a country that manages to maintain a consistent number of players participating in competitions (even after a pandemic that has negatively affected almost every other country in Europe) and that has hordes of passionate fans everywhere, not translate this into faster development and increased revenue for its domestic industry?

Even though the answer to this question is hard to unravel, it seems likely that the main problem lies in the lack of professional structures with the expertise to make the most of a market that still has a lot of potential for growth. And here is where several other challenges arise, from the question of brands understanding the market they are in and how they can capitalize on it to their advantage, to the question of organizations being able to innovate and develop the conditions for better exploitation of the market's internal resources (players, fans or sponsors) and, consequently, a more sustainable ecosystem conducive with the achievement of competitive results.

There is no doubt that esports organizations can do more and better. A successful esports organization not only benefits all the people involved in the project, but also contributes to the global economic ecosystem, creating jobs, attracting investment and fostering the growth of related industries, such as technology, or even the tourism associated with the consumption of these types of events. In a country where these structures are ineffective and practically non-existent, it is essential to understand the shortcomings in the system that slow down its growth, and to look at the positive examples that can be replicated, whether nationally or internationally.

2.3.   Esports Organizations at a Glance

With prize money increasing significantly over time and the audience growing every year, a small niche has become a market worth billions that now attracts investors from all over the world. For these investors, esports organizations are one of the most interesting players in the ecosystem, as they are among the main drivers when it comes to a future of digital prosperity and economic gains.

However, with esports still at an early stage of economic growth and the business model of organizations still far from being completely stable, most teams are unable to create professional internal structures and an efficient strategic plan that paves the way for the creation of lasting value. Esports organizations that want to fill these gaps need to evolve into institutions that guide partners and sponsors on a journey towards creating unique and strong economic ecosystems and a clear market position (Vitale & Advani, 2020).

In the next section, a historical contextualization of esports organizations will be presented, as a starting point for delving into the unique characteristics of these institutions and their business models, closing with some comparative analyses with other countries, where some conclusions will be drawn about the current state of portuguese organizations and their relevance to the European reality.

2.3.1. Definition and Background of Esports Organizations

Esports organizations can be defined as private companies that employ players to take part in competitions on their behalf, usually leveraging their brand and structure across a wide range of different titles, rather than being exclusively linked to a single game (IESF, 2021). They are pivotal in the professionalization and globalization of esports, driving industry standards and contributing to the economic growth of competitive gaming. There are already some powerhouses that have managed to create a distinct brand identity over several years, but the esports market is still known for the volatility of its organizations.

Scholz T. M (2019) broken down the emergence of esports organizations into four distinct phases. The first generation dates back more than 20 years, and are seen as a testament to sustainable longevity in an industry characterized by being very young and fast-moving (example of SK Gaming, which was founded in 1997 and remains one of the most relevant organizations on the competitive scene). The second generation brings some of the most dominant forces in the history of esports, who have already benefited from some prior knowledge that has allowed them to burn through some stages more quickly, and are characterized by their continuous dominance, despite some ups and downs (for example, the British organization Fnatic, founded in 2004).

The third generation comes at a time when esports is already a closely watched industry in a growth cycle, in the shadow of the development of digital platforms and the expansion of online competitions and live broadcasts. Finally, the last generation, since 2015, points to a certain change in the esports industry, where more and more teams are being acquired by non-endemic stakeholders who desperately want to invest in esports. This evolution has led to a greater professionalization of organizations, but has also compromised the focus on long-term sustainability.

The current landscape of esports organizations reflects a dynamic and rapidly evolving sector. The progression from the pioneering first generation teams, characterized by their sustainable longevity, to those of the third generation that capitalized on the digital boom, illustrates the adaptive nature of the sector. The fourth generation, marked by significant investment from non-endemic stakeholders, highlights the increasing mainstream acceptance and financial backing of esports. As the industry continues to mature, a focus on fostering a stable and professional ecosystem that supports both competitive success and the prioritization of sustainable practices will prove to be crucial to the future success of esports organizations.

2.3.2. Esports Organizations' Main Characteristics and Business Model

When thinking about esports organizations, it's natural to picture them as "sports-like" clubs, that dedicate most of their resources to promoting their competitiveness and success in tournaments. However, esports organizations are not only top athletic organizations with the goal of winning

sporting competitions. They are gradually diversifying their business model by increasingly turning into holistic media and entertainment companies, driven, among other things, by the need to unlock new revenue sources in order to grow as a business.

A study conducted by Deloitte (2022) showed that, although the traditional business areas[15] of an esports organization remain in the company's core activities, their contribution is decreasing compared to business areas more focused on offering products and services around core esports[16]. Content creation and influencer marketing, for example, have allowed esports teams to forge closer ties with their fan bases regardless of the competitions they are involved in, while at the same time authentically activating their greatest assets – the players. In 2022, these additional activities accounted for almost 1/3 of the total revenue streams of European organizations, which continue to come mainly from sponsorship agreements (Figure 2.1).
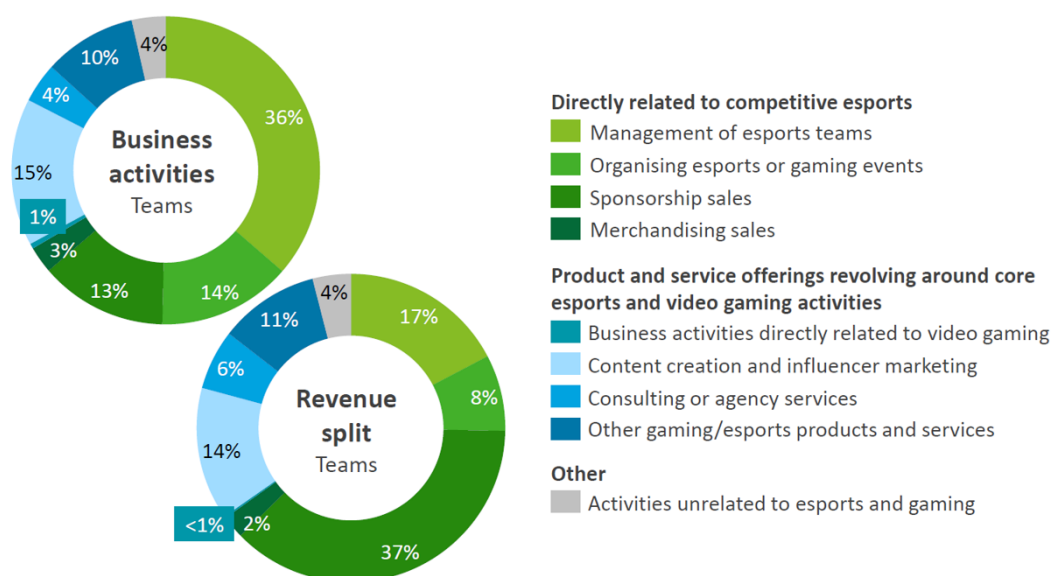
Figure 2.1 – Esports Organizations' Business Activities and Revenue Split – Europe (2022)

Source: Deloitte (2022)

Regarding the cost structure, the salaries represent almost 70% of the total money spent, with players and staff absorbing a large part of this amount (Figure 2.2). These salaries are defined through employment contracts, where it is also decided what future percentages the players are entitled to depending on the team's performance in the competitions they play in (i.e. tournament wins), and where the organization commits to other associated expenses, such as support staff (analysts, psychologists, nutritionists), travel expenses, gaming equipment, team facilities and an environment in which they can focus solely on getting better (Wong & Meng-Lewis, 2022).

---

[15] Traditional business areas are represented in green in Figure 2.1.
[16] These secondary activities are represented in blue in Figure 2.1.
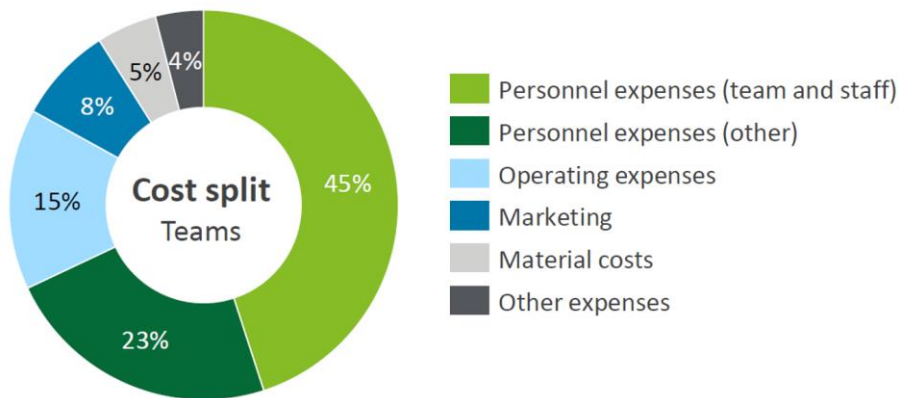
Figure 2.2 – Esports Organizations' Cost Structure – Europe (2022)

Source: Deloitte (2022)

Successful organizations strive to balance their revenue streams with their costs, while maximizing the allocation of people to activities that can generate the most added value for the institution, growing organically over time and focusing on long-term profitability. However, this scenario still seems a little unrealistic for many European organizations, considering that the same Deloitte study shows that only 1/3 of these organizations admitted achieving net profitability in 2022.

Economic sustainability is undoubtedly one of the dimensions most neglected by Esports organizations around the world. In addition to this dimension, there are other aspects of management which, when equally neglected, affect the long-term ambitions of the organization. Although they don't seem to impact the company's net results at first, they can have an equally catastrophic effect on the brand's image, bringing with them other associated issues such as criticism and alienation on the part of the fans, players refusing to represent the organization due to a lack of identification with its values, the worsening of sponsorship contracts, among others. All these negative impacts will then have an equally damaging effect on profitability, becoming a difficult cycle to recover from.

2.3.3. The Current State of Esports Organizations in Portugal

The first organized portuguese teams began to emerge in the late 1990s and early 2000s, accompanied by the creation of some competitions, websites, discussion forums and other community initiatives (FPDE, 2019). In 1998, the first Portuguese esports organization was founded – the K1ck Esports Club – as an online gaming club that would only formalize itself as a legally registered esports team in 2005. Along with Grow uP, founded in 2002, they are the longest running portuguese teams on the national scene, and some of the few still in existence today.

At the beginning of the 2010s, considered to be the decade of the esports boom (Partin, 2020), another organization emerged that is also considered to be one of the most traditional due to the number of community members involved and the variety of teams it has presented in different games

over the years – For The Win Esports. Gradually, these teams began to take part not only in national competitions, but also in international events, although still very sporadically, and almost always led by K1ck Esports Club, the oldest and most traditional organization in Portugal.

The country has always been good at producing young talent, but very few have managed to reach high levels, both competitively and professionally. It seems that, like the ecosystem itself, the lack of professionalized structures that encourage the practice of esports has contributed decisively to the giant gap observed between the number of players registered in legally constituted organizations and the total number of practitioners in the country. Similarly, a considerable number of people working in these structures are volunteers, without any financial remuneration (FPDE, 2019).

The issue of professionalizing teams has been very little addressed in Portugal, especially in the 2010s, where greater planning could have led to unprecedented internal expansion following the boom seen all over the world. This situation has led to some of the best portuguese athletes, coaches and other professionals being recruited by some of the best European organizations in different categories. Just about 45% of the total money won by the top 25 portuguese players between 2018 and 2023 was earned while representing portuguese organizations[17], which shows that there is still plenty of talent scattered around the world that could be put to good use in-house.

Today, SAW is the only fully professional portuguese organization, where everyone involved is remunerated for their contribution. This shows that, although the portuguese ecosystem is visibly growing and breaking down stigmas, the road to the professionalization of everyone involved is still a long one, in a country that is very much pushed by people who live for esports and not from esports (Ferreira R. , 2023).

2.4.   The Importance of Sustainability in Esports Organizations

The first generation of esports organizations was born out of people who were exclusively interested in playing games competitively, since finding investors or sponsors at that time seemed like a utopia. This gave them the opportunity to evolve detached from the commercial side that is so ingrained today, allowing them to evolve on their own and create distinctive characteristics (Scholz, 2020).

Nowadays, the paradigm has changed with the growth of esports, and sustainability has become increasingly relevant for all stakeholders, who are now much more concerned about this balance between the competitive aspect and the sustainability of the companies. For example, Riot (the company that created League of Legends, the most played game in the world), realizing how difficult it was for organizations to survive under the financial pressure of the industry, decided to change their

---

[17] Annex K

business model to one with more predictable revenues for teams, in order to keep the ecosystem healthy and on a path to long-term sustainability (Needham, 2024).

On the other hand, individuals and companies that can add value to an organization, whether as employees or partners, will be much closer to doing so if they feel the organization's priority focus is the foundations on which its projects are built and long-term viability, rather than unsustainable projects focused on momentary short-term results.

As the *Triple Bottom Line* of sustainability conceives, a company is sustainable when it is managed in a way that not only generates economic value, but also improves people's lives and the quality of the planet (Jeurissen, 2000). Looking at esports organizations as companies that need to be competitive and ensure their own longevity through sustainable practices, it is vital to explore sustainability from new perspectives that include economic, social and environmental dimensions, which can be positively leveraged when addressed and developed together (Nyström et al., 2022).

This commitment to sustainability will then open up space for more investors, sponsors and partners who value a long-term vision and responsible business practices. Additionally, as the industry grows and becomes more sustainable, it attracts a broader audience and more media attention, further fueling its expansion and commercial projection, leading to greater professionalization and widespread acceptance of esports.

2.4.1. Disregard for Sustainable Practices – Examples of Harmful Management

One of the most well-known examples of an organization that has come under public scrutiny for its people management issues is Team SoloMid (TSM). The Washington Post described the abuses committed by the company's CEO, and the toxic environment experienced by employees in the workplace in a report that quotes more than a dozen current and former TSM employees, including players (Klimentov, 2022a). The accusations painted a picture of a work culture dominated by fear, where employees were hesitant to speak out because of potential retaliation.

Since 2009, TSM has become one of the world's leading esports organizations and was named the world's most valuable esports organization by Forbes in 2022 (Knight, 2022). However, this didn't stop bad practices from being investigated, leading to its CEO being convicted of abuse and harassment, and forced to undergo sensitivity training (Klimentov, 2022b). The scandal highlighted serious issues of toxicity and workplace abuse within the organization and helped underline the importance of fostering a positive and respectful working environment in organizations, even prompting TSM to implement new policies aimed at improving its workplace culture.

Another case of a prominent name in the industry facing a series of financial and management problems that led to its dissolution was Denial Esports. The organization was publicly accused of failing to pay salaries and prize money to its players from several different teams and games (Byers, 2019)

and criticized for its lack of financial transparency, as players and staff were often kept in the dark about the organization's financial situation and payment schedules.

Financial troubles are, in fact, the main problem for esports organizations, even for the ones that manage to sign the biggest sponsorship deals in the world and attract the biggest crowds of fans. FaZe Clan is one such example, with renowned partnerships with brands such as Porsche or Nike, the organization continued to show substantial financial losses after going public in July 2022. The company faced significant challenges as its share price fell rapidly, triggering a "delisting notice" from Nasdaq in March 2023 due to failure to meet the $1 minimum trading threshold for 30 consecutive days (Harmon, 2023). Despite its CEO's ambitions to diversify revenue sources at the time of the Nasdaq listing announcement in October 2021 (Beer, 2021), the truth is that these promises ultimately failed to materialize, leading to the merger of FaZe Clan with the holding company GameSquare in 2024 (GameSquare Holdings, 2024).

As evidenced by the mistakes of organizations such as TSM or Denial Esports, there is still a major neglect of principles related to the social dimension of the TBL framework, which is perhaps the most complex of all and which can also lead to serious repercussions in tarnishing the organization's reputation. The example of FaZe Clan, on the other hand, puts an important emphasis on the constant concern that must exist about the financial dimension of organizations, even of those that seem to have everything in place to never fall. SAW's history offers a compelling contrast – an organization that has thrived through a commitment to sustainable growth, fostering not only a supportive environment for players, staff and employees, but also adding value for all its stakeholders.

2.5. SAW Gaming Group

SAW is a professional esports organization based in Vila Nova de Gaia, Portugal, which was born on January 1, 2020, after five of the most experienced portuguese Counter-Strike players decided to join together aiming to take a step forward in their careers and creating something that stood out from what already existed from an organizational point of view (SAW Gaming Group, 2024).

The idea of setting up the team came at a time when it was very difficult to find support from an organization that was willing to offer players the conditions they felt they deserved for what they had already achieved in their careers, be it financially or in terms of human resources and infrastructure available for a better performance. This led them to take the initiative to set up their own organization and structure, which in the beginning was down to just 7 people, including themselves.

Their commitment eventually helped them find the support and investment they needed to grow from a purely Counter-Strike team into a registered brand. With the arrival of investors and partners, and finally with a structure of professional people behind, the organization eventually made the leap

it needed to become the largest and most prestigious esports organization in the country.

The organization is represented in three of the five most watched games in the world[18]. The strongest presence is in Counter-Strike, where it fields not only a male team, but also a female team and a secondary line-up of younger players, with the aim of developing national talent, and which goes by the name of SAW Youngsters. In addition to these teams, there is also representation from a male team in League of Legends and in Valorant. In the recent past, the organization also had FIFA players competing at the highest level, and the desire to expand into more divisions has already been expressed by the CEO, although he acknowledges that expansion will always have to be supported by numbers that ensure the business is viable (SAW GG, 2023a).

Competitively, the organization has managed to win several Iberian and other international titles, and became the first portuguese team to reach a Counter-Strike Major (the world's biggest tournament in the discipline), also holding the portuguese record for the highest place in the world ranking – a 16th place, achieved in April 2024 (Magalhães, 2024; Martins, 2024).

The emergence of SAW seems to indicate that the organization has leveraged the potential existing in Portugal, pushing its athletes to reach higher levels than the portuguese scene was used to. Since 2016, Portugal had been one of the countries in Europe with the lowest amount of prize pool earnings for each portuguese athlete, something that would gradually change from 2020, when the organization was founded, as figure 2.3 shows.
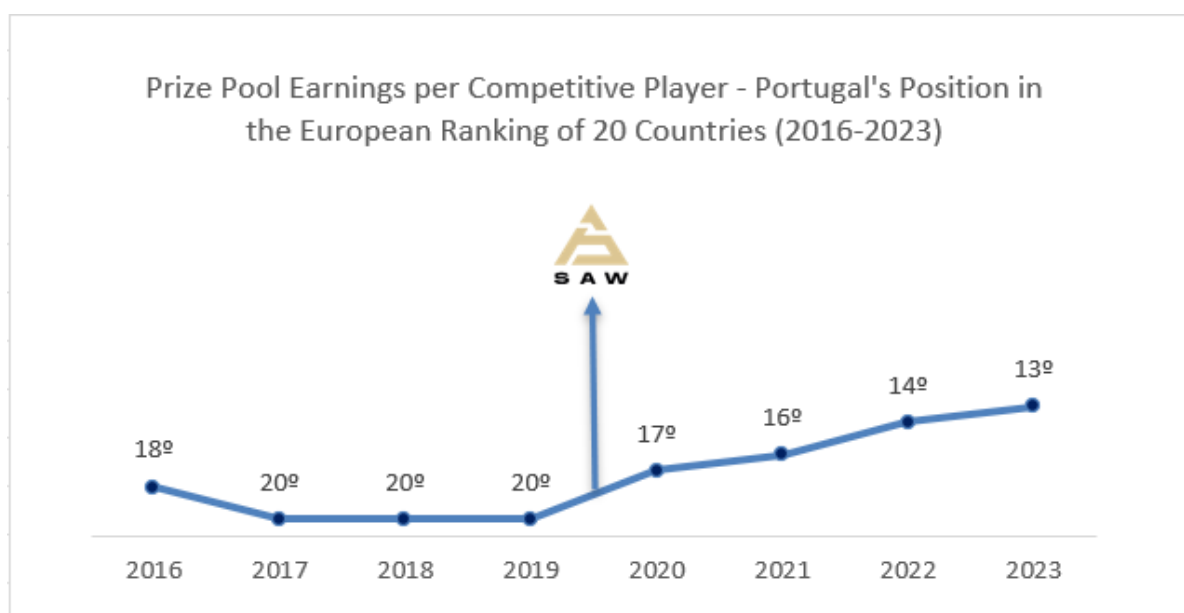
Figure 2.3 – Prize Pool Earnings per Player – Portugal's Position in the Euro Ranking (2016-2023)

Source: Own elaboration with data collected from Esports Earnings (2024)

---

[18] Annex L

The creation of SAW in 2020 marked a significant turning point. During a challenging period for the players, the risk of creating a project that reflected their own values ended up setting a new standard in the portuguese scene. The strategic growth from a small and committed team to a prominent brand in the industry is a testament to their vision and determination, and in a certain way to the vitality that got them this far. SAW have not only taken their players to new heights, but they have also elevated the entire portuguese esports community, demonstrating the region's substantial potential. Their journey underlines the importance of solid support structures and sustained, strategic growth for organizations wishing to achieve the same long-term success.

