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Microsoft to buy Activision Blizzard for $68.7B in gaming consolidation push

Article

The news: **Xbox** parent company **Microsoft** reported that it was acquiring video game maker **Activision Blizzard** for **$68.7 billion** in cash, making it the biggest acquisition in gaming.

Before the deal was announced yesterday, Activision Blizzard's shares had slumped more than 37%—due to allegations of management sexually harassing employees—after it had reached a record high last year, per Reuters.

Why it's worth watching: Microsoft buying the **Call of Duty**, **Warcraft**, and **Overwatch** maker adds to its cache of gaming properties, which now includes **Minecraft** maker **Mojang** and various other studios.

- Consolidation in the gaming space is one of 2022's emerging trends. In context, **Take-Two Interactive** announced it was acquiring **Zynga** for **$13 million** last week.
- The video game industry was estimated to be worth **$178.73 billion in 2021**, an increase of **14.4% from 2020**, per WePC.
- "Gaming is the most dynamic and exciting category in entertainment across all platforms today and will play a key role in the development of metaverse platforms," said **Microsoft CEO Satya Nadella**.

The bigger picture: As businesses prepare for their future platform, subscription service, and metaverse strategies, acquisition of intellectual property focused on exclusive access to titles and properties will continue to intensify.

- Similar to how various video streaming services are outbidding each other for rights to TV shows and entertainment properties, the video game industry's biggest players are on a buying spree to secure future exclusivity and subscriber lock-in.
- Competition in video games as well as in the metaverse will be one of exclusive content available on subscription services or platforms. This means they will only be accessible on specific consoles like Xbox or PCs running Microsoft's **Windows OS**.