The Next Frontier in Storytelling Universes and the Never Ending Desire for More — MatthewBall.vc

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One of the strongest and most consistent human traits is our desire to escape to imaginary worlds where anything is possible. For millennia, we expressed this want using every medium we could — from religion, to carvings and sculptures, gardens and zoos, paintings and architecture, opera and theater, the starry night sky or cloudy thunderstorm, and so on. Each of these offered — if just for a brief moment and only through "active disbelief" — the sensation of being transported into a fantastic alternate universe.

But by the 20th century, this all began to change. Modern technology began a century-plus process that continually enriched storytelling across four dimensions: (1) immersiveness/believability; (2) persistence and frequency; (3) continuity across different media and mediums; and (4) audience control/influence. Understanding this trend allows us to better understand the next storytelling innovation, which stories will thrive and decline, how many we'll support and love, and where they come from. And the best way to do this is to consider the key "inflection points" that fundamentally altered modern storytelling.

The 20th-Century Prologue

The first mainstream movie theaters rolled out during the early 1900s. Soon after, tens of millions of Americans were flocking to darkened rooms where the real world was "shut out" in order to be transported into a fully fictional one, with moving images, live music and, later, recorded voices and sounds. Performative theaters had been around for millennia, and fireside oration even longer. But movie theaters offered a quantum leap in human immersion. The granted the ability for anyone — and at almost any time — to escape reality for less than a nickel.

By the 1920s, Americans were going to the movies 30 times a year, on average, and that number was growing. The first "blockbuster", 1939's *Gone with the Wind*, was in theaters for more than four years and sold one ticket for every two Americans. Beyond its raw popularity, the film was notable for another reason. It was the first time that a successful fictional story was more widely consumed as an adaptation than in its original format (Margaret Mitchell's novel, which was also a hit).

The early 20th century also boasted other innovations in escapist storytelling — namely the emergence of the first explicitly fictional fantasy epics such as L. Frank Baum's Oz series, J. R. R. Tolkien's Middle-earth, and C. S. Lewis's Chronicles of Narnia. Each series quickly became the best-selling books in history (excluding the Bible, Quran, etc.), a record these titles still hold today.

However, books and movies offered only a temporary and non-immersive visit into a fictional world. Audiences still had to *imagine* themselves inside a fantasy. But as sound, physical effects, and animation technologies improved, Walt Disney saw an opportunity to physically immerse audiences into the extraordinary. Two years before his first park opened in 1955, Disney wrote that Disneyland would be "like Alice stepping through the Looking Glass; to step through the portals of Disneyland will be like entering another world". And to point, these parks offered not just a touchable version of a fantastical world, but also the ability to directly experience some of its thrills and to interact with its characters. Never before did something so fictitious feel so real.

It's easy to overlook how hard Disney worked to preserve the suspension of disbelief and keep audiences immersed. Disney parks have hundreds of thousands of square feet of unseen underground tunnels and hidden doors that are never used by park goers. Instead, they exist so that park workers can to navigate the park without interrupting guests, and so that cast members to get to themed "lands" without being spotted in the wrong one ("mommy, why is Captain America on Tatooine?") or needing to ignore patrons.

Although few originally believed such an experience could have wide appeal, let alone sustainable economics, audiences quickly lined up for Disneyland. They still do. In fact, Disney now has six parks and four cruise ships, while competitors, like Universal Pictures, operate several of their own parks. These business units tend to be the most profitable and fastest-growing units of the media conglomerates lucky enough to own them.

Phase One (1977-1984): Fictional Worlds are Realized by Practical Effects and Begin to Top the Charts

Decades after the advent of the movie theater, filmmakers were still constrained by what they could believably depict. Even though every culture had centuries of stories about travelling to other planes of existence, about heroes and monsters with miraculous powers, about epic journeys, battles and adventures, it remained impossible to realistically portray these tales.

Starting in the 1960s, advances in modern moviemaking technology rapidly expanded the kind of images that could be made to seem realistic on screen. The use of models, mechanical effects, and background projection enabled believable scenes of doomed cruise ships, towering infernos, and spinning space stations. 1968's *2001: A Space Odyssey* in particular was a landmark achievement, but Kubrick's intense realism resulted in a future that was cold and distant rather than one we would want to visit.

