Viability of ESports Service Provider in the Local Market in the Second District of Albay: Opportunity of Investment

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ABSTRACT

Online gaming is now a spectator sport, thanks to ESports. The experience is similar to watching a professional athletic event, but viewers see video gamers compete against one another instead of a physical contest. This qualitative research determined ESport's viability status in the 2nd District of Albay. It sought to determine the status of the business requirements needed to establish an ESports business along with Network Infrastructure, Legal requirements, and Stability of power. It also evaluates the viability of ESports in the local market regarding technical and economic requirements. It focuses on the challenges of the Department of Information and Communication Technology (DICT) in providing opportunities for investment in e-services. Lastly, this research proposed a business process mapping model canvas that potential investors can adopt. The study revealed limited information regarding

the stability of power in the context of ESports. No specific information was provided regarding how power stability was ensured or measures are taken to ensure uninterrupted power supply during ESports tournaments. Likewise, power outages and fluctuations can cause disruptions and affect the gameplay, leading to frustration for players and viewers. Regularly maintaining electrical equipment and wiring is also necessary to prevent power outages and hazards. Technically ESports is viable, despite challenges that may be encountered, and does create a business model canvas.

INTRODUCTION

Online gaming is now a spectator sport because of eSports (Chen, 2022). The experience is similar to watching a professional athletic event, but viewers see video gamers compete against one another instead of a physical contest. Competitive computer gaming or ESports has become a pervasive trend in recent years, to the extent that organized arena events are held for games. Wagner (2016) highlights that this phenomenon is now a crucial component of today's digital youth culture.

According to Willingham's (2018) findings, ESports refers to the organized and competitive world of video gaming. Gamers from different leagues or teams compete against each other in popular games such as Fortnite, League of Legends, Counter-Strike, Call of Duty, Overwatch, and Madden NFL, among others. These gamers have millions of fans worldwide who attend live events or watch them on TV or online. Popular gamers usually build their fandoms through streaming services like Twitch, where viewers can watch them play in real-time. Newzoo, a market analytics company, reports that 380 million people worldwide, including 165 million frequent viewers or ESports enthusiasts, will watch ESports this year. The majority of these enthusiasts are from North America, China, and South Korea.

Kane (2018) notes that when people think of athletes, they do not typically picture someone sitting in front of a computer and playing video games. Instead, gamers are often stereotyped as physically unfit and lacking athletic abilities. Some may even associate gamer with nerd culture (Kendall, 2011). However, the term gamer can encompass many different types of people, including those who play board games, collectable card games, and video games. For this paper, the term gamer will refer to individuals participating in competitive video gaming. With technological advancements, competitive video gamers are beginning to exhibit similar athletic qualities to traditional sports athletes. Additionally, the concept of video games has evolved, with people now

playing them competitively in tournaments that resemble sports competitions rather than just for recreational purposes.

NoHo Arts District (2022) states that Singapore has developed into a world force regarding ESports. This development is rapid and unprecedented. Some 15 years ago, the Singaporean ESports scene practically did not even exist, but today, this small country is emerging as the world's capital of ESports.

Zalizan (2022) supports that in March 2021, Database Company Statista reported that the global ESports audience had increased from 397.8 million in 2019 to 435.9 million in 2020 and is projected to reach 577.3 million by 2024. Local ESports talents, companies, and associations interviewed by TODAY attribute Singapore's appeal to tournament organizers to the country's exceptional technology and business infrastructure. The growth trend is expected to continue, with KPMG Singapore partner, Mr Guillaume Sachet, citing an industry report published by the firm in 2021 that predicts ESports will generate nearly US$1.6 billion in revenues worldwide by 2023, double the US$776 million earned in 2018. East Asia accounts for one-third of this revenue.