2.6. Problem Summary

The primary goal of this pedagogical case study is to raise awareness on the current problems and challenges faced by esports organizations, and what specific competencies, strategies and practices they can incorporate into their reality to better deal with them. Although much of the content covered in this work is transversally applicable to many other organizations from different contexts, the case study will be tailored to the portuguese ecosystem, by focusing mainly on the organization SAW.

2.7. Questions to be Approached

The main purpose of a pedagogical case study is to teach students how to analyze the causes and consequences of a particular real-world event and encourage them to think about possible solutions to the problem, challenging their critical thinking and problem-solving skills. To achieve this, two questions are presented aiming to segment the research topics and facilitate the drawing of future conclusions:

1) The *Triple Bottom Line* framework incorporates three dimensions of performance: economic, social and environmental. For each of these dimensions, describe the current sustainability challenges encountered by esports organizations.
2) What strategies associated with each dimension of the sustainability framework have been implemented by SAW and other organizations to overcome the challenges identified and grow sustainably?

These questions are intended to be answered in a learning environment, using not only the material contained in this case study, but also additional information that can be found in more recent scientific papers, articles or other online sources.

2.8. Case Study Annexes

Annex A: Projected Global Esports Revenue Growth (2019 – 2028)

Projected Global Esports Revenue Growth 2019 - 2028 (in billions of EUR)

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
0,8	0,9	1	1,4	1,5	1,7	1,9	2	2	2,2
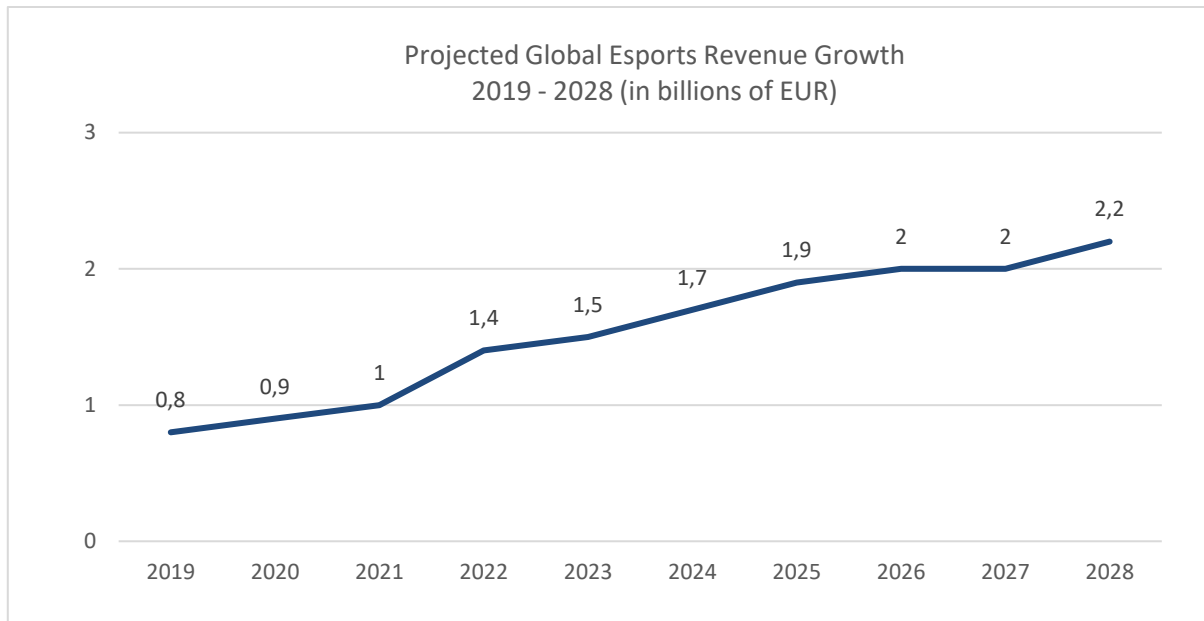
Source: Own elaboration with data collected from Statista (2024)

Annex B: Global Esports Revenue Streams (2022)

Global Esports Revenue Streams 2022 (in total %)

- Publisher Fees — 9%
- Streaming — 3%
- Digital — 4%
- Merchandise & Ticketing — 8%
- Media Rights — 15%
- Sponsorship & Advertising — 61%
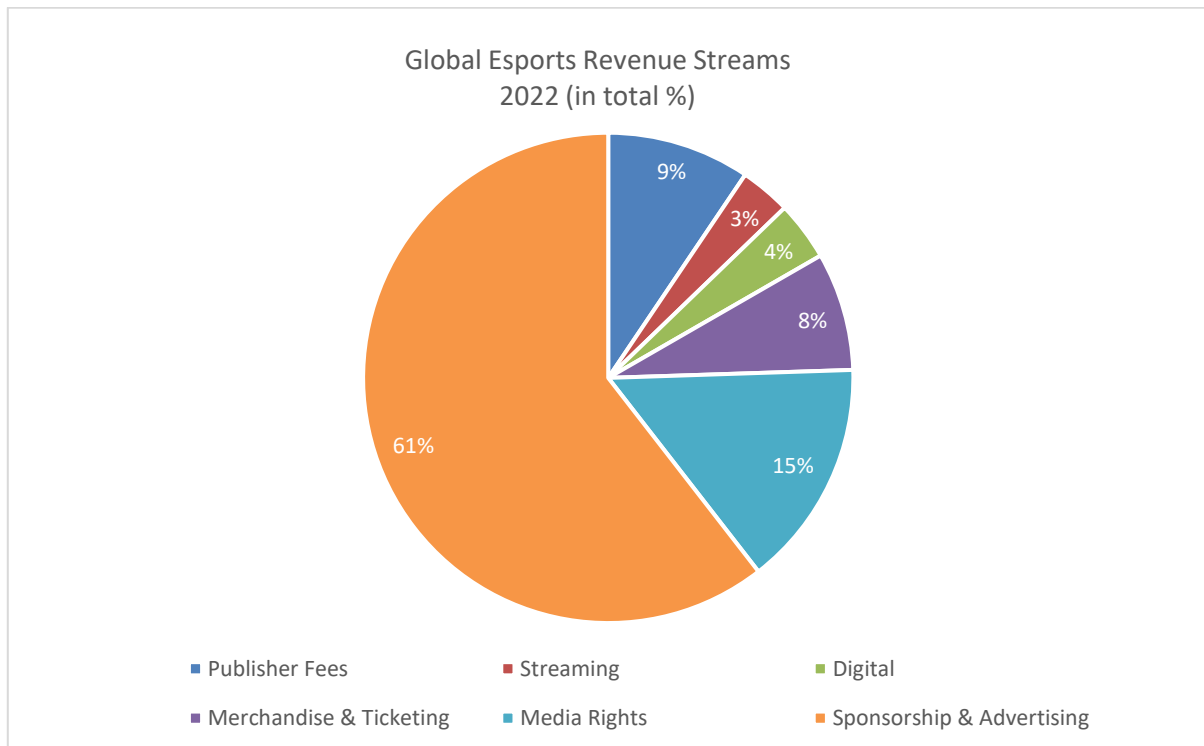
Source: Own elaboration with data collected from Newzoo (2022)

Annex C: World Economic Outlook – GDP Current Prices (2022)
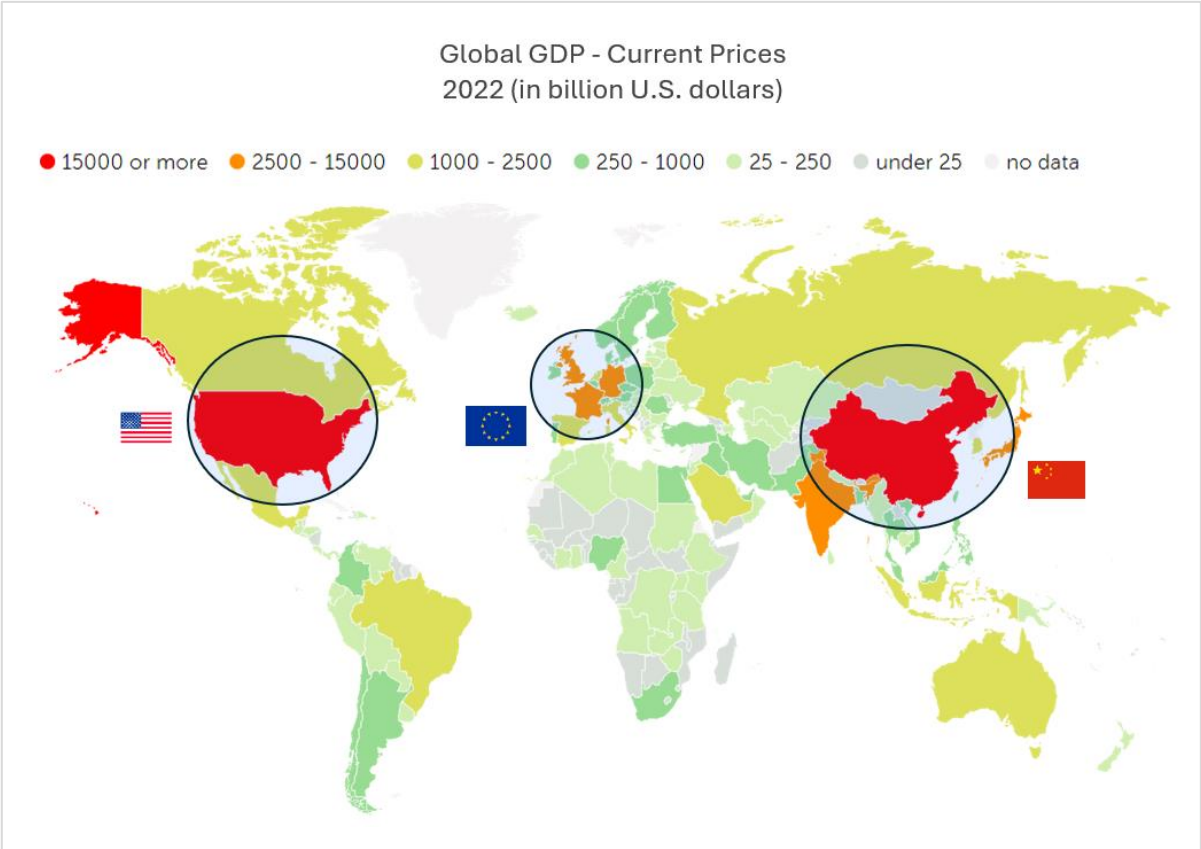
Source: Own elaboration with data collected from the IMF (2024)

Annex D: Projected Esports Revenue Growth – Major Regions (2019 – 2028)
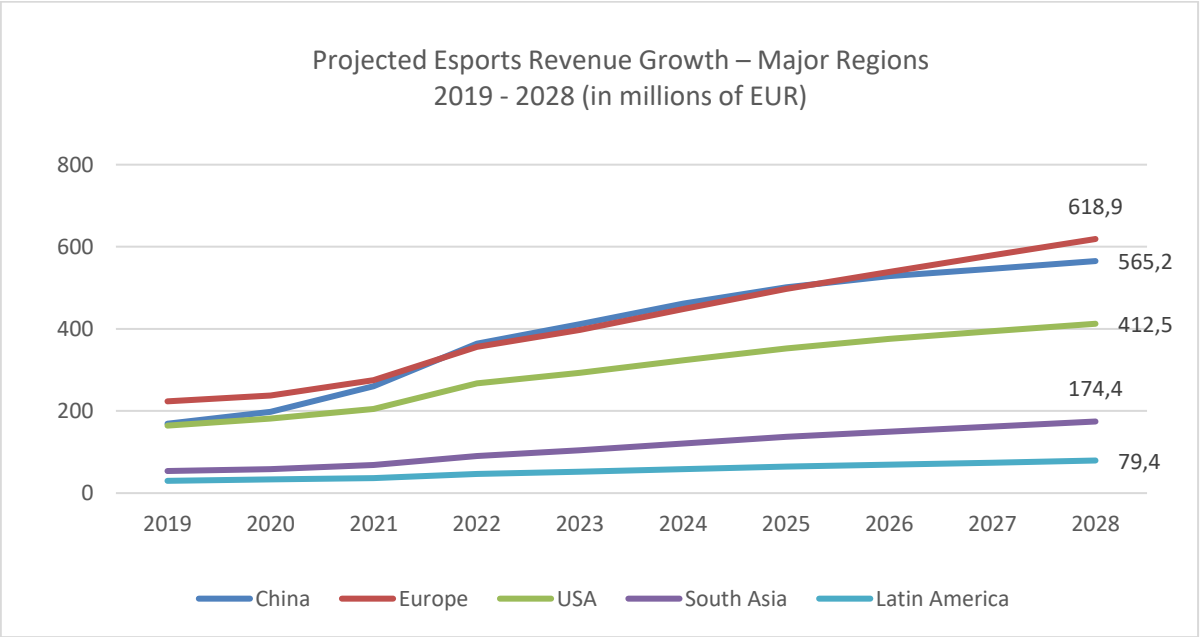
Source: Own elaboration with data collected from Statista (2024)

Annex E: Projected Esports Revenues CAGR – Major Regions (2023 – 2028)
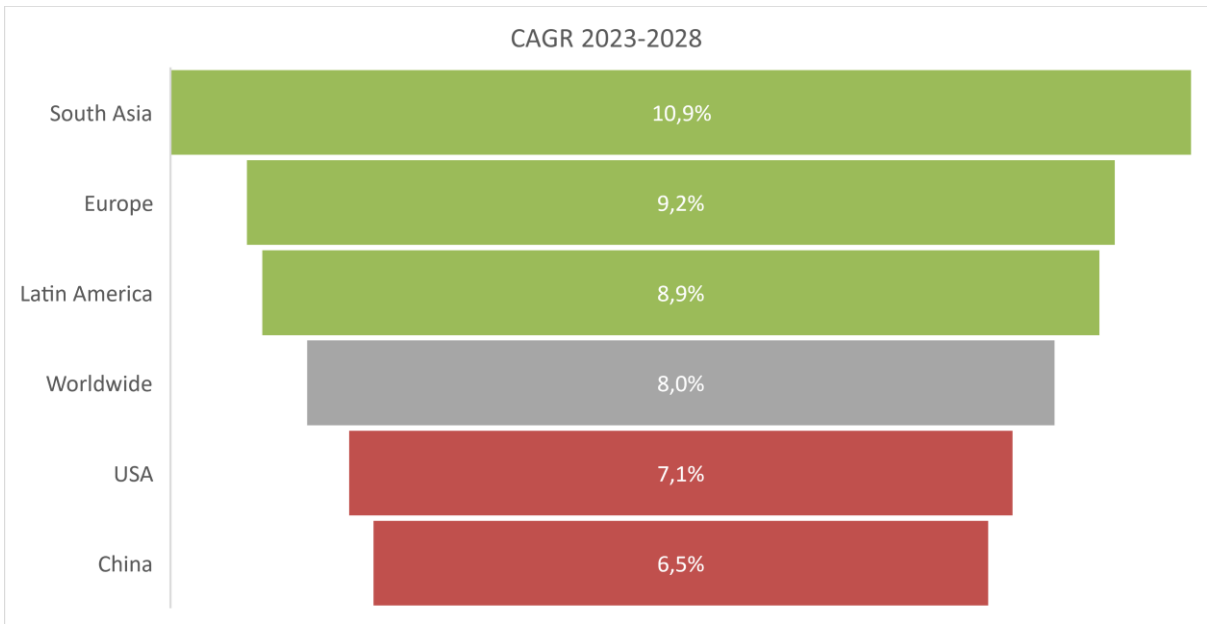
Source: Own elaboration with data collected from Statista (2024)

Annex F: Top 15 Markets with the Largest Proportion of Esports Followers (2023)
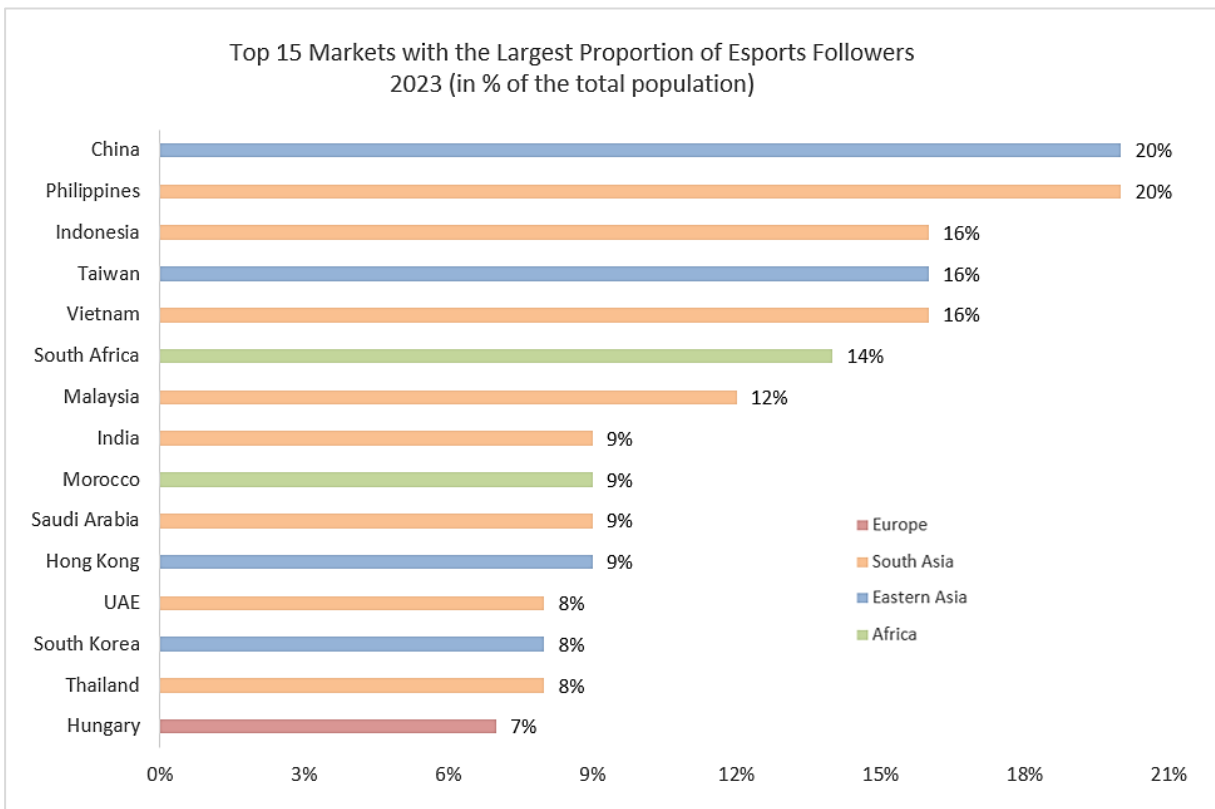
Source: Own elaboration with data collected from YouGov (2023)