It was instead *Star Wars*, nine years later, that proved the immense audience appetite for fictional fantasy worlds via realistic-looking film. *Star Wars* wasn't the best-directed or best-written movie. It didn't tell a particularly original story, either. George Lucas deliberately followed the monomyth structure of Joseph Campbell and, after having failed to secure film rights to *Flash Gordon*, decided to emulate it anyway. However, he was first to create a modern epic myth on screen and did so with dozens of technological innovations that enabled astonishing visual effects.

The result was unprecedented. *Star Wars* sold nearly 140MM tickets in the United States, more than any film in forty years and has sold more than any over the forty years since. When *Titanic* was released in 1997, the US population was nearly 25% bigger and it managed 'only' 100MM tickets. *Avengers: Endgame* sold 100MM too, despite 50% population growth and more than a decade and 20 films of momentum behind it.

The success of *Star Wars* showed that VFX had improved to the point in which rich sci-fi/fantasy stories could be told on film. This led to a rapid increase in the number of such stories: 1979 saw *Alien*, 1981 had *Indiana Jones: Raiders of the Lost Ark*, 1982 included both *Blade Runner* and *E.T.*, with 1984 boasting *The Terminator* and *Ghostbusters*. Almost all of these titles were the biggest films of the year and spawned many sequels. At the same time, the industry mindset hadn't yet shifted to franchises or IP let alone universes. Sequels weren't 'planned' in advance. They often came many years later and only if and when key talent felt like making one.

Phase Two (1999-2002): Fictional Worlds Are Realized by CGI, Take Over the Charts, and Shift to Annual Releases

If *Star Wars* set off the sci-fi race through the application of the practical effects pioneered by *2001: A Space Odyssey*, 1994's *Jurassic Park* is the progenitor of the CGI race. Where practical effects made huge objects look real, CGI made incredible living things come to life: monsters, aliens, and heroes with superpowers. Within years of the film's release, numerous CGI-enabled productions were underway. This included the pod-racing and underwater civilizations of *Star Wars: A Phantom Menace* (1999), the "bullet-time" of *The Matrix* (1999), and the experience of Spider-Man "web-slinging" through a realistic Manhattan (2002).

We also see two business model innovations during "phase two". First is the start of sci-fi, comic book, and fantasy dominance. *Star Wars: The Phantom Menace* was the biggest film of 1999, showing that fictional universes could endure and span generations. 2000 saw the release of *X-Men*, which most consider the first commercially and creatively successful comic book film, and the two biggest films of 2001 were *Harry Potter and the Philosopher's Stone* and *Lord of the Rings: The Fellowship of the Ring*. And only two years after *X-Men* demonstrated the potency of comic book IP, *Spider-Man* won the worldwide annual box office crown (the 2nd, 3rd, 4th and 5th biggest films of the year were sequels to *Lord of the Rings*, *Harry Potter, Star Wars*, and *Men in Black*).

Perhaps the most significant innovation during this period is the shift to annual programming. In the nine years after 2001's *Harry Potter and the Philosopher's Stone*, seven sequels were released. *Lord of the Rings* released three films back-to-back from 2001 to 2003. The two sequels to 1999's *The Matrix* were released six months apart in 2003. Gone were the days in which a franchise would wait three to five

years between sequels. Audiences wanted their favorite worlds to persist. They demanded the follow-ups to their favorite movies as soon as possible and studios were happy to provide them. This resulted in a search for already owned and loved IP that could support an ongoing sequel franchise. Even classic theme park attractions might be valuable source material (reversing the traditional flow of movie to ride.). Disney greenlit *Pirates of the Caribbean: The Curse of the Black Pearl*. It was the second-biggest film of 2003 in the United States, fourth globally, and inspired five sequels — a total box office haul of $4.5B.