Ludwig (2021) states that in the past few years, stakeholders involved in ESports have formed a globally connected ecosystem centred on individual ESports leagues and titles. This ecosystem also referred to as "the ESports sector," is a part of the gaming industry and has been generating a growing interest among audiences. Observers of the sector are keenly monitoring its progress to determine where ESports are headed. However, Nadzhafov (2022) mentioned the top 5 challenges in the esports and gaming industry, such as difficult access to affiliate programs, unstructured market and limited list of business categories under random labels, lack of direct contacts in b2b, problems with finding cooperation partners, and overpriced services and lack of proper competition.

In the Philippines, the Philippine sports and ESports industries are currently thriving, and the country has many competitive advantages that are fueling the growth of these sectors, not just within The Philippines but throughout Southeast Asia (Asia Sports Tech, 2022). The Philippines has a large and young population –110 million Filipinos, and the average age is under 25. This makes it an ideal market for sports and ESports because not only does this young, growing population watch or attend sports/ESports events, but they are also more likely to play, consume and interact and engage with athletes/gamers and sports/ESports properties through digital and social channels.

ABS-CBN News notes that the Philippine government has expressed its support for ESports within the country. The Philippine Games and Amusement Board has acknowledged ESports as a professional activity under its regulation and supervision. Although different from traditional competitions, ESports

requires extensive training, skill, and teamwork, especially in multiplayer online battle arenas (MOBA). With its increasing popularity and commercial success, the government has noticed and aims to establish supervision and regulation. According to Sheldon (2017), the Gaming and Amusements Board has approved ESports players to apply for athletic licenses, confirming ESports as an official sport in the Philippines (Regalado, 2017).

Moreover, Section 19 of Article XIV of the 1987 Constitution stipulates that the government is mandated to advance physical education and endorse sports programs, competitions, and amateur sports, which include preparations for international contests, to cultivate self-control, collaboration, and distinction in order to establish a vigorous and vigilant populace. The Philippines Games and Amusements (GAB) has signed a resolution to prescribe additional rules and regulations to govern ESports in the country, including compulsory licensing and revenue tax (Misa, 2018). Resolution No 2017-21 confirms that professional gamers participating in GAB-sanctioned ESports events hosted in the country must apply for an 800 pesos permit to play regardless of whether or not they are citizens of the Philippines or a foreign visitor. A properly completed application form, two copies of a 2x2 ID photo, a government-issued identification card, parental consent in the case of minors, income tax returns or a statement of assets and liabilities for promoters, a certificate of membership or letter of endorsement from an accredited association or club, or a professional license card issued abroad for new applicants, are all requirements that must be met before an individual or entity can receive a license (Law, 2020). In order to meet the demands of the market in terms of the viability of ESports in the country among stakeholders, such as sports enthusiast workshops can be used as an avenue to address issues and challenges in the industry.

The province of Albay was very active in sports. In 2017, one hundred sixty-one basketball teams involving 1,930 players and 320 coaches competed in the first Albay Congressional Cup. The event is setting a national record by itself in terms of participation. Congressman Salceda supported this event because it is an avenue to promote discipline, prevent dysfunctional activities, and make both local and foreign visitors enjoy their summer stay in Albay. In addition, Salceda wanted young people and the community to engage in sports and have a healthy lifestyle (Philippine Star, 2017). Moreover, Bicol University (BU) had their grand ESports on October 24, 2022, where Bicol University Polangui Campus (BUPC) remains undefeated as they dinked their back-to-back championship title against BU College of Industrial Technology (BUCIT) in the Valorant Category with a 2-0 clean sweep in the Grand ESports Tournament at DotCom Infinity, EM's Barrio, Legazpi City (Macalla, 2022).

As such, the study aims to determine the viability of ESports in the local market in the second district of Albay. The researcher conducted this study to address the stakeholders' issues to develop their knowledge and skills, specifically in terms of competitiveness in the ESports industry. It, therefore, addresses the issues of providing workshops that will be essential to every ESports competition in the province, country, and worldwide. Different studies and previous research have been conducted concerning ESports related to the present study. Still, there is no study regarding the viability of ESports in the 2nd District of Albay.