Annex G: Projected Global Esports Audience Growth (2020 – 2025)
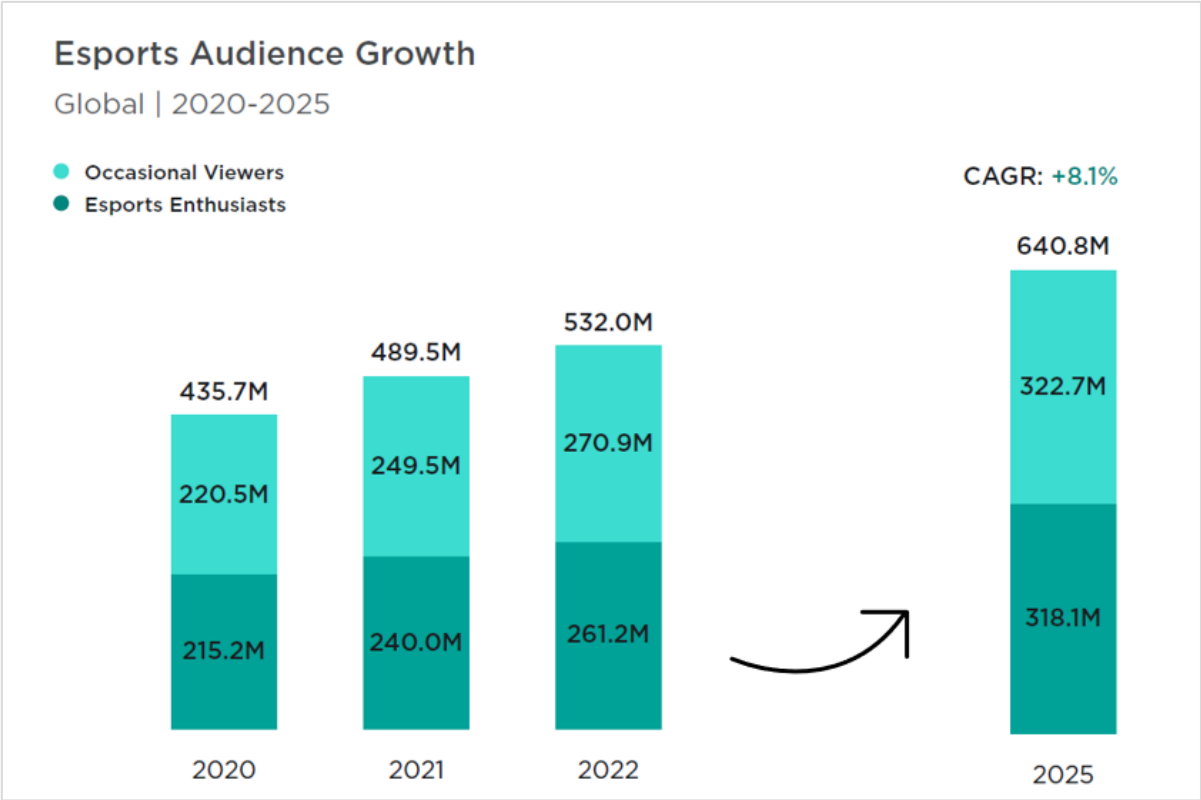
Source: Newzoo (2022)

Annex H: Global Gender and Age Distribution of Esports Enthusiasts (2021)
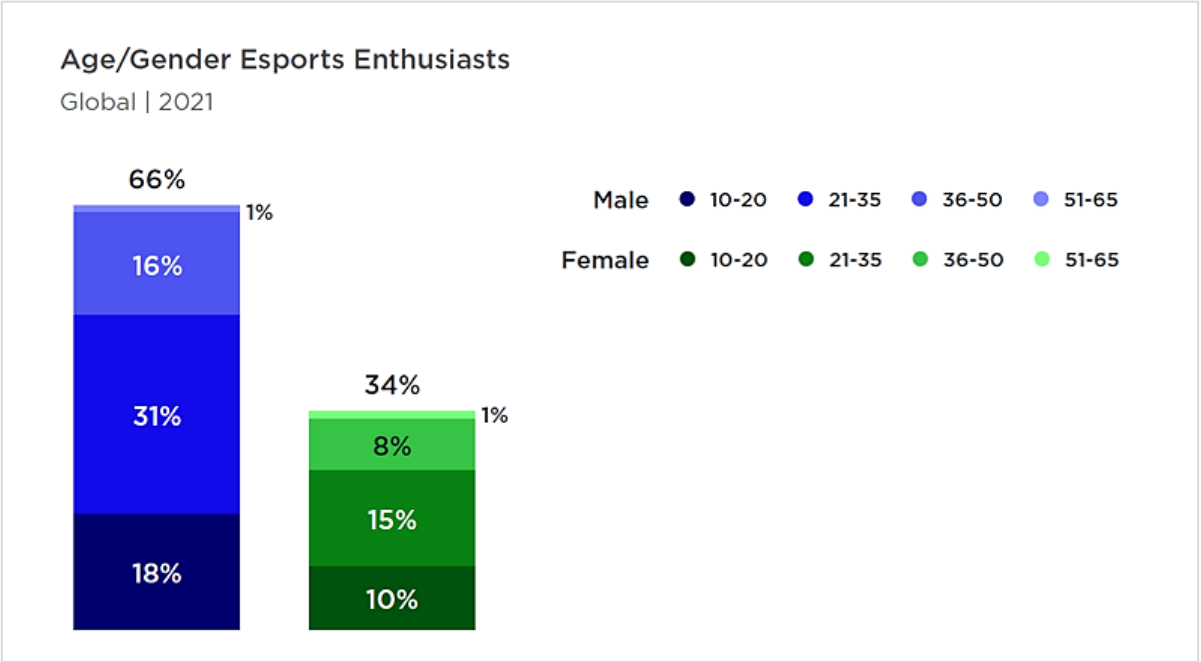
Source: Newzoo (2022)

Annex I: Global Full-Time Job and High Household Income of Esports Audience (2021)
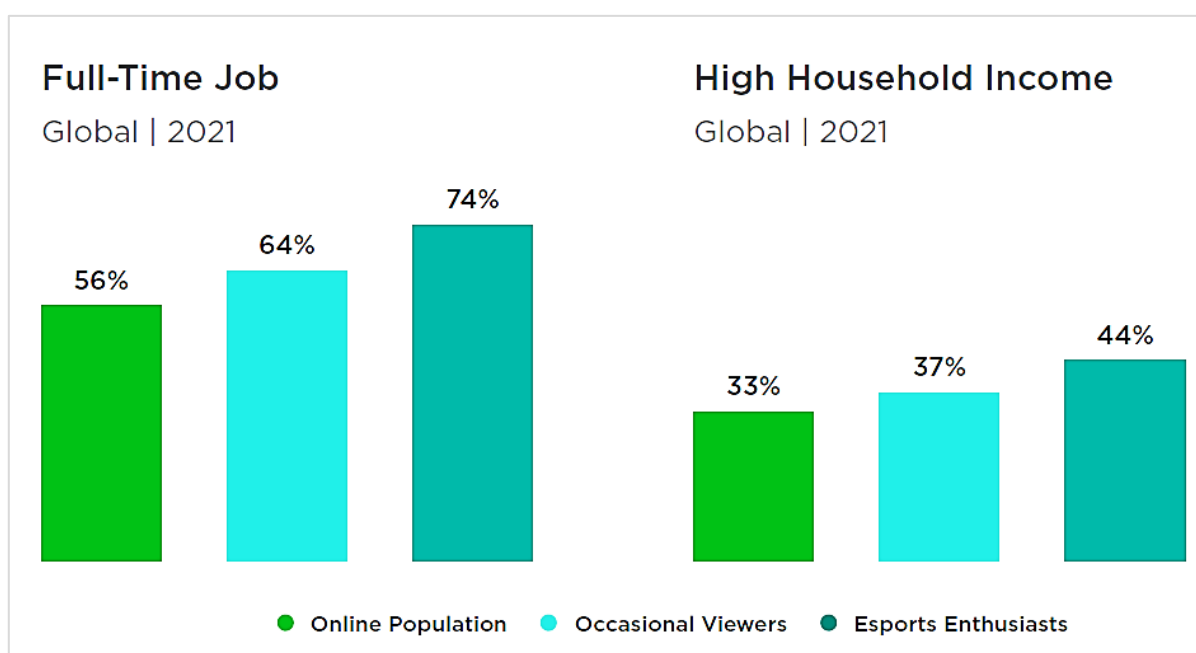
Annex J: Esports Live-Streaming Platforms Market Share (Q2 2022 – Q2 2023)
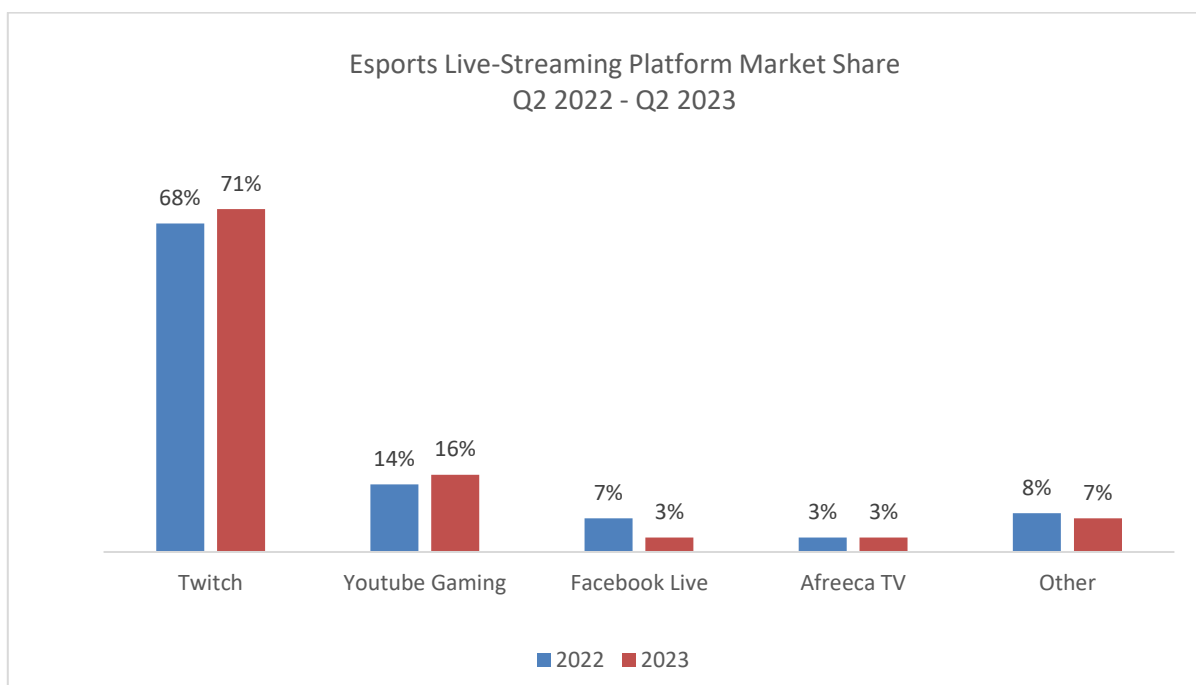
Annex K: Total Prize Pool Earnings of the Top 25 Portuguese Players (2018 – 2023)

Year	Representing Portuguese Organizations	Representing Foreign Organizations (or Alone)	Total
2018	$46 927,90	$145 619,15	$192 547,05
2019	$131 906,23	$224 805,58	$356 711,81
2020	$155 867,72	$222 424,62	$378 292,34
2021	$215 076,38	$156 163,82	$371 240,20
2022	$408 096,55	$319 643,07	$727 739,62
2023	$549 778,58	$749 013,82	$1 298 792,40
Total Percentage	**45,34%**	**54,66%**	**$3 325 323,42**

Source: Own elaboration with data collected from Esports Earnings (2024)

Annex L: Most Watched Esports Games Worldwide (2023)
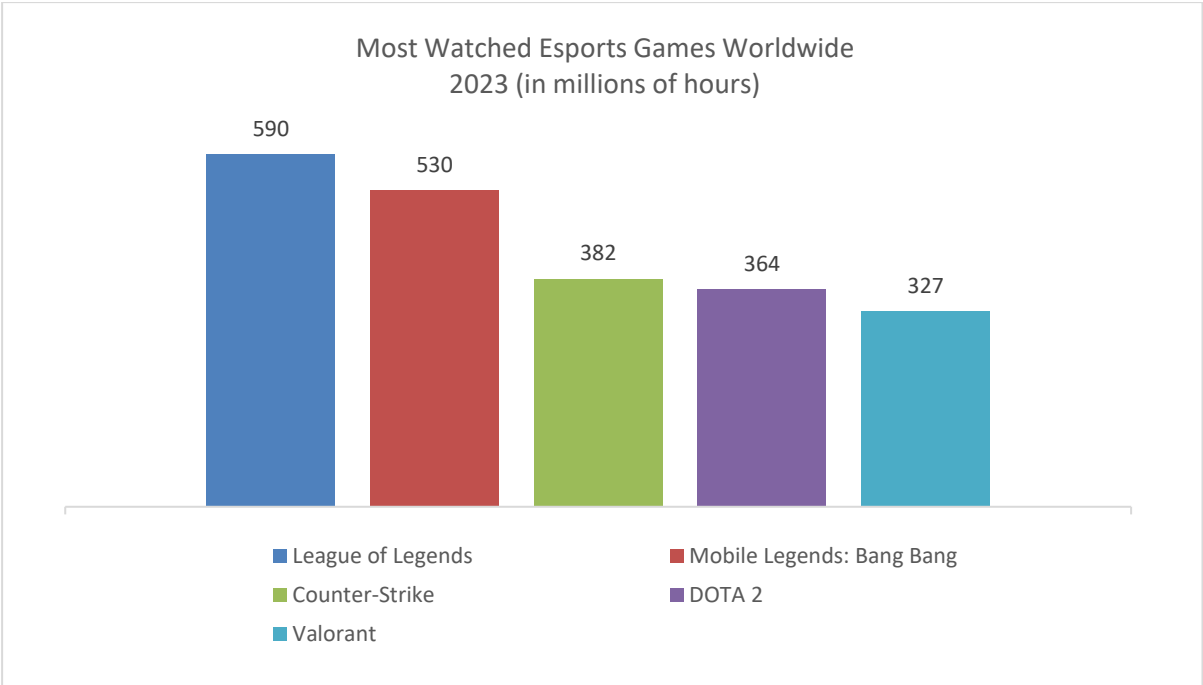
Source: Own elaboration with data collected from Esports Charts (2024)

Chapter 3

Methodology

Case studies are narrative or systematic descriptions that help to understand real-life issues by showing how theory can be applied in practice. By promoting active and social learning, as well as an opportunity to critically reflect on the thinking process, their use in a teaching environment can become an effective learning tool to stimulate creativity and innovative thinking. One of the most important aspects of this procedure is the preparation of the process itself, which makes it possible to achieve a more comprehensive and complete analysis of the case, avoiding superficial conclusions.

According to Saunders et al. (2019), the choice of a research strategy is influenced not only by the research questions and objectives, but also by the extent of existing knowledge, available resources and the author's own philosophical foundations. For the formulation of this case study, preference was given to qualitative research, namely through the use of scientific articles, the collection of secondary data in the form of texts and audio/video recordings, as well as by means of direct observation.

To prepare this case study in particular, it was necessary to carry out an extensive and detailed theoretical review of published works in the area, bearing in mind that esports is an industry that is still unclear in many people's minds due to its wider emergence only in the past 20 years. This theoretical review followed a model suggested by Creswell & Creswell (2018), who defined several steps to be taken in order to make the analysis more consistent and tailored to the topic under study.

In this way, a set of keywords/expressions was initially defined to guide the research, which included *esports*, *esports organizations* and *sustainability in esports*. This set of terms was then searched in several recognized academic databases, such as EBSCOhost, ProQuest, Scopus and Web of Science, under the constraint of being in English and only covering peer-reviewed academic journals, conference proceedings, books and reports.

Despite this restriction, the results presented were still very wide-ranging, and many did not specifically correspond to the type of resources sought, with EBSCOhost presenting 2690 results, ProQuest 734 results, Scopus 1282 results and Web of Science 982 results, making it necessary to analyze all the articles individually in order to identify those that included elements relevant to the subject of the case study.

Once these papers were identified, the research was subsequently expanded to include other papers cited in each of these articles, with the purpose of making the case study more solid and theoretically developed. After conducting this process, a total of 36 papers were obtained as the baseline for the development of the theoretical review, which summarizes the most impactful literature in the covered fields. The distribution of these papers is described in table 3.1.

Table 3.1 – Quantitative Distribution of the Papers Used to Conduct the Literature Review

Type of Paper	Total Publications
Peer-Reviewed Academic Journals	22
Book / Book Sections	9
Conference Proceedings	4
Reports	1
Total	36

Source: Own elaboration

Once the theoretical framework supporting the case study had been correctly structured and explained, the process of collecting and analyzing the data needed to solve the case study began. For this part, which is essential to achieve the proposed objectives, preference was given to the collection of existing secondary data and direct observation – two qualitative research methods that enable the author to be creative in the way he searches for data, analyzes it, describes it and, most importantly, explains it. Secondary data mainly included industry reports, journal articles, news reports, social media sites and company websites.

Once the data had been collected, the traditional data analysis techniques for a case study were adopted (Schoch, 2020). The first step, known as the "Descriptive Phase", involved several readings and reviews of all the data collected, with the simultaneous construction of a database that consolidated all this material. This was followed by the "Emergence of Findings" phase, where all the raw data obtained was analyzed and, through open coding, patterns were detected, and categories formed based on the defined theoretical framework. Here, the "Comparative Phase" was iteratively incorporated, where there was a constant comparative analysis of each piece of information obtained, leading to the merging of some categories and the formation of larger groups through selective coding.

In addition, the author's prior knowledge of the field under study was essential to ensure that the direct observation of the many problems and solutions presented in this case study could be reliably described and explained, ensuring rigor and the potential to provide valuable results for the target audience. Additionally, there was a lot of content available on SAW Gaming Group's official channels, which made it possible to back up many of the solutions presented with quotes from people who either belong to it or have been there at some point, helping to increase the credibility of the case.

To ensure the authenticity of the data, the method of data triangulation (researching using multiple data sources) was used to gain a deeper understanding of the issue under study, while the reliability and substance of the analysis was guaranteed by presenting a concrete example of an esports organization that has emerged as a role model for many others who are facing similar problems to those identified in this study.

Teaching Notes

This chapter will serve to build a sequential path towards the resolution of the case study developed in the second chapter, by first defining the target audience and the main objectives to be reached, followed by the presentation of the literature review and the suggestion of a Lecture Plan for possible use in the classroom, finally culminating in the extensive resolution of the practical case.

4.1. Target Audience

This case study is suitable for Management students, regardless of their level of qualification, who have some prior knowledge and a particular interest in the area of esports, especially regarding the incorporation of sustainable practices to achieve competitive advantages, in any curricular units that address these issues. It is also intended to provide a useful tool for current and future leaders in terms of the proper implementation of these principles, as an incentive to pursue more responsible and balanced business models. Ultimately, this case also serves the interest of the various stakeholders in the industry, in the search for a better understanding of esports organizations and how they operate, allowing them to improve synergies and design strategies adapted to their problems and realities.

4.2. Pedagogical Objectives

The aim of this research is to present a case study for students and professionals interested in gaining a better understanding of how esports organizations work and the main challenges they face. Through the TBL framework, several management concepts and strategies adapted to the specificities of esports organizations will be intensively explored, with the aim of offering a comprehensive analysis of what it takes for an organization operating in this sector to grow sustainably.

The problems identified throughout the case study can be observed not only in Portugal but also in many other realities around the world, serving the real-life example of SAW precisely to help understand how to overcome these problems. It will be essentially important to understand how the organization will continue to generate value in order to remain at the forefront on a national level and competitive on an international scale.

Ideally, the ultimate goal is to encourage students, professionals and managers to reflect on sustainable practices and their integration into esports organizations. Occasionally, practices and strategies implemented by other organizations will be added, especially in the environmental dimension, in order to make the case study more reliable and consistent.

4.3. Literature Review

The next section presents the theoretical framework, which will not only provide a more holistic understanding of the research questions, but will also serve as an underlying basis for solving the case. The literature review will cover two main topics. The first focuses on the conceptualization of esports, including a comparative analysis with traditional sports, and a brief overview of its main stakeholders, while the second is more focused on defining organizational sustainability and the framework used.