Phase Three (2012-2015): Fictional Worlds Embrace Cinematic Universes and Multiple Releases Per Year

In 2008, Marvel Studios introduced the next logical step in franchise programming: rather than release one sequel a year, it would release several quasi-sequels each year. This strategy culminated in 2012's *The Avengers*, which tied together characters' plotlines from each of the preceding five films. The film was the first of its kind and went on to become the third-biggest film in history (before inflation).

The power of the "cinematic universe" business model was quickly reiterated by the success of 2014's *Guardians of the Galaxy*, the tenth entry in the MCU. Even though the film was based on virtually unknown IP and characters (specifically, a mostly-mute walking tree, a scarified green alien, a scarified purple alien, a cybernetic raccoon, and a human without superpowers), it ended up as the third-biggest film of the year and beat sequels to mega-franchises *The Hunger Games* and *Transformers*. Audiences, it seemed, would rather spend more time in a given universe than split it across multiple ones – even those they're more familiar with.

A year later, the MCU released its second crossover, *Avengers: Age of Ultron*, which became the fifth-biggest film of all time, and proved the universe model was both durable and grew stronger with every additional entry. Not long after, Marvel announced plans to scale to three films per year, having recently stabilized at two and started at 1.2.

As Marvel ascended, two other related innovations occurred. First, sustained reductions in the cost and complexity of producing high-quality sci-fi/fantasy content led to the expansion of the genre into TV. These series proved enormously popular. The TV adaptation of the comic book epic *The Walking Dead*, which premiered in 2010, has spent eight of its ten seasons to date as the most watched scripted show among 18–49-year-olds on basic cable and five seasons as the biggest scripted show on television overall. And when *The Walking Dead* wasn't the biggest show on cable, the series sitting atop the Iron Throne was *Game of Thrones.* Notably, this shift meant that audiences didn't just love the occasional opportunity to spend time in a fictional world, they wanted to do so for weeks throughout the year, every year.

This third phase also led nearly every other studio to announce plans for their own cinematic universes — usually several! Disney announced plans to expand *Star Wars* into a series of spin-off series and character stories that would be released annually (previously, *Star Wars* released only one film every three years and never had spinoffs). DC announced that its next film would be its first ever live action crossover with Batman and Superman (Wonder Woman was eventually added), with individual films to follow. Sony planned a universe focused on Spider-Man, as well as one focused on his repertoire of villains, the Sinister Six.

Universal even reshot parts of its 2014 release *Dracula Untold* in order to make it the basis for a "Dark Universe" of classic monsters (when the film failed, Universal immediately rebooted the would-be cinematic universe to start with 2017's *The Mummy*). Legendary, meanwhile, began prepping a series of films around King Arthur and his Merry Men, while Lionsgate started development on *Robin Hood* and *Power Rangers* cinematic universes. Paramount kicked off several writers' rooms designed to crossover franchises such as Transformers, GI: Joe, M.A.S.K., Micronauts, and others (they ultimately landed on an expanded "Transformersverse").

None of these many would-be universes worked. Most were cancelled after a single entry. We'll come back to this later — it's crucial.

Phase Four (2018-2020): Fictional Universes Start to Go Transmedia

We are just at the start of the next transition: transmedia storytelling. Here, stories don't just span multiple different titles released in relatively rapid succession, but also different media altogether — film, TV, podcasts, books, and so forth. This is distinct from the historical model of adapting popular content from one medium to another. Transmedia not only allows the studio to transfer brand equity/audience-love across media. It enables a franchise to tell different parts of the story in the media that best suit those parts. So, a section of the story best rendered as a serial TV show becomes a TV show. A

grander and more intense story part is produced for theatrical release. And the combined continuity makes each part much richer.

The most obvious example here was the expansion of the *Star Wars* universe to live action television via *The Mandalorian*. The show is notable for a few reasons. First, it showed that *Star Wars*' enormous popularity as a film series could be transferred to television. Second, the show probably had the largest cultural impact of any new series in years. What's more, it's unlikely many would have cared for the series were it not for the fact it took place in the *Star Wars* universe. And fourth, it's also likely that the series has substantially grown overall *Star Wars* brand equity — something each of the last six films have struggled to do (in most cases, they've probably harmed it). It is no surprise that many more *Star Wars* series are coming, including more seasons of *The Mandalorian*.