In the same way, no studies have been conducted determining the status of the business requirements needed to establish an ESports business, evaluating the viability of ESports in the local market in terms of a. Technical requirements and b. Economic challenges of the Department of Information and Communication Technology (DICT) in providing opportunities for investment in e-services in the local market and proposing a business process mapping model canvas that potential investors can adopt. These define the uniqueness of the study. Therefore, this is the gap bridged by the study.

FRAMEWORK

Game Theory

The research study is supported by Game Theory. Game theory is attributed to the work of mathematician John Von Neumann and the economist Oscar Morgenster in the 1940s. This theory was developed intensively by many other scholars and researchers in the 1950s. It remains a field of applied science and active studies today (Stanford Encyclopedia of Philosophy, 2019).

According to Hayes (2022), game theory is a theoretical framework for creating social situations between competing players. This theory is also known as the "science of strategy". It is also studying how competing and independent players do their optional decision-making process in a strategic setting. The goal of game theory is to know how players arrive at their decisions when faced with challenging tasks. Using this theory, real-world scenarios for such economic situations, laying out pricing competition, and releasing products can be made possible. Their outcomes can be predicted. Also, using this theory as the basis of the study can explain the conflict and collaboration among individuals in activities like gaming by applying the rule of mathematics.

This theory series is a strong framework for this research because this is exactly the study of discovering a winning strategy using applied mathematics. It informs game designers how their games can succeed from start to finish and how people can accept gaming activities. In other words, game theory helps people develop excellent decision-making skills, which is why the study is conducted to

come up with an excellent finding about an economic optimum aspect, especially in electronic sports.

Flow Theory

The study is anchored on Flow Theory by Mihaly in the 1970s. He based his research on examining people who did activities for pleasure. He considered athletes as individuals who were involved in activities they preferred. The flow theory examines that enjoyment is not the outcome of living without stress, but it can be of intense play and activities in which people's attention is fully absorbed. Mihaly called the state "Flow" because, during his study, people describe the challenging activities and experiences using the metaphor of being moved by a current like a river flowing. Participants were motivated by the quality of the experiences they had while they were focused on the activity. The theory explains that challenging activities stretch the participants' abilities and help them improve their thinking skills. The idea of flow became the key element of the theory. This is also called optimal experience, for it provides the users' best experience (McKoy & Lind, 2022).

Flow Theory is also known as the study of "optimal challenges," which has been the framework in the context of online gaming included in the ESports components. It is how people become so absorbed and interested in ESports since it includes "optimum concentration. Players enjoyed satisfaction in activities like ESports when they met the goal of going to the next level. On the other hand, game designers can know how to create games that can generate the users' attention which gamification designers attempt to harness to increase the users' attention, into investing their time in challenging tasks like those found in ESports.

With this, flow theory leads people into activities like gaming since it posits their attention and motivation to the optimal level. This theory is also the basis of this study since people consider online gaming in ESports as a challenging task that helps them gain a sense of satisfaction when they resolve tasks. In ESports, it is called going on to the next level.

Users and Gratification Theory

Coined in the early 1940s by Blumler and Katz (1974), the Uses and Gratifications Theory deals with understanding people's reasons for using certain kinds of media, the needs to use them, and the gratifications they can get from using these kinds of media (Kasirye, 2021).

This study applied the Users and Gratifications approach in investigating social games found in electronic sports. Users expected social satisfaction and

game gratifications from engaging in activities like ESports. A hierarchical regression analysis concluded that diversion and social interaction are positive play predictors like those found in ESports. The results have suggested a distinct relationship between social aspects and social games or electronic sports that reflects the users' interpersonal skills. Electronic sports, including social games, must qualify as social media rather than just a category of online computer games.

