9. How to Study Game Publishers: Activision Blizzard's Corporate History

David B. Nieborg

Abstract
There is little disagreement among game scholars about the important, if not crucial role of game publishers in the wider game industry. Yet, there is surprisingly little literature on the role of individual game publishers, let alone their publishing strategies. Drawing on critical political economic theory, document analysis is conducted on financial statements of global game publisher Activision Blizzard. Its 2010 publishing deal with game studio Bungie and the 2015 acquisition of King Digital Entertainment serve as case studies to analyse game publishers' role in the formatting of cultural commodities and the subsequent rationalization of game production. Despite the increased accessibility of game development and distribution platforms, publishing power is still a significant institutional force to be reckoned with.

Keywords: game industry, political economy, financial analysis, game publishing, game development, Activision Blizzard

Introduction

In his book on making games, *Blood, Sweat, and Pixels*, game journalist Jason Schreier opens his first chapter with: 'The most important question in video game development has nothing to do with making video games. It's a simple question that has stymied artists for centuries and put an end to countless creative endeavours: *How are we gonna pay for this thing?*' (2017, 1, emphasis original). While Schreier's in-depth reporting demonstrates that there still is so much to learn about game development, he points towards

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questions that have been notably absent in scholarly conversations. When it comes to funding new projects, who is pulling the purse strings? And, when one follows the money in the game industry, where does it lead? In his book, Schreier gives readers a rare look behind the scenes. Not only of the incredibly hard work of making games, but also how different kinds of developers, teams, and studios deal with scraping together the necessary resources to get their projects off the ground, or die trying.

Schreier describes the whole gamut of project financing, ranging from small teams that are barely hanging on to multi-million dollar deals that fund teams of hundreds of developers for multiple years. An example of the former is the rare, yet inspiring story of how the indie game *Stardew Valley* (ConcernedApe 2016) came about. This farming simulator was the brainchild of one man, Eric Barone, who self-funded his dream project and went on to become a multi-millionaire. Barone's rags to riches story is highly aspirational. It is also an atypical story, the majority of 'everyday game makers' (Young 2018) will not even come close to Barone's achievements, nor do they necessarily want to (Whitson, Simon, and Parker 2018). An example of the latter is the development of the first-person shooter *Destiny* (Bungie 2014), developed by Bungie and published by Activision Blizzard. This mode of game making could not be more different than Barone's. From the moment of its conception, *Destiny* was destined to be humongous as Bungie 'reached a whopping ten-year, $500 million, multigame deal with Activision, the publisher of *Call of Duty*. By all accounts it was the biggest development deal in video game history' (Schreier 2017, 200). These are two radically different ways of funding; an individual dipping deep into his personal savings, versus a global game publisher inking a half a billion-dollar deal with a renowned studio.

Contrasting these two games and their makers seems to answer Schreier's simple, yet important question. However, this leaves unanswered an equally important issue: how do these different ways of funding impact what games are made, and when? At first glance, both approaches are similar in the creative autonomy they afford. Barone gave himself an amazing amount of leeway to pursue any and all creative options. Almost to a fault. But so did Bungie. Activision offered the studio the 'creative freedom to develop Destiny games in whatever way it saw fit, so long as every milestone was met' (Ibid.). That said, Activision did expect the studio to follow a 'very strict cadence' of releasing expansion packs, downloadable content (DLC), and sequels (Ibid.). And this is where the two projects diverge starkly. If one, in the case of *Destiny*, follows the money, it demonstrates how a dominant publisher shapes and steers game production. Maybe not so much in the day-to-day moment of game development – how exactly to skin a character or what code to write for the physics engine – but in deciding a game's form, format, and publishing flow.

In this chapter, I argue that the power and politics – the corporate, managerial, and publishing strategies – of a handful of publicly-traded global game publishers translate into a particular modality of game making. My focus is on game franchises (i.e. serialized intellectual properties), which can be blockbuster console games (e.g. *Call of Duty* and *Destiny*), massive multiplayer online games (e.g. *World of Warcraft*), or casual games (e.g. *Candy Crush Saga*). What I will describe, then, is not a universal publishing logic, but one that is specific to a particular industry sector (the game industry), a specific group of industry actors (globally operating, for-profit publishers) during a particular time frame. If one wants to draw an analogy to other modes of cultural production, such as movie making, my focus is similar to studying the Hollywood studio system, as opposed to arthouse flicks or Bollywood productions. While this is not a comparative analysis, it should be noted that the political economy of blockbuster game publishing shares a number of similarities with other sectors of the cultural industries, including film, television, music, and book publishing (Elberse 2013; Hesmondhalgh 2019).

