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OverActive Media
MAD LIONS League of Legends Team
10-11-2023

Business Strategy Analysis

(In this report it will be used the IEEE Referencing Style Sheet [\[1\]](#))

TABLE OF CONTENTS

TABLE OF CONTENTS	2
BUSINESS MODEL CANVAS	3
INTRODUCTION	3
CUSTOMER SEGMENT	4
VALUE PROPOSITION	4
CHANNELS	5
CUSTOMER RELATIONSHIPS	6
KEY RESOURCES	6
KEY ACTIVITIES	7
KEY PARTNERS	7
INNOVATION	8
REFERENCE LIST	8
APPENDIX	10
Annex 1 Empathy map	10

BUSINESS MODEL CANVAS

KEY PARTNERS Kappa [37] Seat [38] Razer [39] ZilliQA [40] Warner Music Spain [41]	KEY ACTIVITIES Production: Merchandising Problem solving: Psychological support needed from the players, social media management, marketing, coaching and training, team building, production process.	VALUE PROPOSITION Needs: Tension release, socialisation and community feeling [21], competition [22-27]. Product: Competitive matches, vlogs, gameplays, variety content with the players (quizzes, sport activities, trying spanish food, etc.), interviews [28].	CUSTOMER RELATIONSHIPS Communities and self-service Impersonal Customer Relationship: Consuming content online (Youtube videos, interviews, instagram reels,etc) and watching live matches on streaming platforms through event organisations (Twitch). Social Media: Twitter, Instagram, Discord, Youtube, etc. Personal Customer Relationship: Direct communication via social media mentioned above between fans and the team.	CUSTOMER SEGMENTS Niche Market: -League of legends players. -LEC followers. -Spanish population [6].
KEY RESOURCES Physical: Office and players residence. Intellectual: Songs copyright for videos, videos on their social media, strategies and training methods. Human: 51-200 employees [35]. Financial: Players market value, cash, cash equivalents, debts.	CHANNELS Awareness: Team and Players social media; Youtube, Twitch, Twitter, Instagram. Purchase: MAD Lions website, Merchandising: Twitch, streamings. Delivery: Streaming platforms, Youtube and Twitch; own platforms, MAD Lions the pride. After sales and evaluation: MAD Lions The Pride, their own website, and their Discord.			
COST STRUCTURE Variable : Team operations, live events expenses Fixed: Roaster and team payroll, corporate payroll, selling general and administration (SG&A). Direct : Roaster and team payroll, team operations, live events expenses Indirect : corporate and SG&A			REVENUE STREAMS Prize from tournaments, from 7,500 to 65,000 for LEC depending on the rank of the team and share payout from the leagues. Sponsorships Merchandising selling from 25 CA\$ for a shirt to 200 CA\$ for a sweater. They also have limited edition that can have higher prices.	

INTRODUCTION

In the evolving landscape of the media industry, the esports sector keeps growing [2], having one Canadian company to stand out: OverActive Media. This report aims to dive into the journey of the organization, an innovative entertainment and esports company.

In 2018 rebranded its image from The Ledger Group; a transformation that came from a strategic decision, when The Ledger Group made an entrance in the esports world. Having the purpose of extending the company over that sector, the company invested a substantial \$1.5 million into Splyce, an esports organization that owned teams in different gaming titles [3].

Nowadays, OverActive Media owns three teams: Toronto Defiant, Toronto Ultra, and MAD Lions, each contributing to its stature in the competitive esports arena [4].

Our protagonist will be MAD Lions, the successor of Splyce, the OverActive Media team that competes in the League of Legends European Championship (LEC) and in the Valorant Game Changers, this last mentioned being a feminine team [5]. This team was born in Madrid, as an independent team, but OverActive Media acquired the organization to expand over the Spanish population bringing them to the major leagues in the region [6].

The turnover for the company is 1,617k CA\$ but they did not make any profits during the first quarter of 2023, the company lost 5, 739k CA\$.

A similar figure in the European scene would be KOI, a competitor with a very strong fanbase as it is co-owned by a very famous streamer in Spain, Ibai Llanos [7]. Even if KOI has an unbeatable fanbase [8], MAD Lions has their own ways to make themselves shine: interactive experiences [9], diverse teams [10], strong brand identity

and weekly content development [11]. Besides that, it also has a story, as it comes from one of the most recognised teams in Europe, Splyce [12].

To be able to produce a high quality business model analysis, we will be focusing on a more niche area: the League of Legends Team from MAD Lions, OverActive Media.