2019 had two other key *Star Wars* transmedia moments. The ending of *The Rise of Skywalker*, for example, confirmed that many key moments from Disney's "sequel trilogy" could only be seen via tie-in comics, including Kylo Ren's corruption by Supreme Leader Snoke and Ren's discovery of the Sith home base of Exogol. That same year, Disney announced it had hired one of China's leading fan-fiction writers to produce all new, text-based and in-canon *Star Wars* stories for Chinese audiences. Although this move feels similar to conventional approaches to IP, such as HBO's use of George R. R. Martin's *A Song of Ice and Fire* for *Game of Thrones,* it's actually quite dissimilar and its significance is hard to understate. Chinese audiences have a limited history with and thus low affinity for the *Star Wars* franchise — something the last five theatrically-released films have been unable to fix. Disney hopes that it can use text to build love (or "brand equity") that can carry over to its film series. This is in contrast to hoping that existing fans of a novel, such as *The Lord of the Rings*, would transfer over to a filmed adaptation, or offer side content designed to delight superfans (as the current *Star Wars* comics do).

The Marvel Cinematic Universe, of course, is also at the forefront of the transmedia expansion. In 2020, it will release two live action series that are set in (and affect) its previously only-theatrical universe and will star the characters/actors from these same films (unlike *The Mandalorian*). More series, too, are on the way.

Doing all of this well requires *organizational* innovations, too. In 2019, Marvel Studios chief Kevin Feige ascended to Chief Creative Officer of Marvel Entertainment, giving him creative control of all Marvel content — from books, to comics, and to all of Marvel Television. It's likely this leads to the MCU expanding into even more media categories, all with consistent and coordinated stories and characters. To point, it wasn't long after Feige took control of Marvel Television that he began to cancel every series that wasn't part of the MCU. You are in the universe, or you don't exist.

As film series moved to television, television also began to invade film during "phase four". In 2018, *The Walking Dead* franchise announced pre-production on three theatrical films starring series lead Rick Grimes. 2019 also saw a theatrically released *Downton Abbey* film and film sequel to *Breaking Bad* (though this released on Netflix).

What We Learned from Phases 1-4: The Demand for More and the Rewards for Providing It

The moral of the past several decades is one of "more". We want more of the stories we love, more often, in more places and more media, always. Yes, we might gripe about how Disney will never let *Star Wars* end or that endless sequels undermine the significance of any films that came before, but the truth is only we want something to "end"... until immediately after it does.

Accordingly, the reach of our largest fictional universes is growing quickly. In 2021, Marvel will release four theatrical films and as many as three eight-episode long seasons of television. If we give each film three weeks of time in pop culture, this means more than half of the year will feature new Marvel content.

In addition, the popularity of these franchises and the enormous fan love for them has meant that a large third-party ecosystem has emerged that ensures audiences, even when there is no more new content from the franchise, will always have "more" at their fingertips. The past decade has seen an explosion of unofficial watch-along podcasts, fan-sites, fan-fiction communities, conventions, and social media accounts that do nothing but track production of new films. According to Business Insider, YouTube fuels a full on "Marvel Theory Industrial Complex" where fans endlessly dissect Easter eggs, callbacks, and connective tissue between films. This behavior helps to sustain and perpetuate the dominant franchises and, crucially, doesn't "scale" down to less popular IP. Most fans don't make content for audiences that barely exist, nor can they generate revenue doing so. The cumulative impact is enormous.

Despite the surfeit of content available, our desire to spend more time in fictional universes is so strong that many fans look to re-experience the same story through different media. George R. R. Martin's *A*

Song of Ice and Fire series had sold roughly 15MM copies over its first fifteen years, but in the eight years following the premiere of the *Game of Thrones* TV series, some 85MM copies were shipped.