My argument is that to fully comprehend game making, one must recognize the role, position, and business practices of game publishers. Even the prototypical indie developer Barone ultimately teamed up with Chucklefish; a publisher that may not have had 'the scale and reach of big publishers like Electronic Arts (EA) and Activision, but it did have lawyers, PR people, and other staff who could help Barone with the more tedious aspects of game development' (Schreier 2017, 70). To understand the publishing strategies of the world's dominant publishers and how they impact the form, format, development, and distribution of games as cultural commodities, I draw on two exploratory case studies that involve Activision Blizzard: its publishing arrangement with Bungie and the late 2015 acquisition of casual game developer King Digital Entertainment.

In Western markets, these deals cemented Activision Blizzard's position as one of the world's leading game publishers. The goal of this chapter is not to rehash the merits (or demerits) of both deals or if there may or may not ever be a *Call of Candycraft*. Instead, my approach is rooted in critical political economic thought and is meant to serve as a methodological and theoretical template for future studies of individual game publishers. First, to analyse Activision Blizzard's corporate history, I collected a corpus of documentary sources (Corrigan 2018). Because globally operating media companies rarely provide academics with access to key personnel (Nieborg 2011), interviews and corporate ethnographies are not a viable option. That said, there are two rich sources of publicly available data for political economists to draw on: Journalistic accounts and investor-focused communications that include financial disclosures and statements by executives, which provide insights into the company's publishing strategies. These sources allow me to track the concentration of corporate ownership and its impact on the form and format of cultural commodities (Kerr 2006; 2017; Woodcock 2019). Second, I want to contribute to the emerging body of work best understood as game production studies (Jørgensen, Sandqvist, and Sotamaa 2017; O'Donnell 2014; Whitson 2019) by shedding more light on what I call the *publisher enigma*. That is, game publishers are highly visible, crucial industry actors. Yet, compared to game platforms operators, studios, and players, publishers received scant scholarly attention.

Spatialization and Commodification

To theorize the role and position of global game publishers I draw on two key political economic concepts: the processes of spatialization and commodification. The process of spatialization corresponds to a macro-economic approach to theorize communication that concerns 'the institutional extension of corporate power in the communication industry' (Mosco 2009, 158). Commodification, then, is based on the Marxian notion of an enterprise seeking 'surplus value' (i.e. profit) turning cultural expressions that have 'use value' into tradable cultural commodities having 'exchange value' (Ibid.). Relating this to game publishing, commodification offers us a way to study what kinds of games are developed and under what conditions, whereas the process of spatialization acknowledges that this process is embedded within the wider logic of global capital. To pre-empt criticism regarding economic determinism, I want to stress that the production and circulation of cultural commodities takes place within capitalist social formations, thereby forming a mutually determined structure that sets the limits of social power. These limits, the access to, and control over the means of cultural production, are 'determined by the specific economic characteristics of the sector and by its direct functional interrelationship with the wider system of material production' (Garnham 1990, 14). Notwithstanding questions of textual interpretation and appropriation by users, this 'determines in ways to be analysed, the type and range of symbolic forms circulated' (Ibid.).

Most of the work by political economists veers towards studying spatialization. And for a good reason. Over the last decades, the cultural industries have been confronted by the increased concentration of wealth and power spurred by the consolidation of corporate ownership. Seeking economies of scope and scale, media companies such as Disney have become global conglomerates, seeking ways for horizontal, vertical, and diagonal expansion and integration, in order to spread risks, reduce transaction costs, and satisfy the insatiable hunger of finance capitalists (Mirrlees 2013). Why is this important? Have digital tools not resulted in the democratization of cultural production? And do digital distribution and accessible tools not allow for greater cultural diversity? Yes, to an extent. Serious questions have been raised whether or not the ability to develop and distribute cultural content also increases one's ability to capture value (Napoli 2016). More importantly, as Dwayne Winseck (2008) observes, one should not be blindsided by the increase in 'numerical diversity', which he operationalizes as access to more TV channels, and which in the context of this chapter should be understood as the availability of more games. Following Winseck's line of reasoning, the increased ability to develop and distribute cultural content should be measured against the background of a reduction in 'source diversity'; a measure of corporate ownership. That is to say, the proliferation of cultural content does not negate the accumulative logic of global capitalist corporations of culture.