4.3.1. Conceptualizing Esports

The concept of "esports", tracing its origins to the late nineties, found one of its earliest reliable mentions in a 1999 press release announcing the launch of the Online Gamers Association (OGA) (Wagner, 2006). Despite this, its meaning is still not consensual in the scientific community, although several authors have attempted to explain it, both in academic and non-academic literature.

One of the first widely accepted definitions, albeit slightly broad, was that of Wagner (2006), who described it as being "an area of sport activities in which people develop and train mental or physical abilities in the use of information and communication technologies". This definition, however, fails to include the competitive component that is the hallmark of most esports, and which was eventually covered later in Jonasson and Thiborg's (2010) view that esports are simply "competitive computer games".

Shortly after Wagner's pioneering definition, Weiss (2008) added an interesting perspective that highlight the importance of interpersonal skills in esports, and their positive effect on athletes' performance, stating that esports "offers the opportunity to connect many formerly independent gamers in their personal networks in competitive environments", thus allowing "the formation of social relationships and the development of individuals' physical abilities" (Weiss, 2011).

Some other authors have defined esports from a more contemporary perspective, bringing them closer to conventional sports, such as Hemphill (2015) who updated a definition he had formulated a decade earlier, claiming that "sport-themed computer games that involve human immersion and physical skillful interactivity can [indeed] be considered a sport (...) as a demonstration of physical prowess in a game", moving away from his previous view that these were simply games played in "digitally represented sporting worlds" (Hemphill, 2005).

More recently, Hamari & Sjöblom (2017) described modern esports by emphasizing the place where competitions take place (virtual realm), referring to them as "a form of sports where the primary aspects of the activity are facilitated by electronic systems", and where "the input of players and teams as well as the output of the esports system are mediated by human-computer interfaces", which can be seen as a clear improvement on Wagner's initial statement. There are also authors who have

broadened the definition to include games that require the use of consoles, tablets or mobiles, and other modern forms of gaming, from virtual reality to augmented reality (Kelly & Van der Leij, 2021), showing how complex it can be to define such a heterogeneous and wide-ranging area as esports.

Over time, not only these, but many other approaches have been developed and shared among several scholars, guided by different thought processes and research frameworks. This leads us to believe that the debate around the meaning of esports is far from over, and will continue to be shaped according to the new nuances and innovations that technology will be able to bring in the future.

4.3.2. Comparisons with Conventional Sports

Since esports lies at a crossroads between video games and professional sport, the industry has historically been compared to traditional sports in academic research, and opinions are divided as to whether esports should be equated with traditional sports or treated as different disciplines. There are also those who suggest that the definition of sport should be expanded to include sub-categories that include both esports and traditional sports, as noted by McCutcheon et al. (2018).

Jenny et al. (2017) outlined some representative characteristics of what should be considered sports, in order to understand where the concept of esports could fit in, based on works developed in the areas of sports sociology (Guttmann, 1978) and sports philosophy (Suits, 2007). In this study, sport was defined as something that has to be played voluntarily and for fun, defined by skills (and not by chance), include physical skills (skillful and strategic use of one's body), organized (with rules), include competition, have a broad base of followers and be institutionally regulated.

Many people question the presence of these elements in esports, especially fans of traditional sports, who believe that esports cannot be considered a sport, simply because the players' competence is not measured by their physical prowess, since they "appear to be simply sitting riveted to their chairs" (Hamari & Sjöblom, 2017). Others also point out that beyond the physicality factor, esports lack a certain degree of institutionalization due to the explosion of growth that led several competing organizations to organize championship events on their own (Jenny et al., 2017).

In contrast, authors such as Abanazir (2019) have warned that the institutionalization processes in esports are considerably different between games and tournaments due to their specific nature, and that a simplistic analysis of these processes can lead to premature and flawed conclusions about their convergence with traditional sports. Others, such as Witkowski (2012), have studied the most debated and uncertain areas regarding the physical involvement of esports players (human movement, balanced body and haptic engagement), and have concluded that esports are experienced as dynamic competitions in which the player's body and its physical activities tacitly influence the sporting actions (and the results of the games), challenging the boundaries placed between technologies and the

players' physical prowess, and the perception that these characteristics are not as crucial to esports as they are to traditional sports.

Despite the diversity of opinions, the frontier between esports and conventional sports almost always revolves around the same dimensions – physicality and institutionality – and whether esports meet these criteria to be considered a sport is still a source of ongoing debate. As Arnaud (2010) once said: "passion, training, reflex, intelligence and teamwork… if it's not sport, it really has its taste". The over-addressed question of whether or not esports can be comparable to conventional sports may gain extra relevance with this research, insofar as we can understand the extent to which certain sustainable management practices can be carried over from one area to the other.

4.3.3. Key Stakeholders and Their Interactions

Considered a nascent and growing industry, esports are a market where some knowledge gaps exist concerning the way the current ecosystem works, the stakeholders involved, the roles they play and the relationships they establish with each other. In essence, it represents a complex digital phenomenon, with a multitude of key actors, which requires evidence-based theoretical mapping to understand the specific context of the industry, the interconnections between these actors and the influence these relationships can have on the industry's vitality (Wong & Meng-Lewis, 2022).

Focusing on internal and external stakeholders can be a competitive advantage for any organization involved in esports that wants to not only survive, but also thrive in such a competitive industry. According to Freeman & McVea (2005), stakeholders can be defined as "any groups or individuals who are affected by or can affect the achievement of an organization's objectives". These stakeholders end up depending on each other, as noted by Scholz (2019): "without an esports title [game], no tournaments; without tournaments, no teams; and without teams, no audience that can cheer – or, in business terms, be monetized".

Despite being interconnected, stakeholders can have a greater or lesser influence and impact on the industry. While primary stakeholders usually have a direct economic stake in organizations (Darnall et al., 2010), secondary stakeholders have no direct legal authority over organizations, but can exert pressure to induce companies to comply with their requests (Eesley & Lenox, 2006). In esports these concepts are applied in the same way, as depicted in Figure 4.1.

The primary stakeholders – game developers, tournament organizers, professional teams[19] and players – are connected in the value chain network and act around the most critical player – the audience – for whom everyone is fighting and seeking new and innovative ways to monetize.

---

[19] The expression "professional teams" will be used as a synonym for "esports organizations", following the same approach used by Scholz (2019).

Secondary stakeholders, on the other hand, have an indirect impact on this dynamic, influencing primary stakeholders through, for example, investments, regulations or even pressure for a change in a certain direction (Scholz, 2019).
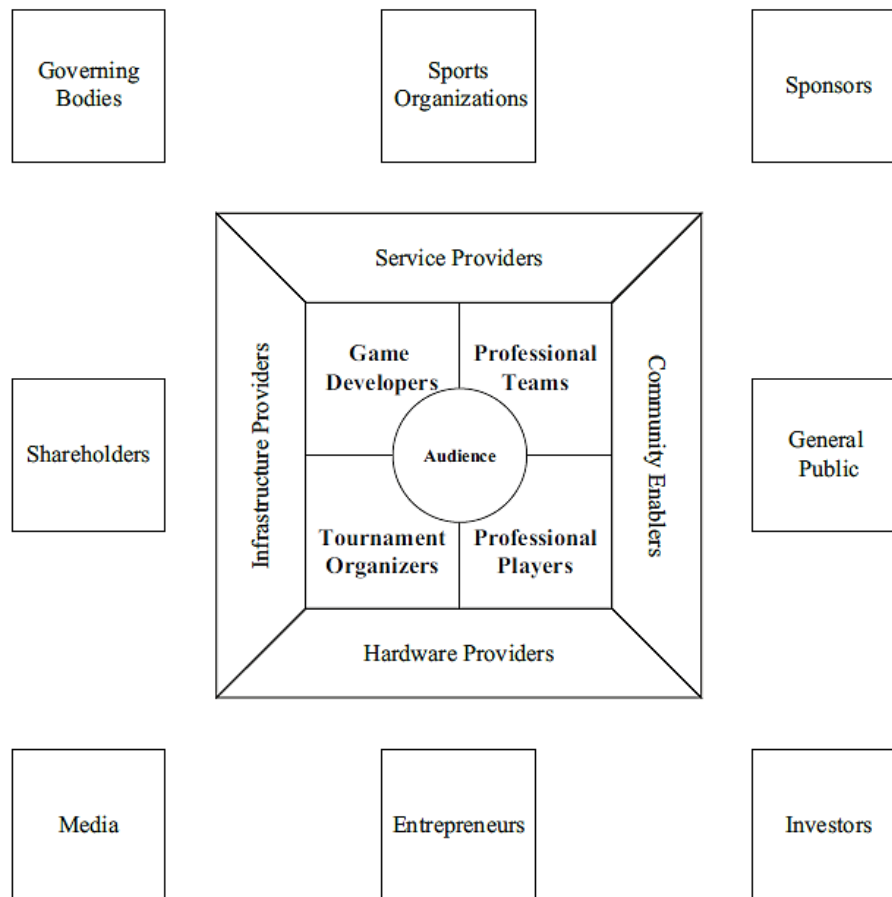
Figure 4.1 – Primary and Secondary Stakeholders in the Esports Industry

Source: Scholz (2019)

In the case of esports, the relationship between these two stakeholder groups is leveraged with the help of support activities, which reinforce this dynamic and ultimately play an essential role in reaching a wider audience and discovering potential new forms of monetization. Lying in a middle ground between primary and secondary stakeholders, these support activities include infrastructure providers (e.g. Twitch), service providers (e.g. journalistic coverage or legal bookmakers), hardware providers (e.g. Intel) and community enablers (e.g. esports bars, such as the Meltdown franchise).

Ultimately, the esports ecosystem is fundamentally driven by its audience, with all stakeholders seeking to monetize this central element. Esports organizations, as one of the industry's primary stakeholders, are among the most interested in developing strategies that leverage their positioning with respect to the fans. Besides the audience, there are also all the other stakeholders shown in Figure 4.1, which end up having a more or less preponderant effect on the organization's operations.

This interconnected nature highlights the importance of collaboration and mutual dependence in a very complex ecosystem. For the long-term success of the industry, esports organizations (and their respective stakeholders) must adopt business models that truly integrate and prioritize the audience, ensuring their engagement and satisfaction as essential components of lasting prosperity.

4.3.4. Organizational Sustainability

Over the last few decades, organizations have been placing increasing emphasis on sustainability, showing that short-term gains are no longer the only priority, with greater importance being placed on how business operations impact society and the environment. A genuine and versatile commitment in these areas requires the collaboration of a diverse set of stakeholder groups to create shared value and make the company more sustainable (Gagné et al., 2022).

Sustainable development was initially defined as a "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). Despite being a relatively broad concept, its use in the corporate environment has become increasingly popular, making the topic of organizational sustainability a fashionable idea in modern organizations. Although there are organizations that claim to be concerned with sustainability only because of the trend factor, true organizational sustainability is based on common assumptions, attitudes and beliefs regarding the resolution of sustainability issues, which, if not genuinely embraced, will not have the impacts so commonly touted (Rahman et al., 2022).

These principles that underpin a sustainable organization were explored by Dunphy et al. (2003, as cited in Lindemanns, 2004), who, in sharing her vision of what an ideal organization for the future would look like, ended up describing the fundamentals of a "sustaining corporation". For her, this organization would have to "accept responsibility for contributing to the process of renewing and updating human knowledge and skill formation in the communities", while being "a strong promoter of equal opportunities, workplace diversity and work-life balance". The issue of environmental sustainability is also raised, in the sense that the organization must become an active promoter of the best ecological practices because "nature is valued for its own sake", and its preservation is impossible to overlook.

The ever increasing need to segment the concept of organizational sustainability and assign it a set of characteristics and principles that must be followed for this distinction, ended up generating new and more in-depth analyses that introduced a three-dimensional perspective with the application of the TBL framework. An example of this is Smith & Sharicz's (2011) contemporary view that organizational sustainability is "the result of the activities of an organization, voluntary or governed by law, that demonstrate the ability of the organization to maintain viable its business operations (...), whilst not negatively impacting any social or ecological systems".

To effectively measure these comprehensive sustainability practices, the TBL approach has emerged as a fundamental model that expands the traditional reporting framework to include social and environmental behaviors in addition to financial performance, offering a structured method for organizations to achieve true sustainability, while simultaneously delivering value that benefits all their stakeholders.

4.3.5. A Framework for Sustainability Measurement – The Triple Bottom Line Approach

The term *Triple Bottom Line* first appeared in the mid-1990s, and gained greater public exposure in 1997, with the publication of John Elkington's book *Cannibals With Forks: The Triple Bottom Line of 21st Century Business*. Since then, the term has spread exponentially, to the point that in 2024, the Google search engine showed more than 250 million web pages mentioning the term and more than 160,000 peer-reviewed journal articles were published just in the previous five years[20].

The idea behind the *Triple Bottom Line* framework is that a company's health should be measured not only by the traditional financial results, but also by its social/ethical and environmental performance. This approach recognizes that financial profitability alone does not capture the full impact of a company's operations, thus requiring the promotion of a more holistic view.

This tripartite description is often presented in the form of a Venn diagram, which connects the three circles of economy, society and environment, with sustainability placed at the intersection (Purvis et al., 2019), as shown in Figure 4.2.
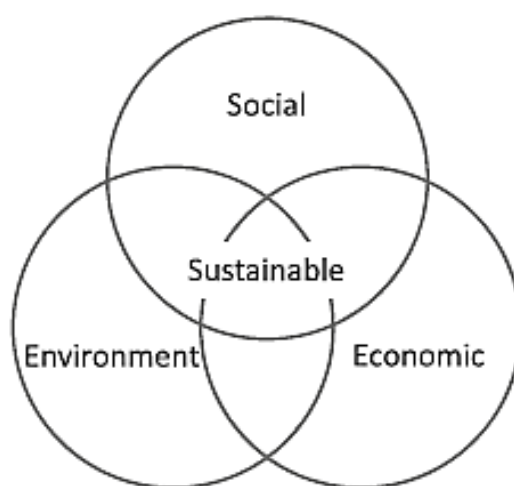

Figure 4.2 – Common Three-Ring Sector Representation of Sustainable Development

Source: Purvis et al. (2019)

---

[20] Search conducted in June 2024, using Google search engine and EBSCO Discovery Services research platform.

Since 2002, this approach has been presented as a "common vision" of what sustainable development represents for companies (Giddings et al., 2022), and has become an integral part of the management discipline. This three-dimensional balance is still a significant challenge faced by many organizations, but it constitutes a unique opportunity for them to create strategic advantages over their competitors and be one step closer to achieving long-term success. As Drucker (2002) once said, "every social and global issue is a business opportunity in disguise". Their interrelation constitutes what is often referred to as Corporate Sustainability (CS) (Swarnapali, 2017; Dyllick & Hockerts, 2002).

Economic viability is the central component of the sustainable development of organizations, as no company can survive without the availability of economic capital. Even in an environment of developing sustainability, there is a need to recognize the traditional accounting view (Dyllick & Hockerts, 2002). Furthermore, it is expected that an intervention in the social and environmental dimensions of sustainability will be implemented more quickly if the company has sufficient profits to enable its contribution to these issues (Ramchandani & Singh, 2022).

The social element of sustainability encompasses managing the impact of the company's activities on social systems and is perhaps the most comprehensive of the three measures, as it focuses not only on meeting the needs of employees, but also of all its external stakeholders. Companies need to fulfill a number of obligations towards their stakeholders in order to behave responsibly, and neglecting these obligations prevents them from achieving long-term success (Norman & Macdonald, 2004). No organization can exist without its workers, customers and participants in the value chain, or maintain its performance while renouncing to the social dimension, reason why economic expansion must go hand in hand with social development (Księżak & Fischbach, 2018).

The environmental aspect, on the other hand, focuses on preventing the impacts generated by the organization on the natural system, going far beyond mere certification in compliance with government regulations and initiatives, as it does not dispense a comprehensive approach to organizational operations. Since each sector has its own vicissitudes, organizations must assess the specific impacts of their activities on the environment and seek solutions to minimize these consequences (Cella-de-Oliveira, 2013).

In essence, the modern concept of sustainability has evolved from separate streams into a holistic notion that rejects the premise that socio-environmental and economic issues are competing interests. This new integrative perspective argues that the three dimensions of performance can and should be optimized simultaneously for long-term success, and that only this balance can help organizations achieve sustainability in its truest form (American Management Association, 2007). For this to happen, sustainability has to be incorporated into the organization's DNA and approached through a very clear strategy that eliminates the trade-offs between performance, value and sustainability (White, 2009).

4.4. Case Study Lecture Plan

4.4.1. Animation Plan

A lesson plan is suggested which begins with a brief contextualization of the case study problem and an introduction to the topic of sustainability applied to esports organizations. Afterwards, the students are divided into groups of three to five and assigned a sustainability dimension (economic, social or environmental) to work on during the class. There should be at least two groups for each sustainability dimension so that the final discussion could be held, which is why the case is ideally designed for classes with more than 18 students.

This lesson should follow a hybrid model, in that each group should solve both discussion questions, but only focusing on the dimension of sustainability assigned to them. It is recommended that the students read the case individually before the lesson and take notes they consider relevant, to help them become more comfortable with the topic and reach more in-depth conclusions together.

At the end of the lesson, the various groups can share their conclusions, discuss points of view, make constructive comments, receive feedback from the professor and complement their answers with ideas suggested by other groups. It is hoped that this shared reflection will bring a dynamic and engaging dimension to the activity. Although not recommended, it is possible that the professor would prefer all students to analyze the three dimensions of sustainability, meaning that in this case it would be necessary to extend the plan and make it last for at least two more lessons.

Table 4.1 – Case Study Animation Plan

	Activity	Time Allocation
Individual Work	• Read the case study; • Analyze the questions and gather additional external information.	-
1st Part ---- Introduction	• Contextualization of the case study problem; • Introduction to the topic of sustainability applied to esports organizations.	20min.
2nd Part ---- Preparation	• Student questions; • Split the class into groups (3 to 5 elements); • Assign the corresponding dimension to each group.	10min.
3rd Part ---- Case Resolution	• Identification of the main sustainability challenges faced by esports organizations, depending on the dimension assigned to each group; • Find solutions to the problems identified.	45min.
4th Part ----- Discussion	• Groups present their resolution; • Comparison of answers between the groups; • Consolidation of the learning acquired from the case study and feedback from the professor.	45min.

4.4.2. Lecture's Main Topics of Discussion

The main learning purpose of this case study is to illustrate and support theoretical lessons previously covered in class by presenting a practical example. Although the case study serves as the main source of information, it is suggested that students seek out other relevant and more up-to-date resources to solve the pedagogical questions.

In any application of the case, the professor is expected to encourage student participation in the debates, promoting a healthy atmosphere of discussions and exchange of opinions. The following topics constitute the main focus of discussion in the case study:

1) Main challenges to sustainability encountered by esports organizations, based on the three pillars of sustainability;

2) Strategies implemented by SAW and other organizations in their daily routine to overcome these problems and grow sustainably.

4.5. Case Study Resolution

This chapter presents a proposed resolution to the questions presented in the case. Nevertheless, it is important to note that these answers do not represent the only existing solution, and are open to the exchange of ideas and the discussion of new perspectives, which are fundamental characteristics of critical debate and learning through case studies.

4.5.1. Question 1: Current Sustainability Challenges for Esports Organizations

- *The Triple Bottom Line framework incorporates three dimensions of performance: economic, social and environmental. For each of these dimensions, describe the current sustainability challenges encountered by esports organizations.*

When assuming that esports organizations are run like large companies handling significant amounts of money (Chapman, 2018), it becomes important to identify the main issues that could jeopardize their long-term stability, according to the three dimensions that make up the TBL sustainability framework.

The following subsections will elaborate on the various problems identified, based on an extensive analysis of the existing literature in the field of CS, adapted to the reality of esports[21]. Table 4.2 in chapter 4.6 summarizes all these problems in a more intuitive way, divided according to the sustainability dimension to which they belong, in order to facilitate their identification.

---

[21] The author's direct observation over the years was also relevant to the formulation of the problems identified.