CUSTOMER SEGMENT

The MAD Lions' team focuses on a very niche segment within the entertainment industry: a specific customer who plays the videogame "League of Legends" and follows the LEC. Also, it is important to know that because of its spanish origins, as "MAD" from "MAD Lions" stands for Madrid, the team focuses more on the Spanish fanbase. This is a very concrete and tailored segment within the media industry, so we tag it as a niche market [13]. On top of it, in the esports industry it is very common to see how fans are much more loyal to the players they follow rather than the teams itself [14], so MAD Lions develop a strategy to attract their target audience also acquiring players that match with their essence. An example would be the signing of Javier "Elyoya" Prades, a Spanish player with a big fan base and a young career, turning him into the face of the team [15]. Lastly, two very big and historical video game streamers from Spain own actions on the company even before the company was acquired by OverActive Media, Samuel "Vegetta777" de Luque and Guillermo "Willirex" Diaz [16].

An example of another esports team and their niche market could be Karmin Corp [17], a French team that bases their marketing and image to represent France as a country in the videogame, signing mostly French players like their actual roster with Lucas "Cabochar" Simon-Meslet and Caliste "Caliste" Henry-Hennebert. Nowadays has one of the biggest fanbase (mostly French) in Europe [18] as the owner of the company is also one of the biggest streamers in France, Kamel "Kameto" Kebir, who used to be a professional player as well [19].

As a conclusion, we can say that MAD Lions has a niche focused market, their audience is characterized as league of legends players, LEC fans, and Spanish population.

VALUE PROPOSITION

There're many different profiles when it comes to league of legends players and LEC fans; "The silent ones", "The flamers", "The one who watches LCS/LEC too much", "The cynical ones", etc [20]. But in the end, they all have something in common, they love the game, they use it to release tension, and they (definitely) need social interaction. MAD Lions offers a mix of elements to solve their needs:

- For their social needs and community feeling: The team creates a community space; MAD Lions the pride and the team's Discord server. In the Discord server we have a place where the fans can find others that have the same likings as them, in english and in spanish. There's also different channels in the server for example voice channels, where you can talk in a voice chat with others, and share screens to have watch parties of the matches, play games with other fans, share memes, etc. The team also shares news about their competition, their posts on social media, the content they upload to other platforms, etc. This feature of the discord server adds on a convenience value, making things easier or more convenient to use, in this case, easier to be aware of the team updates [13]. Also there's MAD Lions the pride. This adds on a newness value, as it is an innovative way to get closer contact with the team through a cutting-edge loyalty program, MAD Lions the pride offers an entirely new way to fulfill the community feeling need [13]. It's a platform created by their partner ZiliQA [21]. We will go more in depth on this website in the Customer Relationship section.
- For the competition need: The team competes in the LEC, the top-level league of legends team in Europe. Here they face the strongest teams in Europe, and the fans can follow the content through Twitch or Youtube, also having the language choice: the league streaming in English [22] [23] and in many other languages, but as it is MAD Lions we highlight the Spanish streaming [24] [25]. If they

succeed in the regional competition they are able to participate in two different international tournaments: the MSI (Mid Season Invitational) [26] during May, and the Worlds Championship [27] which lasts for more than a month, starting in October until mid-November. This content fills the fans' need for competition.

- For the tension release need: Competition is not considered a way to release tension, as it usually applies even more tension, it is released or not whether they win or lose. To fulfill this need the team has their own Youtube channel [28] where they upload variety content such as vlogs, quizzes, challenges, video-documentaries, interviews, Q&As, etc.

CHANNELS

MAD Lions uses many different channels, so we will define the type of channels that intervene first dividing them within the five different phases [13]:

- Awareness: This channel phase focuses on increasing awareness about the company, in this case about MAD Lions as a team, their activities, merchandising and their content.
 1. MAD Lions' Social Media - These platforms are their own direct channels, as they are managed by the company's social media team and it produces direct interactions/revenues.
 2. Players' Social Media - In the players social media they share with their own fans news about the team and promotions, so this is a partner indirect channel, as it is part of the company but is operated individually by the players as partners and directed to their own fanbase, creating interactions and revenues but in a smaller dimension.
 3. Partners' Social Media - MAD Lions have many partners like SEAT, Razer, Kappa, etc. All these just share content of the team related to the products they offer. For example, Razer would share a video where a player of the team promotes their latest headset. This is a partner indirect channel, as the partners share the team's content promoting it but in a more specialized format, just sharing the content related to their products or services.
- Evaluation: This channel phase is dedicated to assisting customers in assessing the organization's Value Proposition.
 1. MAD The Pride - This platform was made by a partner, ZiliQA, and it's a loyalty program where they share surveys and offer the chance of giving feedback to the team. This is a partner indirect channel, as it was created and is operated by a partner, but it has an impact on the team's interactions.
 2. MAD Lions website - The MAD Lions official website offers a contact button as many websites, where the fans can ask questions or share feedback with the team. This is an own direct channel, it was created by the organization and it's operated by them as well.
 3. MAD Lion's Discord - This is a particular way to evaluate the organizations' Value Propositions, as it offers a direct contact with the team through an approachable and casual platform. This is an own direct channel, as it was created and it's operated by the team itself. It works like a group chat, but in addition it has different sections and themes.
- Purchase: This channel phase is based on the system a customer could use to buy the products or the services offered.
 1. MAD Lions Website - The MAD Lions official website showcases the team's equipment, clothing and accessories in collaboration with Kappa [29]. This is an own direct channel, it was created and operated by the team, it also produces direct revenues. It's their own online shop.
- Delivery: This channel is focused on facilitating the customer's access to what the company offers.
 1. LVP/LEC Twitch Streaming - These are two different Twitch channels, already mentioned in the Value Proposition Section. Here the fans can follow the competitive league where the team plays in. This is a partner indirect channel, as it is just a place where the team is seen, the partners show the competitive matches of the team but it doesn't produce direct benefits to the organization, it just works as a spotlight. It's similar to any TV channel that streams a football match.
 2. MAD Lions Youtube - Through Youtube the fans can consume the content produced by the team. This is an own direct channel, it was created and operated by MAD Lions, it also produces direct

revenues. The MAD Lions fan can search on Youtube for the videos uploaded by the team and consume their content.

- **After Sales:** This channel phase is dedicated to provide customer-support after they purchase the products or consume the content of the team.

In the MAD Lions specific case the channels used to provide after sales support are the same as they offer for evaluation: MAD The Pride, MAD Lions website, and MAD Lions Discord.

CUSTOMER RELATIONSHIPS

The type of relationships that MAD Lions establishes with their fans are the following:

We can consider some of their services as impersonal and self-service, as a big percentage of their product is based on online content. The organization provides the content and the fans can consume it by themselves [13]. This includes videos in their team Youtube channel, their matches on Twitch, the players personal streaming or youtube accounts, etc. Their latest addition is MAD The Pride, their self-service loyalty program, where the consumer can find surveys, news, questions regarding the team plans (for example: What type of players do you want to have in our team for next year?), giveaways, brand content like wallpapers, emotes, etc... When the fans answer these questions or what they name as “completing missions” they get points that offer them the chance of improving their status as a fan in the platform; from newborn to royal [30]. MAD Lions is the first team to offer this type of service to reward their fanbase.

At the same time, social media platforms combine both, the self-service and the communities. Most of the social media platforms have a comments section, where the fans can share their thoughts regarding the content or just some memes. Here, the service is being provided and reached by the consumers as a self-service, but there’s always the option of having contact with the team, as in every post anyone can comment and the team members/organization as well, creating a community relationship. A social media platform that showcases this relationship perfectly is Twitter, where the team and the players share comments, promotions, memes, ideas, messages for the fans, etc. This is the self-service part, where you, as a consumer, could just check what they are sharing, but as a community, you can also comment on their post and reply to others' answers [31]. The community relationship aims to get the company more involved with the customer, in this case as an online community. There is an exchange of information and feedback, to try to improve and solve problems, giving a better understanding to the company of what their community expects from them [13].

KEY RESOURCES

Physical - This section mentions the physical assets possessed by the company [13]; for example a company car. In MAD Lions we find two different physical assets:

1. Office: OverActive Media has offices in Toronto, Madrid and Berlin [32]. Nowadays, MAD Lions only operates in the office located in Berlin, where the LEC studios are also established. Here the team has meetings, training as a team, and coaching sessions.

2. Gaming House: A gaming house is a place where all the players live together to bond and develop great team dynamics. Every team in the LEC has to have their own gaming house, and even if I cannot find recent information about this there’s other examples from minor leagues that the following year will be erasing this norm [33]. There is a house tour available on youtube of the Gaming House that MAD Lions used to have in Madrid [34]. Now they have a new Gaming House in Berlin, here they also film most of the content, also the players stream from the Gaming House.