The transformation of the game industry is revealing in debates about ownership concentration and Winseck's operationalization of diversity. In terms of source diversity, the game industry has been anything but an exception to other segments of the global cultural industries. Throughout the game industry's history, global companies such as Atari, Electronic Arts, Nintendo, and Capcom acted as crucial intermediaries financing game development, distribution, and marketing (Johns 2006; Kerr 2006; 2017). In their landmark contribution, Canadian game scholars Stephen Kline, Nick Dyer-Witheford, and Greig de Peuter note that after a short phase of 'garage inventiveness,' the game industry 'mutated into a set of oligopolistic corporate alliances where an apparent diversity of game development companies is increasingly dominated by a handful of publisher and multimedia giants' (2003, 81). Even though today's presence of game publishers within the wider game ecosystem may seem less ubiquitous because of the newly emerging set of industry actors, platforms, and cultural intermediaries (Whitson, Simon, and Parker 2018), I would argue that the power of game publishers is anything but waning.

Political economic analysis foregrounds that the concentration of ownership tends to translate into a *dominant* production logic. Following Aphra Kerr (2017, 15), a production logic can be understood as 'a relatively stable set of institutional relationships generated by the commodification of cultural production.' The dominant mode of production associated with global game publishers, then, is one in which publishers act as powerful institutional actors that fund and thus steer game development. In other words, global game publishing marks a profit-driven, capital-intensive mode of production, which constitutes a highly rationalized publishing rationale as exemplified by franchising and formatting (Nieborg 2011). Despite the acknowledgement of their influential role, the exact ways in which publishers set out to shape game making is still somewhat of an enigma.

Game Studies and the Publisher Enigma

When discussing institutional (i.e. intra-industry) relationships in the game industry, much of the scholarly attention has veered either towards platform holders (Montfort and Bogost 2009), superstar developers (deWinter 2015), or game studios (O'Donnell 2014). While the powerful position of game publishers in the industry's 'production network' is widely acknowledged in the literature (Johns 2006), in-depth case studies analysing the trajectory of individual publishers and their publishing strategies are rare. The current body of scholarship within the wider realm of media studies and game studies discussing the game industry can roughly be put into three groups. First, there are the aforementioned scholars whose valuable and influential work on platforms appears under the banner of (game) 'platform studies' (Montfort and Bogost 2009). Here, the role of publishers is acknowledged when it pertains to the histories of specific hardware generations or when hardware manufacturers themselves (e.g. Nintendo) act as 'first-party' publishers. Second, there are book-length studies with a critical bend that tend to take a birds-eye view of the game industry (Dyer-Witheford and de Peuter 2009; Kerr 2006; 2017; Kline, Dyer-Witheford, and de Peuter 2003). These monographs provide an important starting point to consider the institutional relationships among major actors in the industry. However, these contributions also lack in-depth, empirical accounts that engage with individual publishers. Third, there is an emerging body of work under the rubric of 'game production studies', which primarily deals with the politics of cultural production while acknowledging, to varying degrees, issues of power. Work in this most recent tradition considers the gendered nature of game production (Chess 2013), the precarious nature of game labour (Whitson 2019; Woodcock 2019), the position of local teams and studios, and regional clusters in the wider global industry (Jørgensen, Sandqvist, and

Sotamaa 2017; Young 2018), or the emergence of indie game development (Whitson, Simon, and Parker 2018). This third strand provides an important contribution to understand contemporary game making and would benefit directly from historical and contemporary accounts of the political economy of game publishing.