4.5.1.1. Economic Dimension

The lack of a stable business model with management strategies that are properly planned according to the organization's needs is perhaps the main issue affecting the economic situation of esports organizations. The rapid growth of the industry has created a highly competitive environment in which teams invest heavily to gain an edge. However, these investments often lack a balance with financial sustainability, leading to overspending and financial strain. Teams are neglecting the importance of a solid business model that focuses on value creation and sustainable growth (Scholz, 2019), ending up being forced to seek investors to ensure their short-term existence (Nyström et al., 2022).

One of the factors that most contributes to this volatility in organizations' business models is the limited diversification of their revenue sources (Scholz, 2019). Excessive dependence on sponsorship revenue ends up weakening their negotiating power, since sponsors are aware of how potentially damaging it would be for organizations to lose their main source of income. In addition, sponsorship deals are often linked to the teams' performance and popularity, which can make them unpredictable, particularly at times of lower competitive performance.

To overcome this dependence problem, organizations have sought to implement diversification initiatives, with community involvement and fan-based monetization strategies emerging as the presumably major alternative for the upcoming years (Newzoo, 2022). Even so, the industry has found it very difficult to implement these strategies (Esmarch, 2018), and esports fans continue to be significantly under-monetized compared to those of traditional sports, largely due to the prevalence of free content (such as streaming), which has so far hindered monetization on a global scale (Campbell, 2020).

On top of this, the other existing sources of revenue seem to be scarce: prize money is volatile, broadcasting rights are marginal, betting is on the rise but still not legal everywhere, public subsidies are practically non-existent, and merchandising is still relatively undeveloped (Nyström et al., 2022). This is why monetization strategies around fan experience appear to be the major diversification trend, especially since fans have already proven to possess the resources available to respond to this cultural shift (Grubb, 2018). This means that a better understanding of their needs and adapting strategies accordingly will be key to ensuring the effectiveness of these initiatives.

Lastly, many organizations also face challenges in creating a distinctive and innovative brand that stands out. In this aspect, marketing is often put on the back burner and its critical role in building a strong brand presence is often undervalued. Consistent marketing efforts make it possible to attract a larger fan base, secure better sponsorship deals, and achieve greater visibility in the media, ensuring that it remains relevant, fresh and appealing. In addition, an organization with effective marketing strategies will also attract more talented players seeking to be part of a solid brand and benefit from its extensive visibility.

4.5.1.2. Social Dimension

People are the driving force behind any company, and it has been proven that satisfying their psychological needs and cultivating a meaningful environment promotes self-motivation and helps to improve performance (Vo et al., 2022; Wingerden & Stoep, 2018). In esports organizations, this issue extends not only to the players – the main assets whose health challenges and demands have been increasingly recognized (Kegelaers et al., 2024) – but also to the remaining individuals who comprise the organization's corporate structure, external stakeholders and the whole community.

As far as human resources are concerned, there are a number of management flaws that negatively affect the social structures of esports organizations. Competent leadership will help to tackle communication barriers, interpersonal conflicts and toxic behaviors from other team members (Poulus et al., 2022), common issues that are detrimental to the healthy functioning of organizations. In addition, it will contribute to a better management of the ephemerality and high turnover of esports teams, an issue that was extensively analyzed by Macedo & Falcão (2019) in a local Brazilian community, and which, given the reality observed, can easily be representative of what happens in other places such as Portugal.

Another major issue in esports organizations is the insufficient concern for the well-being of professional players. In this aspect, one of the main challenges is managing players' mental health, as there are several situations that can have a negative effect on the way they feel, consequently affecting the way they play. For example, players can be faced with increasing public scrutiny and criticism from fans and the media, which can have a detrimental impact not only on their gameplay, but also on a psychological level, potentially attracting feelings of depression and anxiety (Birch et al., 2022), and even vulnerability (Uebach et al., 2022).

There are also personal stress factors related to unhealthy lifestyles, work-life imbalances and sleeping disorders (Cook & Chares, 2023). These stressors can be associated with bad practices promoted by organizations, such as excessively long training sessions, which have been proven to increase mental fatigue and result in the degradation of players' motivation and experience, as well as feelings of burnout (Abbott et al., 2023). In this regard, Pereira et al. (2021) analyzed a set of mental disorders in Portuguese electronic football players, and found that approximately 37% presented symptoms of depression and anxiety, while 45% experienced some kind of disturbance during their sleep cycle.

Diversity and inclusion is also a relevant topic for esports organizations, and an interesting case for expanding research into gender inclusion, because as they are generally made up of a younger demographic, it is assumed that this youth would have a positive impact on gender equity and inclusion, compared to traditional sports organizations (Piggott & Tjønndal, 2023). However, through a series of interviews, Piggott et al. (2022) found that there was a minimal representation of women

across every position within esports organizations, especially those that entailed greater prestige and responsibility. This small proportion of women involved in the industry seems to be lagging behind the statistics that show that women are increasingly embracing the esports phenomenon (Newzoo, 2022).

In addition, there is a noticeable lack of active female players on the competitive scene, reflected among other indicators by the very small female share of esports earnings (Lais-Jansen, 2023). This reality becomes quite critical if we consider that performance in esports depends less on physical abilities (such as strength and endurance) and more on skills related to reaction speed, dexterity, strategic thinking and a cognitive structure capable of performing tasks effectively over long periods of time (Piggott & Tjønndal, 2023). Apart from gender disparities, other important issues can also be observed more broadly, such as racial discrimination or prejudice against older and disabled players (Nyström et al., 2022).

Finally, there are some shortcomings in the way organizations relate to their various stakeholders and the community. For example, sponsors are often seen as mere financiers of the project and rarely as partners of the organization itself. This distancing can not only compromise the longevity of the partnership, but also prevent the development of joint initiatives aimed at bringing the community closer together. Moreover, the organization must also promote a tangible relationship with their fans, either through physical spaces or by attending certain events, allowing its brand to expand beyond the virtual realm and enter people's minds more organically.

4.5.1.3.   Environmental Dimension

Esports are considered relatively sustainable when compared to traditional sports, and environmental sustainability is not yet perceived as a relevant topic (Walker, 2022; Nyström et al., 2022). When discussing environmental sustainability within the esports industry, it is common to pay more attention to the behaviors of other stakeholder groups operating in the industry than to the teams themselves, because most of the organizations' operations are carried out in the virtual environment.

Other stakeholders such as event organizers end up being more targeted in this regard, due to the substantial consumption of energy for lighting, screens and electronic equipment that their activities entail, just like game developers due to the huge data centers they need to maintain the normal functioning of their games. In this sense, there are few organizations adopting practical and significant measures to reduce their footprint, especially since measuring their impact is a somewhat complicated task under the circumstances.

However, this doesn't mean that nothing can be done, and with environmental sustainability becoming an increasingly popular topic, organizations that begin taking early concrete steps to promote a more environmentally sustainable future are one step closer to building a healthy image for themselves.

4.5.2. Question 2: Strategies for Overcoming the Problems

- *What strategies associated with each dimension of the sustainability framework have been implemented by SAW and other organizations to overcome the challenges identified and grow sustainably?*

4.5.2.1. Economic Dimension

SAW has always shown a permanent concern for the economic component, and its evolution has always been gradual, respecting the different growth phases that any organization with a long-term vision must undergo. The various strategies implemented show this commitment to ensuring that the organization has never run beyond its capabilities, always valuing components of the business that bring added value to the institution, while at the same time enhancing the value of its stakeholders.

a) Lack of a Stable Business Model

Building self-value to attract solid partners

As mentioned earlier, sponsors occupy a very relevant and essential place in the business models of esports organizations. Their management within organizational sustainability must be highly valued and properly handled, so that the organization doesn't become trapped in a system of extreme dependence that makes it unsustainable. In order to do this, the organization must build its own value and develop its brand image, so that the involvement of sponsors becomes as valuable to them in terms of recognition as it is to the organization in terms of monetary benefits.

SAW realized this growing need and worked to establish itself as the leading brand in Portugal, guaranteeing the greatest visibility and the best benefits for all its partners. Every month, the organization delivers a media value report to its partners, showing active concern for maintaining its position and relevance. In the words of its CEO, Joaquim Regadas, the organization's brand is so strong that, even if other portuguese organizations demand less money from possible sponsors and partners who are willing to invest in the market, SAW ends up attracting those brands because it manages to convince them with products that no other organization in Portugal is able to deliver (SAW GG, 2023a).

The strategies have mainly involved creating innovative content that guarantees maximum visibility for sponsors (which will be explained in more detail later on), as the organization's CEO explains: "We looked at the esports market in Portugal and the truth is that, in terms of content, there weren't many things being done [...] we started to build products that were very successful, to the point that, after just one year, we announced three sponsorships that put us working above the six-figure mark, which is something fantastic for us" (SAW GG, 2023a).

The importance of having reliable, reputable and strong sponsors

Many organizations also struggle to attract the right kind of sponsors. Due to the weak position they often occupy when discussing contract terms, esports organizations frequently end up yielding to partnerships that don't favor their interests, either because of the type of brands they associate with or the conditions they subject themselves to.

One of SAW's main strategies has always been to partner exclusively with renowned and highly reputable companies (both nationally and internationally), which have been able to provide the robustness and stability necessary for its growth. To this end, the organization has benefited from the strength of its brand and the relationship it has built with the community, leading several strong brands to identify with the organization's philosophy and identity.

The selectivity that the organization has always shown in the process of choosing its partners has helped it to create its own identity, avoiding selling its worth for any price, and only partnering with brands with a joint long-term strategic vision capable of benefiting both parties and offering added value to the organization. Some of these organizations are G-SHOCK, Casino Solverde, Rádio Popular and OMEN, the latter of which has been a partner since the organization's inception.

While organizations such as Casino Solverde and Rádio Popular represent Portuguese brands that are easily recognized by anyone (even outside of esports), brands such as G-SHOCK and OMEN belong to the giant international companies CASIO and HP, and bring much greater investment capacity. With this, the organization not only manages to enhance other Portuguese brands, connect with the local audience and attract more followers, but it also extends its international reach, strengthens its credibility and improves its financial position.

Controlling costs and understanding where, when and how to invest

Countless organizations around the world are running at a loss, while others are escaping this reality by entering into questionable short-term partnerships and often neglecting other aspects of sustainability to comply with the most basic financial responsibilities. SAW, in the other hand, managed to reach breakeven just three years after its creation, through a well-defined strategy that sustains its investments, and with a reinforced concern for the balanced management of its operating costs.

Many organizations invest in creating teams in as many games as possible, regardless of the costs involved, preferring to expand their brand in a less organic and more impulsive way. In this type of approach, unless we're dealing with very large organizations with numerous backers, viability ends up being questioned, because there is no reassessment of the profitability that each project brings to the organization's financial accounts.

SAW's business model, on the other hand, is very selective and carefully planned, always prioritizing the viability of each project individually. This means that, at the end of each season, an

assessment is made of what each team has brought in terms of competitiveness and media value, in order to then calculate the viability of maintaining that project (SAW GG, 2023a). This way of looking at each team as a project, which needs to be viable on its own and not depend on the success of others in order to survive, ends up being a logical approach that is very characteristic of traditional management models.

This model is also adopted for the scale of investments that the organization applies to each team (e.g. salaries and bootcamp conditions). This means that the money generated by the teams in a certain game is invested entirely in that game, and not shared between teams competing in other games. This motivates each team to achieve its own success, rather than depending on others to improve its conditions, and the business also becomes more sustainable, since each team lives off what it generates, whether in terms of revenue, audience, visibility, etc.

b)   Limited Diversification of Revenue Streams

Monetizing players' image for content creation

One of the trends in diversifying revenue sources, as mentioned earlier, is the ability of organizations to monetize their audience and engage the public, especially through content creation. Although the income generated through this kind of activities may not be extremely significant, its implementation will end up having an indirect impact on other larger sources of revenue, as it gives the organization the opportunity to build a more loyal and consistent follower base.

There are several ways of creating content, and organizations that manage to reach a larger slice of the audience, either through engagement with their digital content or through viewership, end up getting better sponsorship deals, improved partnerships, more invitations to events and competitions, among other benefits that will have a direct impact on the organization's financial accounts. As shared by the organization's CEO: "At the beginning of the organization, we felt that many of the invitations to competitions we received were due to the public that followed us and increased the audience for these competitions" (SAW GG, 2023a).

One of the first strategies implemented by SAW, right from the start, was to consistently and efficiently leverage the image of its players, something highly valued by fans for the feeling of closeness that this type of content triggers. This content allows the organization to open up to the public, show some behind-the-scenes dynamics and increase its online reach, while also receiving a monetary incentive for the engagement its content generates from the audience.

Among the many pieces of content released by the organization in this segment, the most noteworthy are the documentary miniseries "A Warrior's Quest", in which the organization shows a little of what goes on behind the scenes (before, during and after its teams' tournaments), and the

monthly podcast "À Prova de Bala", which includes not only players and members of the organization but also other personalities from the scene, who come together to discuss relevant issues concerning the organization and the industry as a whole.

Taking content creation to the next level: the impact of social influencers
Creating content around the image of players and teams can be exploited in many ways, and SAW is an example of how this can be done effectively. However, there comes a time when organizations need to reinvent themselves in order to expand their reach and engage with more people.

Realizing this, SAW decided to put together a team of influencers to produce several different types of digital content for the organization, most of it not directly related to esports and presented in a much more informal way. The seemingly clear objective was to broaden the range of content produced and increase the level of engagement, while at the same time reaching a different base of people who didn't follow or know about the organization. When the group was formed in early 2022, the type of influencers recruited was mainly based on young people who were already producing content via the streaming platform Twitch and via YouTube.

The content produced for the organization ended up revolving around much of it: videos for YouTube (some directly involving the participation of the fans), live broadcasts on Twitch, content for social media and appearances in several physical spaces (at gaming events, tournaments and even at places like NOS Alive[22], in partnership with other brands). When the impact of these strategies started to be noticed, SAW's CEO declared: "We make a difference by being the organization that produces the most content for YouTube and has the greatest reach on social media" (SAW GG, 2023a).

A year later, the organization took another leap forward when it added the biggest esports personality in Portugal to its team of content creators. Ricardo Pacheco, better known as "fox", was the only Portuguese Counter-Strike player to feature in the best organizations in the world, playing on the biggest stages and competing for the most prestigious trophies. He is followed by more than 200,000 people from all over the world on his social media accounts, and was the first esports player in the world to be sponsored by Austrian giant Red Bull.

This move was considered quite unexpected, given what it represented in terms of magnitude and symbolism, but it turned out to be a success and ended up cementing SAW's position as the leading Portuguese organization also beyond the game servers. The possibility of working on the image of the biggest figure in Portuguese esports, and all the repercussions this had for the expansion and reach of the brand, proved to be one of the organization's best marketing strategies so far.

---

[22] NOS Alive is a famous music festival in Portugal, where several brands take advantage of their own stands to reach out to their audience through different activation strategies.

Enhancing merchandising with more products and sales channels

According to Newzoo's Global Esports & Live Streaming Market Report (2022), merchandising sales represent the fourth largest revenue stream for esports organizations and are undoubtedly an essential part of any clubs' business. These products serve as a tangible connection between the team and its fans, fostering a sense of belonging and allowing brand visibility to increase organically. SAW allows the purchase of its merchandising through its official website (the most common channel and the only one available in many organizations), the organization's stands at events and the more recent physical store located inside of the SAW Esports Arena (which will be addressed later).

The most common merchandising products are the jerseys that professional players wear during competitions. In the case of SAW, the range of products sold goes far beyond that, with three different product lines available, two for apparel and one for accessories. One of the apparel lines focuses on the more sporting side, and includes the game jerseys and other official clothing, while the second line includes only streetwear, following some of the current trends for more oversized and comfortable clothing. The accessories line includes bottles, mugs, flags and other small items.

SAW not only guarantees an extensive range of products, but also does a good job at promoting them. The streetwear line, for example, is fronted by the figurehead of the content creation team, Ricardo "fox" Pacheco", alluding to the more relaxed style of clothing he was known for wearing throughout his career in esports. When fans see this type of clothing being widely worn and promoted by the former player, they may feel more tempted to buy the product as a way of associating themselves with the figure who led esports in Portugal for several years. In addition, all the members use some kind of merchandising when producing content for the organization's media channels, which helps to keep these items fresh in people's minds.

c)   Reputation Mismanagement

Having a specialized marketing and communications department

Marketing is essential for esports organizations to build their own brand identity, differentiate themselves from the competition and capture the interest of fans. By developing an attractive brand and maintaining a consistent visual and communication style, marketing efforts make the brand easily recognizable, involving fans in creating a solid community around the organization.

In the case of SAW, great importance was attached to this aspect through the establishment of a marketing and communications team with a well-defined, professional and appealing strategy. This team is responsible for creating and maintaining the brand's image, defining and executing the content plan for the organization's communication channels, managing social media and engaging with its fans, and mediating relations with the media and the marketing teams of its partners.

This department stands out not only for the quality of its content (high-quality graphics and cutting-edge production) but also for its ability to look for new ways to innovate and attract more audience and engagement for the brand. An example of this was the promotional video for the new sponsor "Bet.pt" at the beginning of 2021, where the organization teamed up with the creators of the famous Portuguese talk show "O Programa do Aleixo", and placed the two main characters of the show in a comic dialogue about the partnership and about esports in general.

The fact that the marketing team works intensively on the brand's image, and that the organization's presence is so strong and striking on digital platforms, benefits them in attracting the most powerful sponsors. Nowadays, the main reason why sponsors invest in esports teams is because of their presence in the digital world, and not so much because of the sponsorships on the jerseys as in traditional sports, since in esports the cameras are not constantly focused on players (as in football, for example), but rather on the virtual servers where the games take place (Mangeloja, 2019).

Reinventing to stay relevant

Esports organizations operate in a dynamic and rapidly evolving sector, which makes it crucial for them to continually reinvent themselves. The action of reinventing doesn't necessarily have to involve something that is visible to the audience, but instead can be related to internal practices within the organization. However, there is sometimes a need to make more drastic adjustments for the benefit of the brand and for the way it is perceived by its fans, partners and the community as a whole.

Rebranding appears to be a strategy that can significantly help the brand to remain relevant, since a new, modern image often translates into greater identification with the general public, making the organization more appealing for business opportunities. Besides, since the esports industry is influenced by trends in design, marketing and technology, rebranding can help the organization follow these trends and redefine its identity and values, fostering a stronger connection with its fans.

At the beginning of 2021, SAW underwent a rebranding that saw its brand logo completely changed in order to leverage the commercial side of the business. Figure 4.3 shows the graphic differences in the logo caused by this rebranding, with the black logo on the right being the organization's current version:

Figure 4.3 – Differences in SAW's logo after the rebranding in 2021

Source: (SAW GG, 2024d)

Its evolution to a simpler design offered numerous advantages, such as greater brand recognition (a less complex design ensures clear and direct recognition of the logo), clarity in brand messaging (simplified designs symbolize the spirit and objectives of the organization more clearly), greater digital and broadcast adaptability (less likely to face problems such as pixelation in digital formats) and a more harmonious and universal integration of the brand strategy.

4.5.2.2.   Social Dimension

The social component of the organization is extensive and diverse, touching on several essential aspects that are often overlooked by many organizations. Once again, the organization distinguishes itself by managing to simultaneously address issues not only concerning the health of the players, but also the development of ties with its stakeholders and the community.

a)   Human Resources Management Issues

Implementing team-building activities and bootcamps

Team building is a term used to represent different types of activities used to improve social relations between teams, often involving collaborative tasks, and is one of the most effective management methods for integrating and uniting team members. Bootcamps, on the other hand, are essentially intense training programs where athletes come together in a physical space (usually a gaming office or a private house) to play together in person for a period of time, usually before a new season or an important competition.

Even though it's not an absolute rule, team building activities are usually carried out during bootcamps, because that's when players spend the most time in the same physical space. Since its creation, SAW has implemented various team-building activities which, according to the organization's psychologist Catarina Cardoso, serve as a way for "players to escape the work routine [...] without computers, allowing them to foster team spirit, work on soft skills essential to team performance and redefine objectives for team development" (SAW GG, 2021a).