The researcher formulated a new WM 2023 Theory based on the three theories. This theory will focus on the interest, skills, resources, and needs of the game players. When ESports focus on these characteristics, it will attract game players to purchase a ticket to register. Once they enjoy the game, it will lead to satisfaction, resulting in the continuous intention to purchase and play it. However, if the game players lose their interest in playing the specific game, there will be a non-continuance of the game. Therefore, there will be a chance that the game player will look for another ESports that will get their interest, qualifies their skills, fir to their resources, and can answer their needs. This theory will be anchored on Technology Adaptive Model (TAM) by Davis in 1989. The Technology Acceptance Model (TAM) is considered one of the most influential models for evaluating technology adoption. TAM suggests that an individual's intention to use new technology is primarily influenced by perceived ease of use and perceived usefulness. Older adults who view digital games as too difficult or a waste of time are less likely to adopt the technology. In contrast, those who see digital games as a source of mental stimulation and easy to learn are more likely to adopt them. Although TAM has been criticised, it remains a useful framework and is supported by numerous studies investigating the factors that affect older adults' intention to use new technology.

These theories are essential in the present study as they help the researcher determine the viability of electronic sports in the local market of the province. As understood, ESports are an important component of revenue to the industry. As such, playing video games, for instance, a competitive professional sport, can become a billion-dollar industry in the province and the country.
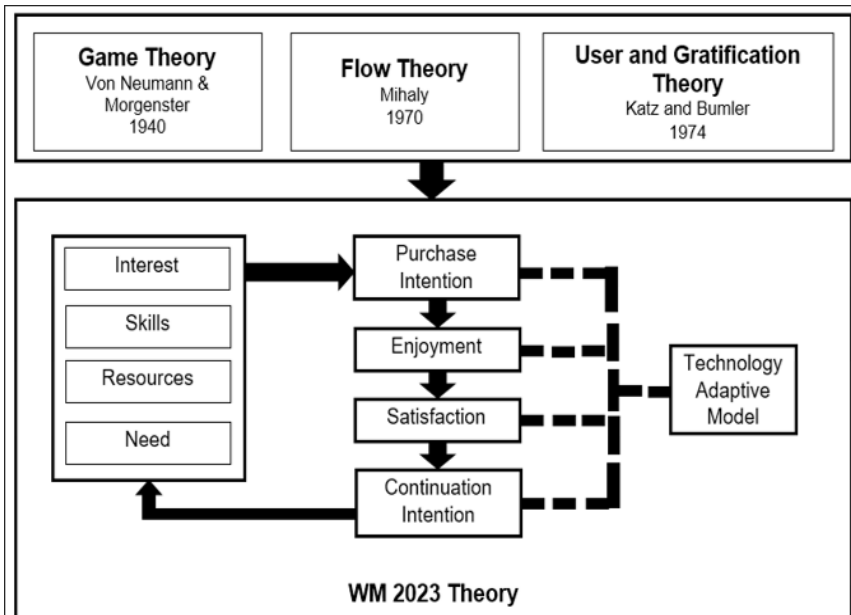
Figure 1. Theoretical Paradigm

Conceptual Framework

The researcher used the funnel model to present the conceptual framework of this study, which is the synthesis of principles in determining the viability of electronic sports in the local market in the 2nd district of Albay. To ensure that the eSport business is viable, it is important to determine the status of the business requirement, such as network infrastructure, legal requirements, and stability of power, and evaluate the technical requirement and economic contribution to the industry. The challenges should be identified and resolved so that business organizations or individuals can enter this industry and cater to the market demand.

The process consists of the conduct of a Focused-Group-Discussion (FGD) interview and a questionnaire issued to the participants to gather the data, analysis and interpretation of data. The proposed output of this study is the strategic plan.
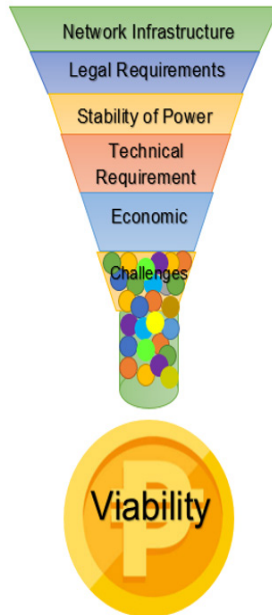
Figure 2. Conceptual Paradigm

OBJECTIVES OF THE STUDY

The study aims to determine the status of ESports viability in the local market in Albay. The study has the following objectives, (1) determine the status of the business requirement that is needed to establish ESports business in the 2nd District of Albay, along with network infrastructure, legal requirements, and stability of power, (2) evaluate the viability of ESports in the local market in terms of Technical Requirement, and Economic, (3) determine the challenges of Department of Information and Communication Technology in providing opportunities of investment e-services in the local market, and (4) identify the formulation of business model canvas.