Three studies in particular stand out that help to get a better grasp of the processes of spatialization and commodification and how they impact game publishing. First, there is Casey O'Donnell's monograph (2014) investigating the 'secret world of videogame creators.' His perspective is that of the game developer and the studio as its organizational unit. O'Donnell's work makes a clear case for how console development cannot be separated from publishing. For example, he points to the deep power asymmetry between developers and publishers, noting that small studios in particular bear the brunt of the risk whereas 'large corporations capitalize only on what's popular' (Ibid., 156). Developers seem astutely aware of their lack of control and, despite their culture of secrecy, openly qualify the relationship with a publisher as a 'troubled marriage', as publishers are in charge of access to key institutional actors, such as platform owners (Ibid., 192). This relationship, then, fosters a culture where 'publishing companies desire to play it safe' which 'means that they leech the profits of particular game franchises to death, rather than nurturing the kinds of environments where runaway hits can be fostered and grown' (Ibid., 190). It may not come as a surprise that O'Donnell's fieldwork took place at an Activision subsidiary. Building on O'Donnell's work, Brendan Keogh (2019, 21–24) argues that from the late 1980s through to the early 2000s, the industry was 'aggressively formalised' by the console manufacturer/publisher tandem who engaged in 'legal, technological, and discursive work' to normalize a particular mode of 'professional' game production. More recently, accessible and affordable game engines, particularly Unity, present a new avenue for developers to engage in more informal modes of game production outside the purview of publishers (Ibid.; Young 2018).

Notwithstanding the value of these two interventions, to find research that includes the analytical perspective of a game publisher takes us outside the field of game studies and leads us to business studies. Thijs Broekhuizen, Joseph Lampel, and Joost Rietveld (2013) conducted an experiment to compare the economic effects between an independent game studio self-publishing and partnering with a game publisher. To theorize the potential value publishers contribute, the authors draw on the notion of 'specialized complementary assets': a concept from organizational theory that describes a unique set of scarce resources a company possesses. Game publishers typically hold four such assets: 1) a large portfolio of content that can be used to cross-promote content; 2) superior marketing skills and assets; 3) a good relationship with game platforms; and 4) having a good track record or reputation. Together, these resources demonstrate why publishers still are highly relevant in the age of digital distribution as partnering with a publisher results in higher revenues. As noted by the authors, because of the advent of digital distribution, publishers 'seemed irrelevant to many in the industry,' however, because of their specialized capabilities, they 'reestablished their role as selectors, evaluators, and marketers' (2013, p. 962). For new industry entrants, it is incredibly challenging to acquire any of these four resources by themselves, let alone the equally important financial resources to compete against incumbents. Despite its empirical contribution, this study comes with its own limitations as little is said about the effects of a publisher's complementary assets on the commodification of content or the accumulation of corporate power. What this study emphasizes, though, is the importance of portfolio-based strategies, a common de-risking strategy in the publisher-driven sectors of the cultural industries (Hesmondhalgh 2019).

To unpack the publisher enigma, I reflect on Activision Blizzard's corporate history, followed by two brief, exploratory case studies. To contextualize the oftentimes contradictory practices of corporate institutions, my methodological approach is rooted in political economic thought and two sources of data are considered. First, I studied the history of all companies involved in order to contextualize their position in the wider industry. Second, I conducted document analysis by a close reading of their financial data and corporate and managerial statements. By doing so, I follow Corrigan's (2018, 2757) suggestion to 'burrow down', by paying attention to business practices and statements about industry conditions, which, in turn, allows me to 'listen in' by considering the discourses about those practices and conditions. Because Activision Blizzard is publicly traded, there is a significant amount of publicly available company data, which includes mandatory SEC (Securities and Exchange Commission) filings, annual reports, presentations at analyst and investor events, and quarterly calls with investors. Transcripts of conference calls disclosing quarterly results are a particularly rich source of data, as they include senior management explaining the financial rationale and the company's managerial perspective on game publishing. Altogether, my corpus consisted of 65 corporate documents published between 2006 and 2019.

Activision: The First Third-Party Publisher

Activision came into being as one of the first 'third-party' (i.e. not directly owned by a hardware manufacturer) publishers when a group of ex-Atari developers got together to attract venture capital. To make a name for themselves and to entice investors, the small outfit of programmers 'created a distinctively non-Atari corporate identity, using only the most saturated colours in its games, developing a consistent, distinct style for labels and boxes, and including the Activision logo (but not any programmers' names) on every game screen' (Montfort and Bogost 2009, 100). These initial efforts correspond neatly with the specialized complementary assets described by Broekhuizen et al. (2013), as the publisher went to build and expand a portfolio, invest in marketing, and build a reputation. A number of successful games that pushed technological and genre boundaries were published, chief among which *Pitfall!* (Activision 1982). A year later, with competitors flooding the market with sub-par clones and mediocre productions, the infamous video game crash took place. The crash resulted in years of industry upheaval and corporate diversification and also impacted Activision, which fired a substantial number of employees (Kocurek 2015).

