

Hollywood turns to gaming to expand franchises, but it's a rough transition

Article

The news: Blumhouse Productions, the film production company known for producing independent horror films like “The Purge,” “Paranormal Activity,” and “Get Out,” is creating a

video game division called **Blumhouse Games**.

- Blumhouse Games says it will seek to work with independent, “original, horror-themed games” for consoles, computers, and mobile devices with budgets of “under \$10 million.”

Hollywood turns to gaming: Blumhouse is just one of many traditionally television-and-film oriented media companies expanding into gaming. But while Blumhouse appears to be targeting mid-size independent games, other companies are taking different approaches.

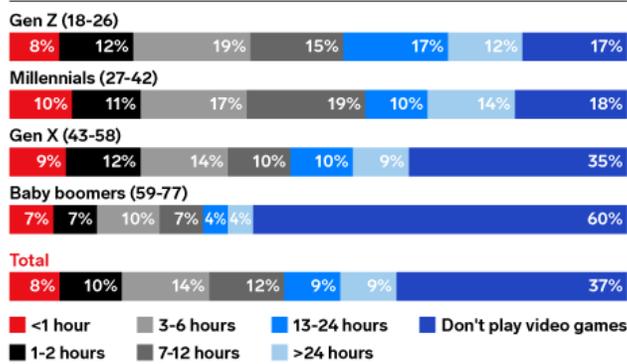
- Blumhouse is most comparable to **Annapurna Pictures**, which launched the game publishing label **Annapurna Interactive** in 2016 and has become revered for publishing artful, critically acclaimed independent games.

Game budgets are not typically disclosed like film budgets, and Annapurna’s games have varied significantly in cost, but Blumhouse’s \$10 million budget cap suggests it’s pursuing a similar model.

- Major media companies like **Disney** have taken a different approach, licensing out their biggest box office intellectual properties to Triple-A (games industry lingo for “big-budget”) publishers and developers. These games often take shape as blockbuster narrative experiences like **Insomniac Games’** recent **Spider-Man** titles, but Disney has also given the lucrative-but-risky [live-service game model](#) a shot with titles like **Marvel’s Avengers**.
- For **Warner Bros. Discovery**, video games have allowed it to revive decaying franchises. The recently released **Hogwarts Legacy** game is the franchise’s first large-budget production since the [previous \(and underwhelming\)](#) “**Fantastic Beasts**” film. It has sold extraordinarily well, with [first-week sales 80% higher](#) than last year’s mega hit **Elden Ring**.

Average Weekly Time Spent on Video Games by US Adults, by Generation, Jan 2023

% of respondents in each group



Note: numbers may not add up to 100% due to rounding

Source: Morning Consult, "Media & Entertainment Monthly Trend Tracker," Feb 7, 2023

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It's not so simple: Creating video games may seem like an obvious route to expand existing film IPs, but it isn't such a simple process. **Game development is far riskier than the average film production**—games at scale often take many years to fully release due to unpredictable development costs that can cause budgets to balloon, or lead to years of work disappearing overnight.

- Disney knows this well: The company has a long and troubled history with game development, leaving a graveyard of canceled games in its wake. A [string of recent successes](#) shows that it's turning the corner, but there are still notable failures like the aforementioned Avengers game.
- Netflix's hybrid [mobile-and-indie-game strategy](#) has also hit hiccups: The first game studio it acquired, [Night School Studios](#), is set to release its next game, **Oxenfree 2: Lost Signals**, this year after several delays from its initially planned 2021 release.