This type of activity ends up equipping players with the tools to better deal with conflicts and problems, which will then have a positive impact on their actions inside the game, as the captain of SAW's Counter-Strike team, Christopher Fernandes, explained: "We always try to understand what's wrong, rather than pointing the finger at one person. The easiest thing to do is always to replace a player who is not performing well, that's what teams do, [...] but we try to find other solutions and see how we can, for example tactically, make better use of these people" (SAW GG, 2022a).

Although most team-building activities are organized separately for each team, SAW is also concerned with promoting initiatives that bring together all its members, from players to management

staff. This is how the "SAW Solverde Padel Cup" emerged, a padel tournament created in partnership with its sponsor Casino Solverde, broadcast live on YouTube for all the fans, and which featured not only several SAW members, but also other invited guests (SAW GG, 2024a).

This and other types of joint interactions between members of the organization are essential to creating a common identity, as explained by Bruno Marinheiro, manager of the Counter-Strike team: "It's important to have a connection between all the pieces that make up the organization, because in the end we're all here for the same thing, which is to work for the growth and development of the organization" (SAW GG, 2022b).

When embedded in a bootcamp environment, where all the players spend several days together, team building activities can work even more effectively, especially since bootcamps offer above-average conditions for players to develop interpersonal relationships and improve their chemistry. The importance of bootcamps was even highlighted by the manager of SAW's Valorant team, Alexandre Simões, right after the end of his team's first bootcamp in 2021: "The last week of bootcamp was incredible, it was a great opportunity for the players to get to know each other, and it's something we want to repeat and will repeat [in the future] without a doubt" (SAW GG, 2021b).

Bootcamps are one of the most anticipated initiatives for players, due to the conditions they provide and the dynamics they create, but because of the costs involved, not many organizations can afford them. As Tiago Rodrigues, former player and now coach of SAW's Valorant team, said: "These are things you can't get elsewhere and for us, by far, [joining SAW] is the biggest step we've taken as a project, and we are where we want to be" (SAW GG, 2021b).

Renato Gonçalves, a former player on the Counter-Strike team, once shared that what saved him from frustration after one of the team's toughest defeats was being in the same room with his teammates, which allowed them to comfort each other after the loss, something that wouldn't have happened if they had been playing alone at home (SAW GG, 2022c). On another occasion, the same player even revealed feeling more comfortable playing at the bootcamp than at home (SAW GG, 2020).

Investing in development: the importance of academy teams

Academies offer countless opportunities for young players to improve their skills and performance in the game, providing access to professional coaches, mentors, analysts and specialized tools that can help players to improve faster. Training young players on a professional level is still uncommon, but it's a situation that is gradually changing with the ever-increasing players' transfer fees, which make it difficult for organizations to invest in improving their rosters. In this way, through academy teams, organizations have the chance to develop young players according to their values and prepare them for the possibility of making it to the big stage in the future.

Following this trend, SAW created an academy team for the game Counter-Strike, called SAW

Youngsters, which ended up turning into one of the most remarkable projects on the national scene, even representing the organization itself in national competitions, thus freeing up the senior team to compete only in more prestigious international events. João Oliveira, a former young player on the team, stressed the importance of this step when the team was originally introduced: "The opportunity of academy teams helps us to become more professional, not only in terms of conditions, but also in terms of mentality, because we start to understand how to properly work to reach a good level" (SAW GG, 2021c).

One of the greatest benefits of this kind of teams is the proximity that young players get to have with more experienced first-team players, allowing them to learn through a unique mentoring opportunity, something that was precisely underlined by the manager of SAW's Counter-Strike team, Bruno Marinheiro: "Of all the conditions and resources we have, the most valuable thing we can give to our academy team is all the know-how and experience that the more experienced people in the organization are able to share" (SAW GG, 2022b). The possibility of learning faster from those at the top was also underlined by José Taipa, a former player on the team: "SAW players [senior team] have been around Counter-Strike for years, and they already know what to avoid [...], so if they share those super-important messages, we skip stages and just focus on what's most important" (SAW GG, 2021c).

b) Problems with Players' Welfare and Inclusion

Including health professionals in the organization's daily routine

Esports players who compete at the highest level are subjected to a variety of mental and emotional demands that are often underappreciated by the organizations they represent. The inherent benefits of incorporating health professionals into the structures of organizations are still under-valued, but the trend over the next few years seems to point to an increasing recognition by organizations of the importance of this type of interventions for the mental and physical well-being of their players.

In this vein, SAW has once again proven to be at the forefront in adopting strategies to enhance the social dimension of the organization, by incorporating several dynamics with health professionals from an early stage. Thus, at the beginning of 2021, they hired a psychologist to work on a full-time basis with the players and coaching staff, aiming to improve their ability to better cope with frustration, pressure and emotions, and introduced frequent interactions with nutritionists and physical trainers to optimize players' daily lives in order to avoid what happened in the organization's first season, when the players admitted to feeling very tired and mentally worn out (SAW GG, 2021d).

A very interesting aspect of the inclusion of psychologist Catarina Cardoso in SAW's daily routine was the organization's concern to ensure that she had the necessary resources and skills to carry out the work that was required, given that psychology in esports is still a very recent field and one that is

poorly covered in the academic world. To this end, the organization initially provided its psychologist with direct training with the famous Danish psychologist Morten Saxtorff Andreasen, a specialist in developing the mental component of esports teams. Over time, the psychologist herself sought to connect with other experts in the area of esports psychology (such as Lars Robl, one of the biggest references in the field), in order to understand certain aspects of the industry, and thus be able to guide SAW players more appropriately (SAW GG, 2024b).

This ongoing work is appreciated by both players and coaching staff, as Valorant team manager Alexandre Simões pointed out when admitting that improvements were felt right from the start, both outside and inside the game, reflected in better communication and synergies between the team (SAW GG, 2021b). The psychologist acknowledged this later on: "I started to feel that I had an impact when [...] I began getting feedback from players and coaches that things were working for them" (SAW GG, 2024b). Renato Gonçalves, a former Counter-Strike player for the organization, briefly explained how this process goes: "Our psychologist works with us in individual and collective sessions and tries to understand what's going on in our heads" – to which his teammate Tiago Moura added – "It's about deconstructing our thoughts" (SAW GG, 2022c).

This is exactly what happened during one of the organization's most important qualifying tournaments, which dictated the teams that would play in the world's biggest Counter-Strike tournament. After two losses in the first two games, the atmosphere in the hotel "was heavy" and everyone "was in a noisy silence [...] as if their heads were screaming inside", as psychologist Catarina explains. She continued, by clarifying her role: "My job is to unblock these conversations [...], to understand what's going on in everyone's heads by asking and not guessing. What would have happened if we hadn't talked was that the players would have gone to sleep [...] and those issues would have been ruminating in their heads during the game in the next day. What we did there was to get everything out in the open, understand each other, align expectations for the next day and get everyone on the same page (SAW GG, 2024b).

As shared by the organization's Counter-Strike player João Vieira, regarding that conversation: "It's another advantage of having a psychologist, because at that moment nobody wanted to talk... and we ended up talking, and the attitude changed because of that conversation" (SAW GG, 2024b). After that night, the team ended up winning the next three games and qualified for the tournament, becoming the first Portuguese team to qualify for the biggest Counter-Strike tournament in the world. Whether the psychologist's influence was the crucial element in the final outcome will always be a difficult question to measure, however the key element to take away is the opportunity to "discuss the challenges and problems that the team has [...] and the strategies to face them as a unit in order to continue on the desired path," as stated by Bruno Marinheiro, manager of the Counter-Strike team (SAW GG, 2021a).

Promoting inclusion: female teams and integrating women into structures

The inclusion of women in the industry is a frequently discussed topic, although statistics indicate that the number of women occupying positions within organizations is still proportionally far removed from the number of women who follow esports.

Throughout SAW's existence, the inclusion of women in the organization has always been done very naturally and has never been approached as a matter of appearances. Practically since its inception, the organization has always had female members in its structures, whether as part of the marketing and communications team, in the content creation team of influencers or through the psychologist who plays a key role in the success of the teams, leading them to actively and authentically address the issue of gender equality.

In May 2024, the organization took a new step by creating its first female Counter-Strike team, which it named "SAW Myst". This initiative is helping to normalize the presence of women in esports, promoting a culture of respect and equality. From the market's point of view, the inclusion of female teams could contribute to an even greater increase in the audience, since women will probably feel more interested in watching and getting involved if they can relate to the players they support.

c)   Limited Community and Stakeholder Engagement

Maintaining good relations with different institutions

A healthy and close relationship with various stakeholders favors the organization's reputation and credibility, contributes to the development of the sector and can even grant access to a number of resources that a more withdrawn position would be unlikely to bring.

A prime example of this is the close institutional relationship that SAW is keen to maintain with several other esports organizations, and which in the past has proved useful in unexpected situations. In 2020, one of the players from SAW (who lived in Spain) had one of his flights to Portugal cancelled, where he was going to play a tournament with the team at the organization's offices, having been stranded in Madrid where his flight had a stopover. In a situation of impasse, and with nowhere to play, it was the good relationship with the Spanish organization Movistar Riders that earned the player the opportunity to play the competition remotely with his team, taking advantage of the high-quality facilities owned by the Spanish organization, and thus preventing the team from having to withdraw from the tournament, or play with a substitute.

On another occasion, back in 2021, it was the Spanish organization Case Esports allowing one of SAW's teams to train at its facilities in Spain, where SAW was preparing for the finals of an Iberian tournament. This strong connection with other organizations is shown in other ways, for example when SAW invites members of those teams to participate in their digital content, proving that being

the leading organization doesn't stop them from fostering cooperation, offering space and visibility for other organizations to also grow and reach their own audiences.

In addition to the bonds forged with other organizations, there is also proximity to the media. RTP Arena, the main media promoter of esports in Portugal, constantly tries to broadcast the competitions in which SAW is involved, while the organization adopts an open stance by letting its players give interviews and participate in the channel's content. The relationship has become so positive that the channel's Product Manager, Daniel Rodrigues, has taken part in one of SAW's best-known podcasts (SAW GG, 2023a), similarly to Hugo Pereira, the channel's Lead Editor, who attended one of SAW's bootcamps to moderate another podcast for the organization's YouTube channel (SAW GG, 2022d).

More recently, SAW also joined the Portuguese Federation of Electronic Sports, whose main focus is to improve the conditions of esports in Portugal by uniting various organizations. The aim, according to the organization, was to "take a step forward in supporting all people, players and organizations, in order to jointly create conditions, guaranties and new opportunities for the national scene, while ensuring maximum transparency and communication between everyone" (SAW GG, 2024c). This move shows, once again, the organization's commitment to the development of the community, which ends up transcending any competitive aspect.

Promoting joint initiatives with partners

Even though partners are also part of the stakeholder group, their importance for the sustainability of the project ultimately requires a different commitment from organizations. SAW's concern for its sponsors was previously highlighted in the economic dimension strategies, but the link between the two sides goes far beyond purely economic concerns. For SAW, partners should be considered more than simple project funders, and deserve central attention in the content created by the organization.

In this sense, the organization consistently promotes content around its sponsors, where an entertainment dynamic is created based on the kind of sponsor in question and the activity they carry out. For instance, SAW created the game "Under Pressure, a G-SHOCK Challenge", an entertainment competition where players from the organization face each other in a duel of questions with only 30 seconds to answer. The game's concept, and the fact that the questions are time-limited, takes us back to the famous G-SHOCK watch brand, which is one of the organization's most important sponsors.

Another example is the video series "What are the odds? by Solverde.pt" – where members of the organization get together to discuss future football matches and make predictions among themselves about the expected final results. Once again, the concept of this dynamic takes us back to the organization's sponsor Casino Solverde, which in this case is a bookmaker. Apart from this, SAW has engaged in other initiatives with its partners, such as the giveaway organized in partnership with OMEN to take two fans to London to support the Counter-Strike team for an all-expenses-paid weekend.

Organizing community development initiatives

People are the central element of the esports industry, as mentioned before. In an ecosystem that is directly dependent on these people and their relentless passion, it is essential to create initiatives that focus on bringing these people together and making them feel part of a unified community.

One of the initiatives most appreciated by the community, and which brings hundreds of people together on a daily basis, is the SAW Gaming Hub. This community, created in 2022 in partnership with FACEIT (the world's largest gaming platform), aims to foster competition, and allows Portuguese amateur players to have an online space to meet other players, so they can team up and compete for small prizes or just play for fun (SAW GG, 2022e).

SAW Gaming HUB is the largest Portuguese community, and represents one of the largest active communities in Europe, with around 60,000 members. It is the meeting point for Portuguese players who aspire to step onto the big stage one day, or who just want to meet other people with whom to spend a good time playing and having fun. In addition to Counter-Strike, Valorant competitions with cash prizes have also been created, with the final being played on LAN in Lisbon (SAW GG, 2023b).

Investing in physical social spaces to connect with the community – SAW Esports Arena

In the wake of the initiatives created for the community, SAW launched its most remarkable project, and arguably one of the largest in the world, when it opened the SAW Esports Arena in 2024. SAW Esports Arena is the first stadium of an esports organization in Portugal, located in an 800m² venue in the heart of Vila Nova de Gaia, and is a social space for greater interaction with the community.

Joaquim Regadas, the organization's CEO, described this step as a "milestone for the organization and for esports in general, given Portugal's need for a place of this kind" (SAW GG, 2023a), where everyone can meet and take advantage of several activities, such as watching esports competitions, playing with friends, interacting with members of the organization, or simply relaxing with other people in the lounge area dedicated to the fans.

Daniel Rodrigues, Product Manager of RTP Arena, stated that "the project was very ambitious [...], with a good location, and in a large space that allows for many things to be done" (SAW GG, 2023a). In fact, the venue features a professional arena with a grandstand for fans to watch live matches, gaming rooms, streaming rooms, a photography studio with audiovisual spaces for content production, a co-working area, a lounge area for fans to play and socialize, a merchandising area and a bar.

In the words of the CEO, the arena's main objective is "to give the project a boost in terms of notoriety and sustainability, [...] and above all to allow the players to be more present and the fans to be with them". From an economic point of view, he hopes that the stadium will "help to boost the business and grow the brand, so that everyone within the organization can benefit from better conditions" (SAW GG, 2023a).

52

4.5.2.3.   Environmental Dimension

Given that the issue of environmental sustainability is still very little explored in esports organizations, and that the impact of their environmental footprint is not particularly substantial, the focus should remain, at least initially, on the economic and social dimensions, in order to build the necessary foundations for a later commitment to the environmental aspect.

Since there are not yet many green initiatives that esports organizations can incorporate into their daily activities, there was a need to broaden the range of observation to include other examples of strategies implemented by organizations beyond SAW, reinforcing the reliability and consistency of the analysis. This is especially relevant considering that SAW was only founded in 2020, and its focus over the last almost five years has been mainly on ensuring that the organization operates efficiently, and that it doesn't follow a short-term path like many others. Even so, there are some principles that the organization embraces, which will also be incorporated into the analysis.

a)   Pollution Issues

Offsetting Emissions

The issue of carbon neutrality is difficult to measure in esports, although some organizations have already taken steps in this direction. The first team to have fully addressed the issue of carbon neutrality was another Portuguese organization called Betclic Apogee, which, despite being much smaller than SAW, ended up standing out by becoming the first carbon-neutral esports organization in the world (Magalhães, 2023). Through the implementation of a software program placed on its players' computers, the organization was able to calculate the energy consumption and corresponding carbon emissions emitted by the machines, adding them to the travel emissions and then offsetting the total amount by investing in carbon-positive solutions (Betclic Apogee, 2022; Parreira, 2023).

Merchandising made from sustainable materials

The action of buying carbon credits is ultimately a controversial instrument in the quest for carbon neutrality, as it doesn't actually reduce the number of emissions, but rather finances projects aimed at retaining carbon on the planet. Given this, there are other approaches that organizations can take to reduce their footprint. One such alternative is to opt for more eco-friendly materials for the production of merchandising, thus avoiding the intensive use of polyester, responsible every year for millions of tons of pollution through microplastics (European Parliament, 2024).

In this segment, SAW still produces official match jerseys made of polyester, due to the material's durability and resistance, but the streetwear apparel line is made entirely of organic cotton. Organic cotton turns out to be a variant of traditional cotton, but with cultivation methods that have a much

lower environmental impact by not using toxic chemicals (such as pesticides or synthetic fertilizers) or genetically modified organisms. Instead, priority is given to natural methods of pest management and crop rotation in order to maintain the health of the soil, thus ensuring that the cotton remains free of harmful substances (Chomsky, 2023). Some organizations have also started selling merchandising made from recycled products (Daniels, 2022; Hyrliková, 2021), showing that this type of initiatives can be carried out in many different ways and that its implementation depends only on willpower.

b) Association with Non-Ecological Companies

Prioritizing partners with the right attitude

Although not as common as in some traditional sports, it is clear that there is increasing investment in the industry by entities with less than green records (Hofer, 2023). The Russian team forZe, funded for several years by the Russian oil company Lukoil, is just one example of this trend, which is being cemented with the arrival of a multi-million investment from the Saudi government (Wamda, 2024).

This is, however, a problem that is not expected to affect smaller realities like the one of SAW, since these giant companies tend to look for organizations with a large international reach, in order to hide or disguise certain practices that are harmful to the environment. In fact, some SAW sponsors have already embraced initiatives in their own businesses aimed at protecting the environment, such as G-SHOCK or the Solverde Group (Veldman, 2024; Alves, 2024).

c) Few Community Awareness Campaigns

Betting on what's simple: raising and spreading awareness

Sometimes the easiest way turns out to be the most effective and far-reaching. Initiatives to draw the attention of the community can be much more effective in the case of esports organizations than many other efforts, because it allows the organization to reach a much wider audience. SAW, for example, has adopted a green hue along with some elements of nature to its official 2024 jersey, placing a clear emphasis on environmental awareness, which can resonate with fans who value eco-consciousness.

The American organization FlyQuest is one of the biggest promoters of environmental sustainability, having carried out several initiatives in this direction, even planting trees where certain physical events took place. The same organization launched the "Go Green Initiative", an extensive sustainability project with the ultimate goal of raising discussion about several environmental problems (such as preserving bees and protecting coral reefs), leading it to develop a mission that extends beyond just winning games (Moffat, 2021). Promoting this type of campaigns can be less time-consuming and costly, and yet much more efficient.

4.6. Spreadsheets with the Answers to the Case Study

Table 4.2 – Sustainability Challenges Facing Esports Organizations

Dimension	Challenges	
Economic	**Lack of a Stable Business Model**	Financial instability and unprofitable business models
		High operational costs
	Limited Diversification of Revenue Streams	Excessive dependence on sponsorship revenues
		Audience under-monetization
		Scarce income from several sources of revenue
	Reputation Mismanagement	Underestimation of the marketing's importance
Social	**Human Resources Management Issues**	Communication barriers and interpersonal conflicts
		Poor talent acquisition, retention and development
	Problems with Players' Welfare and Inclusion	Feelings of depression, anxiety and vulnerability
		Mental fatigue and player burnout
		Issues of gender inclusion
	Limited Community and Stakeholder Engagement	Insufficient emphasis on the importance of collaboration with a diverse set of stakeholder groups for value creation
		Absence of initiatives to involve the community
Environmental	**Pollution Issues**	High level of CO2 emissions
		Intensive use of polyester in the manufacture of merchandising jerseys
	Association with Non-Ecological Companies	The use of esports to conceal certain practices
	Few Community Awareness Campaigns	Few awareness-raising actions highlighting the issue of environmental sustainability

Source: Own elaboration

Table 4.3 – Sustainability Problem-Solving Strategies for Esports Organizations

Dimension	Strategies	
Economic	Lack of a Stable Business Model	Building self-value to attract solid partners
		The importance of having reliable, reputable and strong sponsors
		Controlling costs and understanding where, when and how to invest
	Limited Diversification of Revenue Streams	Monetizing players' image for content creation
		Taking content creation to the next level: the impact of social influencers
		Enhancing merchandising with more products and sales channels
	Reputation Mismanagement	Having a specialized marketing and communications department
		Reinventing to stay relevant
Social	Human Resources Management Issues	Implementing team-building activities and bootcamps
		Investing in development: the importance of academy teams
	Problems with Players' Welfare and Inclusion	Including health professionals in the organization's daily routine
		Promoting inclusion: female teams and integrating women into structures
	Limited Community and Stakeholder Engagement	Maintaining good relations with different institutions
		Promoting joint initiatives with partners
		Organizing community development initiatives
		Investing in physical social spaces to connect with the community - SAW Esports Arena
Environmental	Pollution Issues	Offsetting emissions
		Merchandising made from sustainable materials
	Association with Non-Ecological Companies	Prioritizing partners with the right attitude
	Few Community Awareness Campaigns	Betting on what's simple: raising and spreading awareness

Source: Own elaboration

Chapter 5

Conclusion

Esports continue on an upward trajectory around the world, generating increasing enthusiasm for all the stakeholders who are part of it. Esports organizations have always accompanied this growth and can even be seen as one of its driving forces, since they are responsible for creating the internal conditions for the professionalization of players and teams, which in itself increases competitiveness and brings investment into the industry, thus boosting its attractiveness.

