

Netflix makes first gaming-related acquisition in push to become multimedia empire

Article

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.