Activision Blizzard: Blockbuster success on console and PC

Description:

Activision has established itself as a key player in the home console market through a number of blockbuster gaming franchises, such as Call of Duty. Similarly, Blizzard has achieved tremendous success through its relatively small number of PC franchises. Additionally, the company has attempted to diversify revenue streams through its new Skylanders franchise and the Diablo III auction house.

Scope of this research

These Case Studies describe topics such as innovative products, business models, and significant company acquisitions. Fact-based and presented in an accessible style, they explain the rationale of commercial decisions and illustrate wider market and economic trends.

Research and analysis highlights

In October 2003, Activision exercised its option to acquire the remaining 70% of Call of Duty creator Infinity Ward’s capital for a mere $3.5m. The most recent sequel of Call of Duty, Call of Duty: Modern Warfare 3 (MW3), would go on to gross sales of more than $400m on its first day of release in the US and the UK alone.

World of Warcraft’s success has been impressive, especially in terms of its subscriber base. However 2012 has seen the number of subscribers drop to 9.1 million at the end of June 2012, a decrease of over 1 million from December 2011. This represents a slight concern over the company’s most lucrative franchise, coinciding with a drop in net income.

Key Questions Examined

- How has Activision Blizzard increased revenues by over $3.4bn between 2007 and 2011?
- What marketing strategies have been employed by Activision Blizzard in order to maximize product sales?
- How has Activision Blizzard attempted to diversify its revenue stream in recent years?

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