METHODOLOGY

Research Design

The researcher used the qualitative design of research in order to determine the viability of electronic sports in the local market in the second district of Albay. According to McCombes (2019), qualitative research design aims to accurately and systematically describe the population, situation or phenomenon, and it can answer *what, when, where, when* and *how*, but not *why* questions. It is the best suitable research design for this study because it gave definite answers from the respondents.

The primary source of data in this study was gathered from the participants' responses from the interview through Focused-Group-Discussion (FGD). Since they have benefits, it is a popular technique for gathering qualitative data for social research. This approach is well-liked because it makes it easy for researchers to build trust, be open, and comprehend perceptions. Nonetheless, the secondary sources of the data were gathered from journals, theses, local and foreign dissertations, and online resources that contributed to building more ideas about the present study.

Respondents of the Study

There were six (6) total participants in this study, which consisted of one stakeholder from DICT one from NTC, and four Internet Providers in the second district in the Province of Albay. The researcher utilized purposive sampling in selecting the respondents because it focused on the individuals who could directly answer the questions and participated in providing internet connection in the 2nd district of Albay, which was a very important factor in ESports.

Data Gathering Procedures

The researcher personally seeks permission from the stakeholders to conduct the study. The researcher made sure that the respondents were aware of the context of the study and why they were chosen as the respondents. Upon approval, the researcher conducts the focused group discussion and interview. Necessary information was relayed by the researcher as well as the participants. The gathered information was analyzed and evaluated to determine the perceptions of the respondents.

Data Analysis Plan

Since this study utilized a qualitative research design, the researcher gathered data from the respondents through FGD using interview guide questions. The researcher organized, connected, analyze, and provided insights into the data given.

Ethical Consideration

The researcher sought consent from the stakeholders in conducting the study. Following the Data Privacy Act of 2012, the respondents were informed that the data to be collected was for academic purposes only, and they were assured that it would be treated with utmost confidentiality. It also clearly explains the benefits of participating in this study. The Focus Group Discussion and interview were conducted with the permission of the respondents.

RESULTS AND DISCUSSION

Status of the Business Requirement That Is Needed to Establish ESports Business in the 2ⁿᵈ District of Albay

Network Infrastructure

Respondent 1: *The hardware devices used were routers, switches, and physical servers. The software application can run on either dedicated hardware or a commodity server, and it needs 500 Mbps for ESports. For network services, software that runs on server network companies is readily available in the 2nd district of Albay. The towers of each network are located in strategic places legally recognized in the Philippines.*

Respondent 2: *All ESports equipment as devices are available in the market. The software application was provided by the different network services. We have different network services in the province that provide a strong network connection.*

Respondent 3: *The hardware devices used were computers, routers, and switches. The software application bandwidth is 300 Mbps (megabits per second) of download speed and 0.5 to 1 Mbps of upload speed as a "good" internet speed.*
There are different network services available in the local market, such as PLDT, Globe, and Smart.

Respondent 4: *Hardware devices are available in the market and computer stores. The software applications are accessible, manageable, and operational basis. The network services we have in the province are DCTV, Smart, and Globe.*

Respondent 5: *The network infrastructures are buildings and towers. Towers are in a strategic place for strong connections. For software applications, PLDT is the*

fastest internet speed, 1 gigabit per second, the same as 1,000 megabits per second. In network services, service providers are available in the district.