The demand for sustainable practices should increase proportionally as the industry and the organizations that make it up start to reach dimensions comparable to many traditional sports clubs, or even companies operating in important sectors of the economy. However, motivated by a certain deregulation or lack of understanding on the part of central bodies, or simply by disinterest, many esports organizations end up relegating to the sidelines the adoption of concrete measures that will enable them to grow in a more sustainable way and over a longer time horizon.

As a result, a non-ideal scenario has emerged, where more and more organizations are closing their doors or divesting heavily in their teams. This reality is even more pronounced in Portugal, a small country where money doesn't flow as quickly as in other parts of the world, and where the adoption of sustainable practices becomes even more essential to ensure greater stability not only for the organizations themselves, but also for the domestic industry as a whole.

In line with its purpose of helping to understand real-life situations by offering new perspectives, this case study shows how certain theoretical concepts in the field of sustainable business management can be applied in practice to esports organizations. In this sense, organizational sustainability was explored from a three-dimensional point of view, following the TBL framework that aligns economic goals with social and environmental concerns, in the search for a robust model that illustrates how esports organizations can incorporate sustainable strategies to overcome the problems identified, achieve extended long-term viability and, hopefully, greater competitive success.

The choice of the Portuguese organization SAW to achieve the aforementioned goal stems from several reasons. Firstly, we're dealing with an organization that was born during one of the most difficult periods for esports organizations worldwide – the global COVID-19 pandemic – which brought with it a sharp decrease in investment and money flowing through the organizations. Then we're referring to an organization that is part of a weak local ecosystem, poorly developed from an organizational point of view, with minimal representation worldwide and, consequently, with limited brands interested in investing in the domestic market. Finally, for the positive project that has been developed over the last few years, which has culminated in the establishment of an internationally

recognized brand, with a social concern as significant as its economic responsibility, while also developing a gradual commitment to the environment.

One of the main challenges encountered was the scarcity of information published in academic circles and in other less institutional sources. Esports remains an under-researched area in many respects, especially when it comes to the sustainability of organizational practices, which forced greater recourse to personal and direct observation as a way of completing the analysis through secondary data. Despite these limitations, this research can be seen as a first step towards integrating the concept of three-dimensional sustainability into esports organizations, something that seems to have never been addressed together so far. For this reason, and because the industry is so dynamic and constantly evolving, it is essential to underline and encourage the importance of future research in this field.

From an economic point of view, new trends in revenue diversification, fan monetization and strategic marketing are sure to emerge in the upcoming years and shape the financial management model of organizations. On the social side, the emergence of new dynamics aimed at bringing the organization closer to its stakeholders and the community seems to be guiding organizations' concerns in the near future, along with the implementation of more extensive structures to monitor athletes' health and well-being. Finally, new strategies that allow esports organizations to get on the board of environmental sustainability will undoubtedly be one of the most explored subjects in the years to come, and from where more innovative ideas may emerge that allow organizations to contribute their best on the road to a greener future.

The aim is for this case to be studied by management students who are particularly interested in applying the tools they learn on a daily basis to a reality that is little explored in academic circles, but which attracts a multitude of interested people, as is the case with esports. It is hoped that these students will be able to take the initiative to go beyond the solutions outlined here and look for other innovative ways to minimize the challenges identified. Current managers can also benefit greatly from the tools presented here and from the example of SAW as a sustainable model to follow, if they are open to rethinking about their business strategies.

Integrating sustainable practices is not merely an option, but a necessity for long-term success. Adopting a comprehensive sustainability framework allows organizations to promote resilience, attract significant investment and increase their competitive advantage. As the case of SAW demonstrates, even in difficult times, a firm commitment to sustainable development can produce remarkable results. Let this study be a reminder to all stakeholders in the esports industry to embrace sustainability as the cornerstone of future growth and innovation, ensuring a vibrant and enduring future for this dynamic sector.

Bibliography

Abanazir, C. (2019). Institutionalisation in E-Sports. *Sport, Ethics and Philosophy, 13*(2), 117-131. https://doi.org/10.1080/17511321.2018.1453538

Abbott, C., Watson, M., & Birch, P. (2023). Perceptions of Effective Training Practices in League of Legends: A Qualitative Exploration. *Journal of Electronic Gaming and Esports, 1*(1), 1-11. https://doi.org/10.1123/jege.2022-0011

Alves, M. T. (2024, June 15). *Grupo Solverde está a instalar painéis fotovoltaicos nos hotéis.* Retrieved July 13, 2024, from Jornal Económico. https://jornaleconomico.sapo.pt/noticias/grupo-solverde-esta-a-instalar-paineis-fotovoltaicos-nos-hoteis/

American Management Association. (2007). *Creating a Sustainable Future: A Global Study of Current Trends and Possibilities, 2007-2017.* American Management Association. https://www.quintegral.co.jp/j/pdf/HRI_Creating_sustainable_future_E.pdf

Arnaud, J.-C. (2010). eSport - A New Word. In J. Christophers, & T. M. Scholz, *eSports Yearbook 2009* (pp. 11-12). Norderstedt, Germany: Books on Demand GmbH. https://doi.org/10.13140/2.1.4126.6567

Ashton, G. (2019, January 18). *Four Ways in Which Politics are Influencing Esports.* Retrieved March 26, 2024, from The Esports Observer. https://archive.esportsobserver.com/four-ways-politics-esports/

Barateli, N. (2024, May 13). *Quanto contam os eSports na indústria do desporto?* Retrieved May 23, 2024, from SAPO. https://www.sapo.pt/opiniao/artigos/quanto-contam-os-esports-na-industria-do-desporto

Beer, J. (2021, October 25). *FaZe Clan stock will trade on the Nasdaq after SPAC deal.* Retrieved Junho 19, 2024, from Fast Company. https://www.fastcompany.com/90689623/faze-clan-stock-spac-nasdaq

Betclic Apogee. (2022, May 11). *The World's First Carbon Neutral Esports Team.* Retrieved July 13, 2024, from Youtube. https://www.youtube.com/watch?v=73p_WXn04kk

Birch, P. D., Sharpe, B. T., Ortiz de Gortari, A., Arumuham, A., & Smith, M. J. (2022). Mental Ill Health in Professional Esports Athletes: Prevalence and Relationships. *Sustainable Esports in the Digital Society – ERN Conference 22* (pp. 129-130). Jönköping, Sweden: ERN. https://esportsresearch.net/wp-content/uploads/2023/01/ERNC22_Jonkoping_Book_of_Abstracts.pdf

Block, S., & Haack, F. (2021). eSports: a new industry. (T. Kliestik, Ed.) *SHS Web of Conferences, 92*(3). https://doi.org/10.1051/shsconf/20219204002

Browning, K. (2022, November 26). *The Excitement Around E-Sports Is Growing. But Where Are the Profits?* Retrieved March 08, 2024, from The New York Times. https://www.nytimes.com/2022/11/26/business/video-game-e-sports-profit.html

Brundtland, G. H. (1987). *Our Common Future: Report of the World Commission on Environment and Development.* UN-Dokument A/42/427, Geneva. http://www.un-documents.net/ocf-ov.htm

Byers, P. (2019, May 16). *Denial Esports allegedly owes over €100,000 in salaries and for CWL Pro League payment.* Retrieved June 2024, 25, from Dot Esports. https://dotesports.com/call-of-duty/news/denial-esports-owes-salaries-pro-league

CacheFly. (2024, February 01). *How 5G Boosts Video Streaming and Enhances User Experience*. Retrieved June 09, 2024, from https://www.cachefly.com/news/how-5g-boosts-video-streaming-and-enhances-user-experience/

Campbell, S. (2020, May 22). *Competition + Connectivity: Why Gaming Is Under-Monetized And Where You Should Invest Now.* Retrieved June 16, 2024, from Forbes. https://www.forbes.com/sites/columbiabusinessschool/2020/04/28/competition-connectivity-why-gaming-under-monetized-where-you-should-invest/

Cella-de-Oliveira, F. A. (2013). Indicators of Organizational Sustainability: A Proposition from Organizational Competences. *International Review of Management and Business Research, 2*(4), 962-979. https://www.irmbrjournal.com/papers/1384877991.pdf

Chapman, J. (2018, November 27). *Esports Teams: Valued as Tech Companies.* Retrieved June 15, 2024, from Medium. https://medium.com/konvoy/esports-teams-valued-as-tech-companies-79d134a3e00d

Chomsky, R. (2023, August 20). *Why Organic Cotton: Exploring Regular Cotton vs Organic Cotton.* Retrieved July 13, 2024, from Sustainable Review. https://sustainablereview.com/why-organic-cotton-exploring-regular-cotton-vs-organic-cotton/

Churchill , B. C., & Xu, W. (2016). The Modem Nation: A First Study on Twitch.TV Social Structure and Player/Game Relationships. *2016 IEEE International Conferences on Big Data and Cloud Computing (BDCloud), Social Computing and Networking (SocialCom), Sustainable Computing and Communications (SustainCom) (BDCloud-SocialCom-SustainCom)* (pp. 223-228). Atlanta, GA, USA: IEEE. https://doi.org/10.1109/BDCloud-SocialCom-SustainCom.2016.43

Cook, J. D., & Chares, J. (2023). Sleep and Performance in Professional Athletes. *Current Sleep Medicine Reports, 9*(1), 56-81. https://doi.org/10.1007/s40675-022-00243-4

Creswell, J. W., & Creswell, J. D. (2018). Review of the Literature. In J. W. Creswell, J. D. Creswell, H. Salmon, C. Neve, M. O'Heffernan, D. C. Felts, & A. Marks (Eds.), *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (5 ed., pp. 75-103). SAGE Publications. https://edge.sagepub.com/creswellrd5e

Daniels, T. (2022, February 02). *Ninjas in Pyjamas collaborates with A Good Company to launch recycled water bottle.* Retrieved July 13, 2024, from Esports Insider. https://esportsinsider.com/2022/02/ninjas-in-pyjamas-recycled-water-bottle

Darnall, N., Henriques, I., & Sadorsky, P. (2010). Adopting Proactive Environmental Strategy: The Influence of Stakeholders and Firm Size. *Journal of Management Studies, 47*(6), 1072-1094. https://doi.org/10.1111/j.1467-6486.2009.00873.x

Delloite. (2022). *Let's Play! - The European esports market.* Delloite Insights. Retrieved June 11, 2024, from https://www2.deloitte.com/content/dam/Deloitte/de/Documents/technology-media-telecommunications/Deloitte_esport-study-2022-en.pdf

Deloitte. (2019). *Let's Play - The European esports market.* Deloitte Insights. Retrieved March 12, 2024, from https://www2.deloitte.com/content/dam/Deloitte/cz/Documents/technology-media-telecommunications/Lets_Play-The_European_esports_market.pdf

Diacon, P.-E., & Maha, L.-G. (2015). The Relationship between Income, Consumption and GDP: A Time Series, Cross-Country Analysis. *Procedia Economics and Finance, 23*, 1535-1543. https://doi.org/10.1016/S2212-5671(15)00374-3

Drucker, P. (2002). *Managing in the Next Society* (1 ed.). Oxford: Butterworth-Heinemann. https://doi.org/10.4324/9780080496283

Dunphy, D. C., Griffiths, A., & Benn, S. (2003). *Organizational Change for Corporate Sustainability: A Guide for Leaders and Change Agents of the Future* (1 ed.). Psychology Press - Routledge. https://finna.fi/Record/tuni.993654104205973?sid=3818846531&lng=en-gb

Dyllick, T., & Hockerts, K. (2002). Beyond the Business Case for Corporate Sustainability. *Business Strategy and the Environment, 11*(2), 130-141. https://doi.org/10.1002/bse.323

Eesley, C., & Lenox, M. J. (2006). Firm Responses to Secondary Stakeholder Action. *Strategic Management Journal, 27*(8), 765-781. https://doi.org/10.1002/smj.536

Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business.* Oxford, UK: Capstone. https://www.sdg.services/uploads/9/9/2/1/9921626/cannibalswithforks.pdf

Esmarch, L. (2018, June 24). *Immortals GM Lurppis: 'No One in Esports Has Found a Way to Monetize the Fans.* Retrieved July 16, 2024, from HLTV. https://www.hltv.org/news/24001/immortals-gm-lurppis-no-one-in-esports-has-found-a-way-to-monetize-the-fans

Esports Charts. (2024, January 18). *Top Esports Disciplines of 2023.* Retrieved June 20, 2024, from Esports Charts. https://escharts.com/news/top-esports-disciplines-2023

Esports Earnings. (2024). *Top Countries*. Retrieved June 09, 2024, from Esports Earnings: Prize Money / Results / History / Statistics. https://www.esportsearnings.com/history/2024/countries

European Parliament. (2024, March 21). *The impact of textile production and waste on the environment.* Retrieved July 10, 2024, from European Parliament. https://www.europarl.europa.eu/topics/en/article/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographics

Eventbrite. (2015). *The eSports Effect: Gamers and the Influence of Live Events.* Eventbrite. https://www.eventbrite.com/blog/wp-content/uploads/2024/04/The-ESports-Effect_US.pdf

Ferreira, C. (2019). The Portuguese eSports Ecosystem: An Exploratory Approach. In N. Zagalo, A. I. Veloso, L. Costa, & Ó. Mealha (Ed.), *11th International Conference on Videogame Sciences and Arts, VJ 2019* (pp. 113-122). Cham: Springer International Publishing. https://doi.org/10.1007/978-3-030-37983-4_9

Ferreira, R. (2023, August 16). *O longo caminho para a profissionalização dos eSports.* Retrieved October 10, 2023, from Universidade da Beira Interior. https://urbietorbi.ubi.pt/o-longo-caminho-para-a-profissionalizacao-dos-esports/

FPDE. (2019). *Estratégia Nacional de Dinamização do Desporto Eletrónico em Portugal.* Federação Portuguesa de Desportos Eletrónicos. https://fpde.pt/wp-content/uploads/2019/07/FPDE-ESTRATEGIA_NACIONAL_DESPORTO_ELETRONICO.pdf

Freeman, R. E., & McVea, J. (2005, January 01). A Stakeholder Approach to Strategic Management. In M. A. Hitt, R. E. Freeman, & J. S. Harrison (Eds.), *The Blackwell Handbook of Strategic Management* (pp. 183-201). Blackwell Publishers Ltd. https://doi.org/10.1111/b.9780631218616.2006.00007.x

Gagné, V., Berthelot, S., & Coulmont, M. (2022). Stakeholder engagement practices and impression management. *Journal of Global Responsibility, 13*(2), 217-241. https://doi.org/10.1108/JGR-03-2021-0036

GameSquare Holdings. (2024, March 08). *GameSquare shareholders approve FaZe Clan merger.* Retrieved June 19, 2024, from GameSquare. https://investors.gamesquare.com/news/news-details/2024/GameSquare-Announces-Completion-of-Faze-Clan-Acquisition/default.aspx

Giddings, B., Hopwood, B., & O'Brien, G. (2022). Environment, economy and society: Fitting them together into sustainable development. *Sustainable Development, 10*(4), 187-196. https://doi.org/10.1002/sd.199

Gough, C. (2024, Janurary 10). *Coronavirus (COVID-19) disease pandemic effect on the eSports industry - statistics & facts.* Retrieved February 27, 2024, from https://www.statista.com/topics/8316/covid-19-impact-esports-market/#topicOverview

Gros, D., Wanner, B., Hackenholt, A., Zawadzki, P., & Knautz , K. (2017). World of Streaming. Motivation and Gratification on Twitch. In G. Meiselwitz (Ed.), *International Conference on Social Computing and Social Media. Human Behavior. SCSM 2017. Lecture Notes in Computer Science. 10282*, pp. 44-57. Cham: Springer International Publishing. https://doi.org/10.1007/978-3-319-58559-8_5

Grubb, J. (2018, April 09). *Esports investment is booming because its fans have more money to spend.* Retrieved June 16, 2024, from VentureBeat. https://venturebeat.com/pc-gaming/esports-investment-is-booming-because-its-fans-have-more-money-to-spend/

Guttmann, A. (1978). *From Ritual to Record: The Nature of Modern Sports.* New York, USA: Columbia University Press. https://www.jstor.org/stable/10.7312/gutt13340

Hallmann, K., & Giel, T. (2018). eSports – Competitive sports or recreational activity? *Sport Management Review, 21*(1), 14-20. https://doi.org/10.1016/j.smr.2017.07.011

Hamari, J., & Sjöblom, M. (2017). What is eSports and why do people watch it? *Internet Research, 27*(2), 211-232. https://doi.org/10.1108/IntR-04-2016-0085

Harmon, G. (2023, August 28). *FaZe Faces Nasdaq Delisting.* Retrieved June 19, 2024, from Los Angeles Business Journal. https://labusinessjournal.com/technology-2019/faze-holdings/

Hemphill, D. (2005). Cybersport. *Journal of the Philosophy of Sport, 32*(2), 195-207. https://doi.org/10.1080/00948705.2005.9714682

Hemphill, D. (2015). Cybersport. In C. R. Torres (Ed.), *The Bloomsbury Companion to the Philosophy of Sport* (pp. 346-348). Bloomsbury Publishing. https://doi.org/10.1080/00948705.2015.1079138

Hofer, J. (2023, October 19). *Beware the Rise of Esports Washing: How Saudi Arabia exploits video games for PR.* Retrieved July 10, 2024, from Medium. https://hoferjonathan14.medium.com/beware-the-rise-of-esports-washing-c138d7000b88

Hyrliková, H. (2021, November 15). *FlyQuest commits to sustainable merchandise, unveils Midori Hoodie.* Retrieved July 13, 2024, from Esports Insider. https://esportsinsider.com/2021/11/flyquest-commits-to-sustainable-merchandise

IESF. (2021). *The Guide to Esports.* Internation Esports Federation. https://www.videogameseurope.eu/wp-content/uploads/2023/11/Guide-to-Esports-ISFE-ESA-ESA-C-IGEA_small.pdf

International Monetary Fund. (2024). GDP, current prices (in Billions of U.S. dollars). Retrieved March 31, 2024, from https://www.imf.org/external/datamapper/NGDPD@WEO/WEOWORLD

Janson, E., Pozza, M., Schreve, L., & Caudle, D. (2023, July 18). *Generating upside from ESG: Opportunities for private equity.* Retrieved June 17, 2024, from PwC. https://www.pwc.com/gx/en/services/sustainability/publications/private-equity-and-the-responsible-investment-survey.html

Jenny, S. E., Manning, R. D., Keiper, M. C., & Olrich, T. W. (2017). Virtual(ly) Athletes: Where eSports Fit Within the Definition of "Sport". *Quest, 69*(1), 1-18. https://doi.org/10.1080/00336297.2016.1144517

Jeurissen, R. (2000). Review of Cannibals with Forks: The Triple Bottom Line of 21st Century Business by J. Elkington. *Journal of Business Ethics, 23*(2), 229-231. https://doi.org/10.1023/A:1006129603978

Jonasson, K., & Thiborg, J. (2010). Electronic sport and its impact on future sport. *Sport in Society: Cultures, Commerce, Media, Politics, 13*(2), 287-299. https://doi.org/10.1080/17430430903522996