A decade later, Activision entered its second act and was reborn when Robert 'Bobby' Kotick led a group of investors to transform the company into a publishing powerhouse. It is at this point that the contours of a future Activision became visible. Kotick first restructured the company, keeping important assets such as intellectual property licences and rekindling the relationships with console manufacturers while firing the majority of employees. Then he took the publisher public in 1993, which set the company up to engage in an endless string of acquisitions of studios, most of which were shut down after the 2008 financial crisis. Part of Activision's growth trajectory neatly dovetails with the process of spatialization, particularly the 2007 merger with Vivendi Game's subsidiary Blizzard Entertainment. The French conglomerate Vivendi got a majority stake in the new company, renamed Activision Blizzard, which it subsequently sold in 2013. With the merger, the publisher diversified its portfolio by combining Activision's catalogue of console titles with Blizzard's PC-based expertise and intellectual property (i.e. *Warcraft*, *StarCraft*, and *Diablo*). Equally important, particularly to investors, the new publisher would benefit from the more diverse business models of Blizzard's PC titles. Instead of the heavily seasonal income generated via console titles, the majority of which are sold in the winter months, *World of Warcraft*'s (Blizzard Entertainment 2004) monthly subscription fees promised recurring revenues all year round.

Immediately following the merger were a series of managerial decisions aimed at lowering the risks associated with publishing original content. Rather than a broad portfolio, Blizzard's significant new revenue stream allowed management to go 'narrow and deep', heavily curtailing its console portfolio (Activision Blizzard 2008). In a series of investor calls over the course of 2008 and 2009, Kotick reiterated the publisher's focus on 'proven franchises', which he used as a reason to shut down projects and studios that were unable (or unwilling) to commit to this new strategy (Ibid.). Put bluntly, the CEO stated that: '[titles that] don't have the potential to be exploited every year across every platform', and which do not have 'clear sequel potential that can meet [Activision Blizzard's] objectives of, over time, becoming $100 million plus franchises', would be purged from its catalogue (Ibid.). Original intellectual property planned to be published, such as *Gun* (Neversoft 2005) and *Brütal Legend* (Double Fine Productions 2009) were either discontinued or sold off, while existing franchises, such as the *True Crime* series (2003), were put on hold.

Guitar Hero and *Call of Duty,* on the other hand, were seen as 'proven franchises' with 'clear sequel potential' and thus awaited a different fate. After its 2005 launch, *Guitar Hero* (Harmonix 2005) turned out to be a surprise hit and introduced a new genre of rhythm games played on plastic peripherals to a Western audience. The 'Hero' template lent itself well for Activision Blizzard's approach to franchising: pushing out annualized cross-platform sequels and expansions. In rapid succession Activision published new instruments (e.g. plastic drum kits), 'band packs' (e.g. *Guitar Hero Metallica*), spin-offs (*DJ Hero*), a string of downloadable content (DLC), and versions for handheld platforms (*Guitar Hero: On Tour*). Financially, the franchising strategy worked wonders for the publisher's bottom line, generating over a billion dollars in revenue from 2005 to 2007 (Activision 2008). Then again, the franchise hit a clear wall with consumers early 2009, when sales started to slow down starting with *Guitar Hero World Tour* (Neversoft 2008), followed by a lukewarm response to annual instalments in 2009 and 2010 and an unsuccessful reboot in 2015.

The first-person shooter franchise *Call of Duty* followed a similar path as *Guitar Hero* but has had much more longevity as a franchise, becoming the publisher's Trojan Horse to push the publishing logic of franchising to new heights. To take advantage of the affordances of digital distribution of the PlayStation 3 and Xbox 360, with subsequent instalments of the *Call of Duty* franchise the publisher experimented with a novel release strategy best understood as 'branched serialization' (Nieborg 2011). To fill the gaps between the game's annual releases, the publisher released DLC that contained additional material, primarily 'map packs', to generate high-margin revenue during the spring and summer months. Each in different ways, both franchises followed Kotick's vision of a 'narrow and deep' portfolio to the letter. *Call of Duty* in particular demonstrated that Kotick was correct when in 2008 he argued to financial analysts that a 'high profile release strategy' and 'innovation in existing franchises' is a 'recipe for margin expansion' (Activision Blizzard 2008).