Respondent 6: *The role of DICT commits to provide every Filipino access to vital ICT infrastructure and services and to ensure sustainable growth of the Philippine ICT-enabled industries, creating more jobs.*

Based on the responses of the respondents, the network infrastructure has hardware devices such as computer sets, routers, and switches. These are available in the market and can be seen in computer or electronic stores. Software applications it is available, manageable, and operational. It can be provided by the different network services. The PLDT has the fastest internet speed and can meet the demand of ESports. For network services, there are four internet providers that the respondents mentioned, and it is readily available in the 2nd district of Albay. Moreover, buildings and towers of each network are located legally in strategic places with the help of DICT.

According to Williamson (2020), connectivity makes or ruins ESports because the network infrastructure determines how well a video game performs. The cornerstone of gameplay is the cabling infrastructure, which powers games, links players, and immerses viewers in the action. More investments are anticipated as ESports become more serious. The tools used are essential to the outcome, just like in any professional event. Gaming PCs, controllers, keyboards, and headsets are undoubtedly necessary for ESports technology, but there is also another essential element to include on this list: cables and interface.

Additionally, ESports require resources beyond just gaming hardware. Moreover, like with any other technology, even the best gaming systems in the world will not function and connect as intended if the infrastructure supporting them cannot keep up. To make ESports technology a reality, a combination of high-performance fiber and copper cabling systems, and robust connectivity components, are needed.

In this case, to ensure the best performance of ESports, the network infrastructure providers should provide higher bandwidth and lower latency so that players can have a competitive edge and viewers can have a better experience. However, due to the high-definition, sophisticated gaming graphics and the several players moving simultaneously in a setting where milliseconds matter, downtime, lag, buffering, and delays are impossible not to happen.

Legal Requirements

Respondent 1: *Secure permits in establishing ESports. As to players.*

Respondent 2: *You have to secure a permit from the city to be able to put up an ESports company. It is already the trend. Competing with other countries.*

Respondent 3: *Recognized by the GAB (Games and Amusement Board).*
Respondent 4: *Permit to operate. Adaptable.*
Respondent 5: *It is recognized by the government. Application for ESports business in the LGU. Legally recognized.*
Respondent 6: *Duly recognized by the government. It has also been done in some schools.*

Based on the responses of the respondents, an individual who wanted to be an ESports player and venture into a business in this industry can secure a permit in GAB and the local government unit of Legazpi City because it was legally recognized by the government and had been doing by some schools. According to Scholz (2020), the ESports industry, with its various stakeholders, can be seen as an interwoven network. ESports as a business has requirements that stakeholders and the ESports fans should work on. Many ESports organizations are following the commercial narrative due to the lack of governmental supervision and without the legal option of non-profit tactics (Scholz, 2020). For the ESports business to be stable, the stakeholders should follow the legal basis and consider the requirements provided by the government.

In addition, all players must secure permits before the tournaments can be conducted and can be completed. The Games and Amusement Board (GAB) shall issue the permit to the promoter once filed at least ten days before the event date. A three per cent gross is shared with GAB, including the income from television, radio, and motion picture rights of the events (Misa, 2020). Therefore, ESports events and players can be considered legal once they secure permits.

Stability of Power

Respondent 1: *Stable enough to sustain electronic sports, just like BPOs in the province when competing abroad to secure travel permits.*
Respondent 2: *The power is stable to put up an ESports business.*
Respondent 3: *No response.*
Respondent 4: *Good, except for power interruptions due to power maintenance.*
Respondent 5: *BPO's already operating, so the stability of power in the province can be viable.*
Respondent 6: *Can support ESports companies.*

Based on the responses, there is a stable electricity supply in the province of Albay because there are business process outsourcing (BPO) companies operating there. These BPO companies used electricity supply, internet connections, and

devices the same as ESports. However, there were power interruptions that happened due to power maintenance.

