

Sony buying Bungie for \$3.6B as frenetic consolidation trend in gaming continues

Article

The news: Sony is buying Bungie, the gaming studio behind the popular **Destiny** franchises and the original creator of **Halo**, the most popular **Xbox**-exclusive game.

It's only January: 2022 is turning out to be the year of consolidation in gaming franchises. Sony's acquisition of Bungie buys it some beloved gaming properties and strengthens its position, not just as a console maker, but also as one of the key game content creators.

- Sony's Bungie acquisition for **\$3.6 billion** comes at the heels of **Microsoft's purchase of Activision-Blizzard for \$70 million** and **Take-Two Interactive's Zynga merger for \$13 billion**, which all took place this month.
- Sony stressed that Bungie will remain independent and will play to its strengths as a creator of cross-platform games playable on **PlayStation**, Microsoft's Xbox, and gaming PCs.
- In the same way that Microsoft stressed that Activision-Blizzard's games will continue to be available across platforms, Sony has indicated that Bungie's games, like Destiny and Halo, will get continued support on their respective platforms.

Chess not checkers: While these recent gaming acquisitions and consolidations might raise questions about exclusivity and cross-platform access, Take-Two, Microsoft, and Sony are clearly looking beyond their current crop of gaming titles and to the future of gaming and immersive platforms.

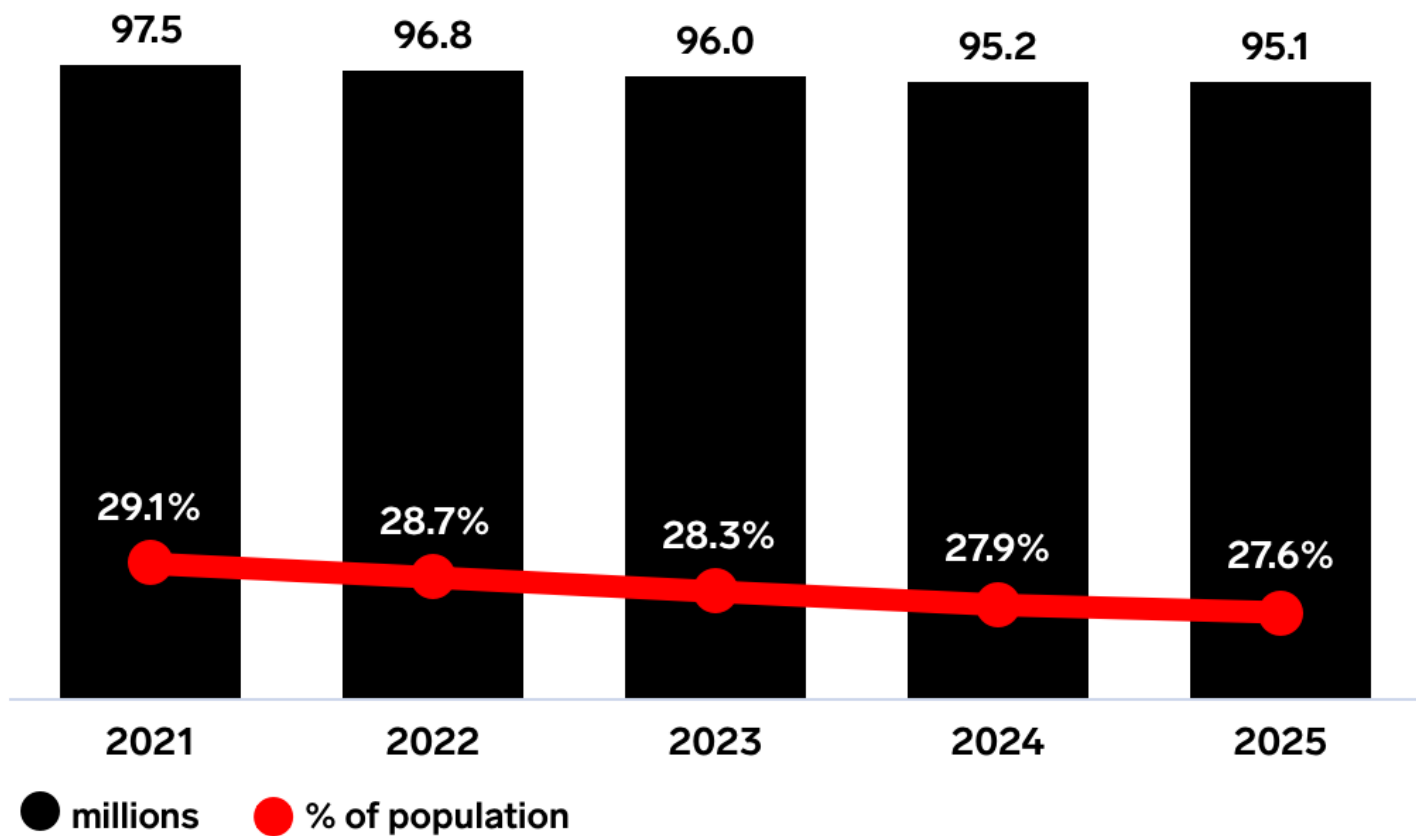
- These acquisitions are a long-term play for creating exclusive gaming properties, possibly on next-generation consoles or in more immersive AR/VR platforms similar to **Meta's** metaverse.
- Buying up game studios gives Big Tech gaming companies like Microsoft and Sony bargaining power in negotiating continued content on each of their platforms.

What's the catch? The gaming IP arms race could be detrimental to the video game industry in the long run. As the biggest developers and titles get swallowed up, there's danger that innovation in the game industry could grind to a halt.

- For smaller developers, it might get harder to compete against gaming giants and their growing hoard of iconic titles.
- For consumers, this could mean less choice (or fewer A-list titles) and having to choose between platforms to play specific games.

Digital Console Gamers

US, 2021-2025



Source: eMarketer, August 2021

eMarketer | InsiderIntelligence.com