Big Deals and Even Bigger Acquisitions

The meteoric rise and subsequent crash of the *Guitar Hero* franchise is illustrative of what a publisher is able to do when it has an unexpected hit on its hands. Recognizing an opportunity to build a franchise, Activision tasked multiple studios to work on sequels and spin-offs, while leveraging its complementary assets by investing heavily in mass marketing campaigns. Then again, betting a billion-dollar game company on one or two horses makes investors nervous. While the appetite for *Call of Duty* sequels seems endless, it is not guaranteed. In April 2010, Activision Blizzard decided to diversify its slimmed down portfolio and fill it with another billion-dollar franchise by striking a ten-year publishing deal with the famed game studio Bungie. Considering its experience with the successful and long-running *Halo* series, if any studio was well positioned to launch a new franchise to be expanded in every direction, Bungie was the ideal candidate.

Throughout 2011, the publisher framed the deal in its corporate outreach to analysts and investors as a long-term investment in 'our new universe.' As noted in the introduction, the publishing arrangement was unprecedented in terms of its scale, scope, and price tag. In his book, Schreier (2017) tells the inside story from Bungie's perspective by recounting the challenges the studio faced in balancing creative and commercial pressures while juggling advanced technology. Even though the publishing arrangement afforded the studio significant creative leeway, a leaked contract revealed a publishing schedule that was as grandiose as it was gruelling. *Destiny*'s first instalment was set to be published in the fall of 2013, followed by an expansion a year later with a number of DLC packs throughout. This two-year cadence was then to be repeated four times until 2019. In the end, the publisher's pace was untenable and the release dates of its main instalments were not met (Krassen 2016; Schreier 2017). Under pressure from the publisher, Bungie released an endless stream of expansion packs followed by the 2017 release of *Destiny 2* (Bungie 2017). The franchise, however, never materialized into a 'billion-dollar franchise' and the publishing deal was not renewed, as 'it was not meeting our financial expectations' (Activision Blizzard 2019).

How, then, does Activision's history help us understand the publisher's second major investment: the acquisition of King Digital Entertainment? Through the 2007 merger with Blizzard, Activision broadened its portfolio but lacked any titles in the by then emerging sub-segments of social network and mobile games. New studios, such as Rovio, Zynga, and Supercell, started to generate billions of dollars in revenue by catering to a much broader and diverse audience compared to traditional console and PC-game players. Initially, incumbent publishers struggled to formulate effective strategies to capture significant market shares. Rather than developing mobile or social games in-house, incumbents chose the path of acquisition. For example, Kerr (2017, 48–49) lays out how Electronic Arts – for decades Activision's main rival – made a string of acquisitions that included Jamdat (2005), Playfish (2009), and PopCap (2011), which were active in the feature phone, social network game, and mobile game sectors, respectively. Barring exceptions, such as the multiplatform card game *Hearthstone* launched in 2014, and later instalments of the *Skylanders* franchise, Activision Blizzard seemed reluctant to publish games on Facebook or enter Apple and Google's app stores in full force. Throughout 2014 and 2015, the publisher's executives were explicit towards investors about the creative and revenue potential of mobile games, but it took until November 2015 to acquire King Digital Entertainment. At that point, the company worked across seven studios and its portfolio of over 200 games serviced 330 million monthly unique users across the globe.

Since King was headquartered in Ireland prior to its acquisition, the takeover had to follow Irish law, which stipulates that shareholders must have sufficient time and information to reach an informed decision. As a result, a 71-page document was released outlining Activision Blizzard's strategic rationale driving the takeover. For one, next to developers Machine Zone and Supercell, King had become one of the leading mobile game app developers. In addition, because of the acquisition, the publisher more than doubled its addressable audience and got access to expertise about the emerging freemium or free-to-play business model. But next to these reasons I would argue that the publishing logic underlying King's flagship franchise, the *Candy Crush Saga* series, comes straight out of Kotick's franchising playbook. In the months leading up to the merger, King's Chief Operating Officer Stephane Kurgan explained:

> […] we are now focusing on a franchise model. By expanding [the Candy Crush] brand and extending the life cycle through a two-prong approach.

