Netflix makes first gaming-related acquisition in push to become multimedia empire
The news: Netflix on Wednesday announced the purchase of indie video game developer Night School Studio, its first major gaming-related acquisition.

- It’s an important step forward in Netflix’s gaming push, which kicked into high gear with the hiring of former Electronic Arts executive Mike Verdu to head the company’s game development segment in July.

Why it could succeed: Night School Studio meshes well with Netflix’s prior gaming experiments, as it tends to lean toward storyline-based gameplay as opposed to games that rely on technical skill.

- The studio’s most popular game, Oxenfree, is a choose-your-own-adventure game where players’ dialogue choices affect the story.

- That’s a similar premise to Netflix’s 2019 “Black Mirror: Bandersnatch,” which was hailed as an innovative mix between a video game and a film.

The opportunity: Games offer a way for Netflix to reinvigorate its stalling viewership and time spent as the streaming wars heat up and the company approaches saturation in the US.

- For context, we expect time spent on Netflix by US viewers will only increase 0.8% this year and 0.5% next year.

- Gaming is a notoriously good driver of time spent and is especially popular with Gen Z, a key demographic that Netflix will need to reach to keep growing.

- It’s already begun releasing standalone games not tied to any existing properties. On Tuesday, it launched three casual mobile games in Italy, Spain, and Poland, likely aimed at boosting time spent by existing members.

What’s next: It’s more than just a solution to a problem: Gaming is also one of the pieces of the puzzle in Netflix’s lofty ambitions to transcend its status as a streaming company and become something of a Disney-esque media empire.

- Nowhere is this ambition more apparent than in its purchase of The Roald Dahl Story Company last week. In a statement, the company said it hoped to create “a unique universe across animated and live-action films and TV, publishing, games, immersive experiences, live theater, consumer products, and more” based on the existing properties.
Once again, Netflix has started experimenting with these “universes” for other popular franchises in smaller markets, such as with the release of two mobile games based on “Stranger Things” in Poland this past August.