According to Saraogi (2023), it can be challenging to configure the precise quantity of power consumption by a gaming computer every hour. The level of involvement for the computer varies with each action, and as a result, so does the amount of power used. A gaming computer typically needs between 300 and 500 Watts to operate effectively. Yet, the configuration of a gaming computer might change with every piece of gear introduced, changing its ability to use power. Through extensive investigation, Saraogi has concluded that a gaming rig typically uses 250–400W per hour. However, when games with greater graphic quality are released, the power usage can increase to 600W or more. Strong devices, like the Seasonic Prime PX-1300W, are made to support such demanding needs.

Evaluate the Viability of ESports in the Local Market

Technical Requirement
Respondent 1: *No response.*
Respondent 2: *Desktop, keyboard, mouse.*
Respondent 3: *High-tech computers, high specs.*
Respondent 4: *Available in the market. Internet providers like PLDT and Smart. Gadgets, Computer, Desktop, CPU, Keyboard, mouse, etc.*
Respondent 5: *High-speed internet connections.*
Respondent 6: *An ESports player needs a computer with a fast CPU to keep up with the real-time audio.*

Respondents evaluated the viability of ESports in the local market in terms of technical requirements. They said that high-tech computer sets (desktops, CPU, keyboard, and mouse) and gadgets were available in the market. High-speed internet connections are also vital in this industry, where fast internet providers like PLDT and Smart are also available.

According to Partner Content (2022), a player must have a high-speed online connection with a minimum download speed of 3 Mbps and a minimum upload speed of 1 Mbps to compete in ESports. But, as a basic guideline, the faster the connection, the better. Desktop computers have substantially higher processing speeds and are much simpler to upgrade. Because of their demanding system requirements, several video games function poorly on desktop computers. ESports participants require a computer with a quick Processor to keep up with real-time audio and video feeds. The CPU's clock speed will reveal how well it can

process data for the gamer. As with internet speeds, it is measured in gigahertz (GHz), and the greater, the better. A minimum of 8 GB of RAM should be on the gaming computer. For stable 4K resolutions, gamers view this as the bare minimum. Yet a dedicated ESports competitor will want at least 16 GB of RAM. High-resolution gaming is made possible with a good monitor, which also ensures the player can see everything happening swiftly and clearly. The monitor needs a minimum screen size of 21.5 inches and should have quick refresh rates, flicker-free playback, and quick response times. Due to its dependability and responsiveness, a mechanical keyboard is frequently regarded as the industry standard for ESports. Each key includes a switch beneath it that clicks as it is pressed, helping to capture keystrokes. The mouse plays a major role in the play. Whether using a wired or wireless setup, always use a gaming mouse. Because corded mice are more precise, quicker, and more durable over extended gaming sessions, most gamers prefer them. With the aid of a headset, a player may communicate with the squad, whether seated across the room or halfway around the world. Since gamers would likely wear the headset for several hours, comfort is paramount here. Although wireless headphones are more expensive, they offer better mobility and are more likely to last into the future. Pay attention to the headset's audio quality and ensure it has noise-cancelling features to lessen outside distractions.

In this case, hardware is crucial to get the most out of an ESports career. Excellent ESports athletes rely on their equipment to the fullest extent. A mechanical keyboard's endurance plus the added milliseconds from a gaming mouse can be the difference between winning and losing.

Economic

Respondent 1: *Foreign investors and tourists visit the country. Available and sustainable for ESports is already the trend.*

Respondent 2: *ESports competition can stimulate employment and economic growth. Competition can stimulate employment and economic growth. Online gaming teaches problem-solving skills. Many people solve problems during game plays, which helps them brainstorm problems in real life.*

Respondent 3: *With ESports, we can all relate to different activities and events despite cultural and religious diversity.*

Respondent 4: *ESports will be as large as traditional sports.*

Respondent 5: *More employment and more investors. It will be more viable because we are in the digital technology world, and we have to compete with other countries.*

Respondent 6: *More jobs, investors, and foreign investors since ESports is an international competition. Employment. Business. Something to look forward to.*

Based on the responses, ESports competition can stimulate employment, attract foreign investors and tourists to visit the country, and improve economic growth. This world of digital technology has made a good relationship with other countries despite cultural and religious diversity. Moreover, online gaming teaches problem-solving skills and brainstorming that gamers can apply in real life.