> First, we will keep releasing at regular intervals, large game extensions in our existing titles [...]. Second, [...] we have initiated a multiyear development plan to continue to release additional franchise titles and are investing in development efforts to do this on a regular cadence (King Digital Entertainment 2015).

This is a similar approach to publishing as with *Call of Duty* and *Destiny*, that of various forms of serialization and extensions. King's main title, *Candy Crush Saga* (King 2012), contains over 8000 individual levels (and counting), extensions that add replayability to existing content, and three official sequels, *Soda Saga* (King 2014), *Jelly Saga* (King 2015), and *Candy Crush Friends Saga* (King 2018). As such, it follows in the footsteps of investing in a narrow and deep slate of proven franchises.

Conclusion

Given the creative and financial successes of indie developers one wonders: is there a new era of garage inventiveness on the horizon? If so, what does this mean for the power of global publishers? The advent of digital distribution platforms – most notably social networks sites, mobile media (i.e. smartphones and tablets), and Steam for desktop games – has undoubtedly lowered the barrier to market entry for game developers, thereby clearly increasing the numerical diversity of games. The mere fact of *Stardew Valley*'s development and its ability to generate millions of dollars in profit, demonstrates that individuals or small teams have access to a global market and that the power of publishers is not all-encompassing. Then again, financial analysis of the Canadian iOS App Store, shows that the majority of mobile revenue and profits are captured by a very small group of globally operating incumbents (Nieborg, Young, and Joseph 2020). That is to say, the success of *Stardew Valley* is the proverbial exception to the rule as it is not indicative of a significant shift in the role, position, and institutional practices of dominant industry actors. Indie development 'is risky, riddled with inequalities, and arguably no more creative' than blockbuster games (Whitson, 2019, p. 797). Similarly, while indie developers have a collective allergic reaction to anything a game publisher stands for (Whitson et al. 2018), this does not mean that the latter's complementary assets have become redundant.

A systematic reading of corporate documentation shows how Activision grew from a small, national publisher into a global gaming conglomerate. Aided by ready access to finance capital—the King acquisition was partly financed by a US$2.3 billion loan by Bank of America Merrill Lynch and Goldman Sachs Bank USA – Activision followed in the footsteps of many of its conglomerate counterparts in other media sectors (Hesmondhalgh 2019). That is to say, this story is not unique. Similar to television and film studios, the game publisher benefitted from the insatiable urge of its customers to have more of the same, to stay within the confines of existing intellectual property, rolled out at preferably predictable intervals. For example, while King keeps introducing new titles, late 2020, it is the *Candy Crush* franchise that still has a top spot in the US app rankings, generating millions of dollars of profit in the process. And thus, that is where the money flows to and from. Another way to look at the King acquisition would be that after an initial phase of industry disruption and the introduction of new game platforms, order was restored in the market for mobile games. A decade after the opening of the app stores by Apple and Google, legacy publishers and new publishing powerhouses (e.g. Tencent) have reinserted themselves as vital institutional actors. For the foreseeable future, the game industry's dominant publishing logic is not developer-driven, but remains publisher-led.

While far from exhaustive or complete, recounting the contours of the Bungie deal and King's acquisition are meant to serve as a methodological and empirical blueprint to inspire future work on publishing power. While Bungie decided to part ways with Activision Blizzard in 2019, in the case of King I would go as far as to say that the two companies were destined to be together; a match made, depending on your perspective, in heaven or hell. They both share a similar corporate logic that is best understood as pursuing a for-profit, standardized, capital-intensive, and a highly rationalized mode of production. In other words, they share a blockbuster mentality. Those who want to understand for-profit game making should therefore consider the publishing, corporate, and managerial strategies set by game publishers. After all, they pay for that thing.

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About the Author

David B. Nieborg is an Assistant Professor of media studies at the University of Toronto. His research focuses on the political economy of platforms, the transformation of the game industry, and game journalism. He is the co-author of Platforms and Cultural Production (Polity, 2021). You can find his work in *New Media & Society, Social Media + Society*, and *Media, Culture & Society*.