Intellectual - These are the resources that include brands, own knowledge, patents, copyrights, and customer databases as well [13]. MAD Lions has mainly own knowledge, brands, and copyrights as intellectual resources:

1. Copyrights: Videos from their social media and streamings are copyrighted as theirs. These are intellectual properties owned by the team, as it is produced by themselves and they are the ones posing it as well.

2. Brands: MAD Lions has their own brand, the MAD Lions website includes a section where you can see fashion products of the brand: equipment (t-shirts and jackets), jumpers, caps, bags, sportswear, etc.

3. Own knowledge: The own knowledge that MAD Lions produces is based on their game strategies and training methods. Every team develops their own game plans and strategies, this is considered as proprietary knowledge.

Human - These are based on the human resources needed in every company, in MAD Lions we can see in their LinkedIn that the information is not too specific: 51 to 200 employees [35]. Some years ago, in 2019, before being acquired by OverActive Media the company had 72 employees [36]. These employees are the ones who play in the team, train the players, manage them, create content strategies, produce content around the team, create marketing plans, operate the websites and social media, etc.

Financial - The financial resources are based on their partnerships, investors, merchandising revenues and player's market value. OverActive Media, the owners of MAD Lions are the main investors of the organization. Still, there's not much information about it.

KEY ACTIVITIES

The key activities that MAD Lions perform in order to be able to deliver their value propositions are mostly focused in the problem solving section, for example the psychological support needed from the players, social media management, marketing, coaching and training, team building, etc. These are activities that come up with solutions for customers and members of the organization's problems [13].

To deliver quality content the team also needs to go through other activities like the production process:

Pre-production, production, and post-production. These are also problem solving activities, as in the end they aim to fill a need for their customers.

To add on it they also have some production activities: merchandising design and manufacturing.

KEY PARTNERS

The partners that cooperate with MAD Lions are strategic alliances between non-competitors [13]. All of them work together, mostly as sponsors and promotion tools. Now we will analyze the different partnerships that MAD Lions has:

1 - KAPPA: Kappa is a sportswear brand, this is a partnership that provides specific resources to the company, so it is denominated as "Acquisition of particular resources or activities". This brand takes care of creating the team equipment, distributing it, and also providing other fashion items as mentioned in the Key Resources section [37].

2. SEAT: SEAT is a Spanish car brand. This partnership provides MAD Lions a closer approach to the Spanish audience, and just acts for both of them as a way to promote their products or services. MAD Lions sponsors the brand wearing their logo in their equipment and creating content for them [38].

3. Razer: Razer is a brand focused on gaming accessories like headsets, mice, keyboards, etc. This partnership works very similar to the previous one, but in this case the brand is more directly related to the industry as it is a gaming centered company. MAD Lions includes the logo of Razer in their equipment, they create content related to the brand, and use their devices to compete and in their private streams. Razer shares MAD Lions content and gives items to do giveaways with the fans. This is a pure promotional partnership [39].

4. ZilliQA: ZilliQA is a metaverse and blockchain company. This collaboration is more similar to the partnership with KAPPA, as ZilliQA recently launched a website in collaboration with MAD Lions. They provided the company with MAD The Pride, the loyalty program mentioned multiple times before. MAD Lions also promotes the company in their equipment and streamings, but the real goal of both companies is to create unique experiences in the metaverse for the fans, so ZilliQA is providing MAD Lions a particular activity [40].

5. Warner Music Spain: The partnership between MAD Lions and Warner Music Spain is quite unique, also included in the category of "Acquisition of particular resources or activities". This partnership brings MAD

Lions closer to the Spanish audience, as they now have the permission to use Warner Music Spain artists' music in their content. Also, MAD Lions worked with the music company in a music video where the organizations' players appear, and they have the official playlist of the team on Spotify that features artists from Warner [41].

INNOVATION

Empathy Map (see annex 1)

One improvement to the Key Partners block would be having more Spanish brands as sponsors, as one of the goals of the company is to have a big Spanish fan base. Having a famous Spanish brand as a partner could make the fans feel more connected, familiarized to the team. Following this point, another improvement to the Value Proposition block could be acquiring more Spanish players or players that are already recognized by the Spanish community. In Spain there's a minor league, named "Superliga", so betting for players with talent from the Spanish league could increase the interest from their target audience, as they have been seeing them grow professionally.

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APPENDIX

Annex 1 Empathy map