In their study, Zhong et al. (2022) discussed how young people engage in and enjoy sports as part of their leisure activities have been profoundly impacted by digital technology. Rising sponsorships and viewership produced significant global revenues of $947.1 million in 2020 and $1084 million in 2021. The International Olympic Committee is attempting to take advantage of ESports' popularity to increase the attraction of the Olympic Games to young people because they have had such a significant impact on youth sports. ESports have drawn the attention of researchers and educational professionals as they have grown in popularity worldwide. The number of high schools in the United States that participated in ESports increased from 200 to over 1200 in 2019, and the age range of ESports players widened at an astounding rate, moving from teenagers to secondary and post-secondary school students. Participating in ESports can allow pupils to develop vital life skills, including coordination, communication, and teamwork. Moreover, gamers cultivate skills in critical thinking, model and systems thinking, and technological competency.

Challenges encountered in ESports
Respondent 1: *No response.*
Respondent 2: *Ghosting. Online gaming just plays the part of a stimulator and makes a person ready for the real world.*
Respondent 3: *Ignore the ghost from the publisher. Winning out over the increasing competition. Phishing is one of the biggest cybersecurity threats in ESports and online gaming platforms.*
Respondent 4: *No response.*
Respondent 5: *User access management.*
Respondent 6: *Performance and reliability. Load balancing.*

Based on the responses, the challenges encountered in ESports are ghosting, phishing, user access management, performance and reliability, and load balancing. It is also hard to win because of the high competition in the online gaming platform. According to Nadzhafov (2022), the top 5 problems encountered in the ESports and gaming industry. These are difficult access to affiliate programs, an unstructured market and limited list of business categories

under random labels, lack of direct contacts in business-to-business, problems with finding cooperation partners, overpriced services and lack of proper competition. In addition, DAWN (2022) listed the three challenges facing the ESports industry transparency, unfair conditions for players, and standardization.

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
Web Developer	Creation of website	Outstanding ESports website	Rewards System (Referrals, Commission, and Reward Spin)	Young Generation (5-25 years old)
ESports Sponsors	ESports Membership	High tech and complete network infrastructure	Trophy and Certificates	
Game Amusement Board (GAB)	ESports Tournament	Fast internet access		
Philippine ESports Organization (PEO)	ESports training and workshop	Convenient and relaxing hub		
Internet Providers		Trainings and workshops		
Suppliers of Equipment	**KEY RESOURCES**		**CHANNELS**	
LGU	Website Developer		ESports Hub App Store Playstore	
Albay Electric Cooperative (ALECO)	Computer Science/IT Specialist			
	Game Players			
	Employees			

COST STRUCTURE	REVENUE STREAMS
Creation and Maintenance of Website Equipment Physical ESport Hub Utilities Internet Connections Other Operating Expenses	Membership Registration Top-Up Commission Partnership in Promotion with Sponsors

Figure 2. Business Model Canvas

CONCLUSIONS

The Business Model Canvas is a strategic management tool that visually representing the key components required to build a successful business. Businesses must innovate their models in order to stay competitive. The status of business requirements needed to establish ESports business in the 2nd District of Albay are well established. The network infrastructures were available in the market, whether hardware or software applications, or network services. Legal requirements and stability of power were also accessible.

The viability of ESports in the local market is much viable. The technical requirements were available, and it will be helpful to the economic growth because the government recognized it. Moreover, schools consider it a sport. The challenges were affiliate programs, cooperative partners, and standardization. There is a need for an ESports business plan that business investors can adopt.

TRANSLATIONAL RESEARCH

This research takes the knowledge and information obtained from assessing the current status of ESports business requirements in the 2nd District of Albay. It aims to translate this knowledge into practical applications, such as developing an ESports business plan that potential investors can use. The research findings could potentially contribute to the growth of the ESports industry in the local market, which in turn could positively impact the economic growth of the area.

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