Kegelaers, J., Trotter, M. G., Watson, M., Pedraza-Ramirez, I., Bonilla, I., Wylleman, P., Mairesse, O., & Heel, M. V. (2024). Promoting mental health in esports. (J. D. Siller, Ed.) *Frontiers in Psychology, 15*(1342220). https://doi.org/10.3389/fpsyg.2024.1342220

Kelly, S. J., & Van der Leij, D. (2021). A new frontier: alcohol sponsorship activation through esports. *Marketing Intelligence & Planning, 39*(4), 533-558. https://doi.org/10.1108/MIP-03-2020-0101

Kiron, D., Unruh, G., Kruschwitz, N., Reeves, M., Rubel, H., & Felde, A. M. (2017). Corporate Sustainability at a Crossroads. *MIT Sloan Management Review, 58*(4), 1-27.

https://www.proquest.com/scholarly-journals/corporate-sustainability-at-crossroads/docview/1917372164/se-2?accountid=38384

Klimentov, M. (2022a, May 04). *At TSM and Blitz, staff describes toxic workplace and volatile CEO.* Retrieved June 19, 2024, from The Washington Post. https://www.washingtonpost.com/video-games/2022/05/04/tsm-andy-dinh-misclassification/

Klimentov, M. (2022b, July 13). *Riot Games fines TSM, places CEO Andy Dinh on 2-year probation for bullying.* Retrieved July 19, 2024, from The Washington Post. https://www.washingtonpost.com/video-games/esports/2022/07/13/tsm-fine-andy-dinh-league-investigation-riot/

Knight, B. (2022, May 06). *The Most Valuable Esports Companies 2022.* Retrieved June 19, 2024, from Forbes. https://www.forbes.com/sites/brettknight/2022/05/06/the-most-valuable-esports-companies-2022/

Księżak, P., & Fischbach, B. (2018). Triple Bottom Line: The Pillars of CSR. *Journal of Corporate Responsibility and Leadership, 4*(3), 95-110. https://doi.org/10.12775/JCRL.2017.018

Lais-Jansen, S. (2023, September 07). *Women in esports – Current landscape and ways to enhance their successful participation.* Retrieved June 17, 2024, from DLA Piper. https://mse.dlapiper.com/post/102inbc/women-in-esports-current-landscape-and-ways-to-enhance-their-successful-partici

Lee, D., & Schoenstedt, L. J. (2011). Comparison of eSports and Traditional Sports Consumption Motives. *The ICHPER-SD Journal of Research in Health, Physical Education, Recreation, Sport & Dance, 6*(2), 39-44. https://files.eric.ed.gov/fulltext/EJ954495.pdf

Lindemanns, M. (2004). Organizational Change for Corporate Sustainability. *Personnel Review, 33*(2), 259-263. https://doi.org/10.1108/00483480410518095

Macedo, T., & Falcão, T. (2019). Group Dynamics in Esports: Delving into the Semi-professional League of Legends Amazonian Scenario. In N. Zagalo, A. I. Veloso, L. Costa, & Ó. Mealha (Ed.), *11th International Conference on Videogame Sciences and Arts, VJ 2019* (pp. 150-165). Cham: Springer International Publishing. https://doi.org/10.1007/978-3-030-37983-4_12

Magalhães, S. (2023, February 07). *Betclic Apogee, a primeira equipa de Esports do mundo com emissões zero de carbono.* Retrieved March 15, 2024, from Record. https://www.record.pt/record-gaming/detalhe/betclic-apogee-a-primeira-equipa-de-esports-do-mundo-com-emissoes-zero-de-carbono

Magalhães, S. (2024, February 19). *Histórico: SAW é a primeira equipa de esports em Portugal a chegar ao Major de Counter-Strike.* Retrieved June 20, 2024, from Record. https://www.record.pt/record-gaming/detalhe/historico-saw-e-a-primeira-equipa-de-esports-em-portugal-a-chegar-ao-major-de-counter-strike

Mangeloja, E. (2019). Economics of Esports. (T. Takala, T. Auvinen, M. Vesa, J. Tienari, P. Sajasalo, S. Heikkinen, J. Helms Mills, & M. Kallinen-Kuisma, Eds.) *Electronic Journal of Business Ethics and Organization Studies, 24*(2), 34-42. http://ejbo.jyu.fi/pdf/ejbo_vol24_no2_pages_34-42.pdf

Martins, I. (2024, April 08). *SAW garante melhor registo de sempre no ranking da HLTV.* Retrieved June 20, 2024, from RTP Arena. https://arena.rtp.pt/melhor-registo-saw-hltv/

McCutcheon, C., Hitchens, M., & Drachen, A. (2018). eSport vs irlSport. In M. Inami, T. Romao, & A. Cheok (Ed.), *14th International Conference on Advances in Computer Entertainment Technology, ACE 2017. 10714 LNCS*, pp. 531-542. Cham: Springer International Publishing. https://doi.org/10.1007/978-3-319-76270-8_36

Moffat, J. (2021, October 04). *FlyQuest's Go Green Initiative spotlights preservation and sustainability of esports.* Retrieved July 13, 2024, from Cronkite News. https://cronkitenews.azpbs.org/2021/10/04/flyquests-go-green-initiative-spotlights-preservation-and-sustainability-of-esports/

Needham, J. (2024, March 14). *Adjusting our LoL Esports Strategy.* Retrieved June 16, 2024, from Riot Games. https://www.riotgames.com/en/news/lol-esports-strategy-adjustments-2024

Newzoo. (2022). *Global Esports & Live Streaming Market Report.* Newzoo. https://app2top.ru/wp-content/uploads/2022/07/2022_Newzoo_Free_Global_Games_Market_Report.pdf

Norman, W., & Macdonald, C. (2004). Getting to the bottom of "Triple Bottom Line". *Business Ethics Quarterly, 14*(2), 243-262. https://doi.org/10.5840/beq200414211

Nyström, A.-G., McCauley, B., Macey, J., Scholz, T. M., Besombes, N., Cestino, J., Hiltscher, J., Orme, S., Rumble, R., & Törhönen, M. (2022). Current issues of sustainability in esports. (S. E. Jenny, Ed.) *International Journal of Esports, 1*(1), 1-19. https://www.ijesports.org/article/94/html

Parreira, R. (2023, February 06). *Betclic Apogee compensou 247 toneladas de CO2 e recebe certificação "Carbon Neutral".* Retrieved July 13, 2024, from SAPO Desporto. https://desporto.sapo.pt/esports/artigos/betclic-apogee-compensou-247-toneladas-de-co2-e-recebe-certificacao-carbon-neutral

Partin, W. (2020, January 28). *The 2010s were a banner decade for big money and tech — and esports reaped the rewards.* Retrieved June 18, 2024, from The Washington Post. https://www.washingtonpost.com/video-games/esports/2020/01/28/2010s-were-banner-decade-big-money-tech-esports-reaped-rewards/

Pereira, A. M., Teques, P., Verhagen, E., Gouttebarge, V., Figueiredo, P., & Brito, J. (2021). Mental health symptoms in electronic football players. *BMJ Open Sport & Exercise Medicine, 7*(4). https://doi.org/10.1136/bmjsem-2021-001149

Piggott, L., & Tjønndal, A. (2023). "It becomes a fight against who I am, rather than what I say": Gender, positionality, and inclusion in esports leadership. *International Review for the Sociology of Sport, 59*(3), 400-420. https://doi.org/10.1177/10126902231206652

Piggott, L., Tjønndal, A., & Hovden, J. (2022). Leadership and gender inclusion in esports organisations. In A. Tjønndal (Ed.), *Social Issues in Esports* (1 ed., pp. 46-64). London: Routledge. https://doi.org/10.4324/9781003258650

Poulus, D. R., Sargeant, J., Zarate, D., Griffiths, M. D., & Stavropoulos, V. (2024). Burnout, resilience, and coping among esports players: A network analysis approach. (A. Lepp, Ed.) *Computers in Human Behavior, 153*, 1-9. https://doi.org/10.1016/j.chb.2024.108139

Poulus, D., Coulter, T., Trotter, M., & Polman, R. (2022). Perceived Stressors Experienced by Competitive Esports Athletes. *International Journal of Esports, 1*(1). https://www.ijesports.org/article/73/html

Purvis, B., Mao, Y., & Robinson, D. (2019). Three pillars of sustainability: in search of conceptual origins. *Sustainability Science, 14*(3), 681-695. https://doi.org/10.1007/s11625-018-0627-5

Rahman, M., Wahab, S. A., & Latiff, A. S. (2022). Definitions and Concepts of Organizational Sustainability: A Literature Analysis. *Society & Sustainability, 4*(2), 21-32. https://doi.org/10.38157/ss.v4i2.496

Ramchandani, S., & Singh, A. K. (2022). Pathway to Corporate Sustainability: Drivers & Dimensions – A Review Study. *Delhi Business Revie, 23*(1), 33-42. https://doi.org/10.51768/dbr.v23i1.231202204

Reitman, J. G., Anderson-Coto, M. J., Wu, M., Lee, J. S., & Steinkuehler, C. (2019). Esports Research: A Literature Review. *Games and Culture, 15*(1), 32-50. https://doi.org/10.1177/1555412019840892

Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students* (8 ed.). Pearson Education. https://www.pearson.com/nl/en_NL/higher-education/subject-catalogue/business-and-management/Research-methods-for-business-students-8e-saunders.html?tab=contents

SAW Gaming Group. (2024). *About [LinkedIn Page].* Retrieved June 20, 2024, from LinkedIn. https://www.linkedin.com/company/sawgg/about/

SAW GG. (2020, April 04). *A Warrior's Quest #01 [Video].* Youtube. https://www.youtube.com/watch?v=zA9BfLdBsH0

SAW GG. (2021a, August 24). *A Warrior's Quest: Team Building [Video].* Youtube. https://www.youtube.com/watch?v=kW5eF9L0ifc

SAW GG. (2021b, May 07). *A Warrior's Quest: Enter Valorant [Video].* Youtube. https://www.youtube.com/watch?v=X7-_qHPXyQo

SAW GG. (2021c, August 07). *Couchtalk: All About Academy Teams [Video].* Youtube. https://www.youtube.com/watch?v=uIOnEB3t0Bo

SAW GG. (2021d, February 13). *A Warrior's Quest #4 [Video].* Youtube. https://www.youtube.com/watch?v=tlj-7Ti-TYE&t=114s

SAW GG. (2022a, February 11). *Podcast with SAW - Internet VS LAN (Mutiris & Roman) [Video Podcast Episode].* Youtube. https://www.youtube.com/watch?v=8_x-ede1DJg

SAW GG. (2022b, February 11). *Podcast with SAW - "Somos como o vinho do Porto" (Marinhas & arki) [Video Podcast Episode].* Youtube. https://www.youtube.com/watch?v=OVCgrW5_2HU

SAW GG. (2022c, February 11). *Podcast with SAW - Furia, Faze e Zywoo (just & stadodo) [Video Podcast Episode].* Youtube. https://www.youtube.com/watch?v=ZkS75_jabr0

SAW GG. (2022d, August 06). *Podcast with SAW - Summer Edition: Mutiris & Story [Video Podcast Episode].* Youtube. https://www.youtube.com/watch?v=G3yi43JTEpI&t=14s

SAW GG. (2022e, September 27). *SAW fecha parceria com a FACEIT.* SAW GG. https://saw.gg/saw-fecha-parceria-com-a-faceit/?doing_wp_cron=1721429975.8401610851287841796875

SAW GG. (2023a, February 09). *À Prova de Bala c/ Joaquim (SAW) e Daniel (RTP Arena) | Episódio 3 [Video Podcast Episode].* Youtube. https://www.youtube.com/watch?v=Pw37VnfZgaY&list=PLbdY7XaanGx7giyOSsGvKCx4UMRfTch6Z&index=3

SAW GG. (2023b, November 28). *K0mpatition: Torneio de Valorant com final em LAN.* SAW GG. https://saw.gg/k0mpatition-torneio-de-valorant-com-final-em-lan/

SAW GG. (2024a, January 28). *SAW Solverde Padel Cup [Live Broadcast Video].* Youtube. https://www.youtube.com/watch?v=5KvBCUBXCUY

SAW GG. (2024b, March 12). *Preço do Story, Sticker Money, Saúde mental | À Prova de Bala [Video Podcast Episode].* Youtube. https://www.youtube.com/watch?v=0fUi9Wid3QA

SAW GG. (2024c, July 02). *SAW junta-se ao projeto federativo FEPODELE em prol dos esports portugueses.* SAW GG. https://saw.gg/saw-junta-se-ao-projeto-federativo-fepodele-em-prol-dos-esports-portugueses/

SAW GG. (2024d). *Home*. Retrieved July 26, 2024, from SAW.gg: Stay a Warrior. https://saw.gg/

Schoch, K. (2020). Case Study Research. In G. J. Burkholder, K. A. Cox, L. M. Crawford, & J. H. Hitchcock (Eds.), *Research Design and Methods: An Applied Guide for the Scholar-Practitioner* (pp. 245-256). SAGE Publications. https://us.sagepub.com/sites/default/files/upm-assets/105275_book_item_105275.pdf

Scholz, T. M. (2019). *eSports is Business: Management in the World of Competitive Gaming* (1 ed.). Cham: Palgrave Pivot. https://doi.org/10.1007/978-3-030-11199-1

Scholz, T. M. (2020). Deciphering the World of eSports. *International Journal on Media Management, 22*(1), 1-12. https://doi.org/10.1080/14241277.2020.1757808

Scholz, T. M., Völkel, L., & Uebach, C. (2021). Sportification of Esports - A systematization of sport-teams entering the esports ecosystem. *International Journal of Esports, 1*(1). https://www.ijesports.org/article/48/html

Seixas, J. (2022, May 24). *Futebol virtual: Portugal no primeiro lugar do ranking FIFA.* Retrieved Junho 2024, 19, from Record. https://www.record.pt/record-gaming/detalhe/futebol-virtual-portugal-no-primeiro-lugar-do-ranking-fifa

Sequeira, P., & Faria, R. (2023, December 30). A Voz do Desporto: À conversa com Pedro Sequeira e Raul Faria sobre a evolução dos eSports em Portugal. (D. Jesus, Interviewer) Record. Retrieved June 19, 2024, from Record. https://www.record.pt/multimedia/videos/detalhe/a-voz-do-desporto-a-conversa-com-pedro-sequeira-e-raul-faria-sobre-a-evolucao-dos-esports-em-portugal

Silva, D. (2020, April 09). *eSports em Portugal: grandes passos num longo caminho.* Retrieved May 20, 2024, from Shifter. https://shifter.pt/2020/04/esports-portugal-entrevista/

Smith, N. (2022, March 04). *Inside 'contract hell': Esports players say predatory contracts run 'rampant'.* Retrieved March 08, 2024, from https://www.washingtonpost.com/video-games/esports/2022/03/04/esports-player-contracts/

Smith, P. A., & Sharicz, C. (2011). The shift needed for sustainability. (P. A. Smith, Ed.) *The Learning Organization, 18*(1), 73-86. https://doi.org/10.1108/09696471111096019

Statista. (2024). *Esports - Worldwide.* Statista. Retrieved June 05, 2024, from https://www.statista.com/outlook/amo/esports/worldwide?currency=EUR

Stream Hatchet. (2023). *Video Game Streaming Trends Report.* Retrieved June 09, 2024, from https://insights.streamhatchet.com/q2-2023-live-streaming-trends-report

Suits, B. (2007). The Elements of Sport. In W. J. Morgan (Ed.), *Ethics in Sport* (2 ed., pp. 9-19). Champaign, Illinois: Human Kinetics. https://philpapers.org/rec/SUITEO

Swarnapali, R. (2017). Corporate sustainability: A Literature Review. *Journal for Accounting Researchers and Educators (JARE), 1*(1), 1-15. http://repository.rjt.ac.lk/bitstream/handle/123456789/1471/RMNCS3.pdf?sequence=1&isAllowed=y

Uebach, C., Scholz, T. M., & Stein, V. (2022). Exploring and Exploiting the Sharing of Individual Vulnerability in Esports-Teams. *Sustainable Esports in the Digital Society – ERN Conference 22* (pp. 54-56). Jönköping, Sweden: ERN. https://esportsresearch.net/wp-content/uploads/2023/01/ERNC22_Jonkoping_Book_of_Abstracts.pdf

Veldman, S. (2024, January 28). *G-SHOCK watches news: Coexist collection puts an emphasis on sustainability.* Retrieved July 13, 2024, from The Manual. https://www.themanual.com/fashion/g-shock-coexist-collection/

Vitale, G. L., & Advani, D. (2020). *Teams & Esport Athletes: The spearhead of the ecosystem.* Retrieved June 12, 2024, from PwC Germany. https://www.pwc.de/en/technology-media-and-telecommunication/digital-trend-outlook-esport-2020/teams-esports-athletes.html

Vo, T. T., Tuliao, K. V., & Chen, C.-W. (2022). Work Motivation: The Roles of Individual Needs and Social Conditions. (S. D. Lane, Ed.) *Behavioral Sciences, 12*(2), 49. https://doi.org/10.3390/bs12020049

Wagner, M. G. (2006). On the Scientific Relevance of eSports. In H. R. Arabnia (Ed.), *Proceedings of the 2006 International Conference on Internet Computing & Conference on Computer Games*

Development (pp. 437-442). Las Vegas: CSREA Press.
https://api.semanticscholar.org/CorpusID:18370800

Walker, P. (2022, March 10). *Is 'going green' the future of esports?* Retrieved March 28, 2024, from Esports Insider. https://esportsinsider.com/2022/08/is-going-green-esports-future

Wamda. (2024, March 06). *Saudi Arabia deploys $120 million to boost gaming, esports industry.* Retrieved July 13, 2024, from Wamda. https://www.wamda.com/2024/03/saudi-arabia-deploys-120-million-boost-gaming-esports-industry

Weiss, T. (2008). Cultural Influences on Hedonic Adoption Behavior: Propositions Regarding the Adoption of Competitive Video and Computer Online Gaming. *DIGIT 2008 Proceedings. 7.* Association for Information Systems. https://aisel.aisnet.org/digit2008/7/

Weiss, T. (2011). Fulfilling the Needs of eSports Consumers: A Uses and Gratifications Perspective. *24th Bled eConference - eFuture: Creating Solutions for the Individual, Organisations and Society. 30*, pp. 572-580. Association for Information Systems. https://aisel.aisnet.org/bled2011/30

White, P. (2009). Building a sustainability strategy into the business. (G. Lenssen, S. Tyson, S. Pickard, & D. Bevan, Eds.) *Corporate Governance, 9*(4), 386-394. https://doi.org/10.1108/14720700910984936

Wingerden, J. V., & Stoep, J. V. (2018). The motivational potential of meaningful work: Relationships with strengths use, work engagement, and performance. (G. Virgili, Ed.) *PLOS ON, 13*(6), e0197599. https://doi.org/10.1371/journal.pone.0197599

Wingfield, N. (2014, August 25). *What's Twitch? Gamers Know, and Amazon Is Spending $1 Billion on It.* Retrieved April 25, 2024, from The New York Times. https://www.nytimes.com/2014/08/26/technology/amazon-nears-a-deal-for-twitch.html

Witkowski, E. (2012). On the Digital Playing Field: How We "Do Sport" With Networked Computer Games. *Games and Culture, 7*(5), 349-374. https://doi.org/10.1177/1555412012454222

Wong, D., & Meng-Lewis, Y. (2022). Esports: an exploration of the advancing esports landscape, actors and interorganisational relationships. *Sport in Society - Cultures, Commerce, Media, Politics, 26*(6), 943-969. https://doi.org/10.1080/17430437.2022.2086458

World Bank Group. (2024). *DataBank - Population estimates and projections*. Retrieved June 09, 2024, from World Bank Group - International Development, Poverty and Sustainability. https://databank.worldbank.org/Population/id/fdaa1724

YouGov. (2023, May 30). *Charting the global landscape of esports viewership.* Retrieved April 01, 2024, from YouGov. https://datawrapper.dwcdn.net/FNKi0/4/#embed