The new hit Netflix fantasy series *The Witcher* was adapted from a successful Polish book series that was first published in 1992 and was turned into a popular video game in 2007. Each subsequent adaptation has commercially benefitted the earlier interpretations. When the third version of the video game (*The Witcher 3*) was released, the books hit *The New York Times* Best Seller list for the first time. Once Netflix's *The Witcher* started streaming, the video game saw its player count grow 3-4x, and the thirty-year-old book series returned to the *Times* Best Seller list, now with a 500,000-copy reprint for the US alone.

The Witcher TV series could have been a hit without the video games. It was based on one of the most popular book series of the past 25 years (30MM copies sold), tells the sort of story that has been popular for millennia, and was distributed by the world's most used digital TV platform. Still, the games (25MM copies sold) assuredly helped launch the series and, more broadly, the category serves as a good case study for where things are going next.

Over the past seventy years, video games have been on a similar "phased" path as TV and film. As soon as it was possible to portray detailed virtual worlds, rather than just Pong boards or Pacman mazes, the most popular games tended to be immersive fantasies in which the audience could be the hero. Games went from 2D maps with predetermined paths, to 3D open worlds and truly non-linear experience where you were in control. You determined what you wanted, when, and why. Much of the game became fun but irrelevant side quests that a player could enjoy completing just to spend more time in the world (see finishing *Legend of Zelda: Ocarina of Time*).

The amount of time you can now spend, if you want to, has become enormous. The "main" *The Witcher 3* experience is 50 hours, but players can (and do) spend hundreds of hours completing every single side mission and story. Many of the biggest fantasy games, such as *World of Warcraft*, no longer end. Instead, they continuously expand, change, and evolve. Most players subscribe to these franchises for *years* and consume spend an order of magnitude more time than they do with Marvel or *Game of Thrones*. And crucially, these worlds are experienced with friends — thereby enhancing the sense of realness and immersion.

More recently, we've also seen two other innovations. First, many games are now investing substantially in cross-title integration/synchronization of items, achievements, and stories. As with the MCU, no title needs to be "separate". In addition, games like *Pokémon GO* are now layering their fictional worlds atop ours — and can do so at a moment's notice.

Getting Ready for Phase Five:

The start of phase four, in which a universe and its stories are told across both television and film, has only just begun. However, the next phase is easy to predict: the leading fictional universes will expand into the highest-growing, most creatively diverse, and "always on" medium: gaming. And although Hollywood has a mixed record in the category, there are already early signs that this expansion isn't far off.

In October 2019, Marvel launched a "mixed reality" experience, *Damage Control*, in partnership with ILM and the VOID. Here, audiences have the opportunity to become a member of *The Avengers*, help to defeat the villainous Ultron, and walk through a physical but digitally enhanced recreation of key MCU locations such as Doctor Strange's Sanctum Sanctorum. What's more, *Damage Control* features new performances from many MCU cast members, such as Paul Rudd, Letitia Wright, and Benedict Cumberbatch, in their traditional roles as Ant-Man, Shuri, and Doctor Strange. At the same time, Disney/Marvel have been unwilling to say whether the experience is or isn't part of the MCU canon. It's clear that the companies want to graft off the success of the MCU and its stars, but not fully integrate into it.

This wasn't the only such example of Disney's "test the waters" approach in 2019. The opening crawl of December's *Star Wars: The Rise of Skywalker*, for example, spoke of Emperor Palpatine's "mysterious broadcast" to the galaxy. However, this broadcast — which signified the return of a character many believed to have died in 1983's *Return of the Jedi* — was never shown nor detailed during the film. Instead, it seemed to have referred to *Star Wars*' December 14, 2020 event inside *Fortnite*, during which millions of players around the world found themselves suddenly inside the *Star Wars* universe. Beyond the pure narrative integration, the event was significant because of how it did — and didn't — involve players. Unlike most tie-in gaming experiences, the player wasn't the hero — they didn't pilot the Millennium Falcon or save the day. Instead, they experienced the event as themselves: passive spectators watching a live fight between the Falcon and a dozen tie fighters, and listening to the

Emperor's cackling threats. Although what was happening and why was never clear, this sense of agency — you were you — made the event feel "real" and immersive in a way that is hard to replicate via film or TV.

We're likely to see another Disney case study in 2020. Again, Disney isn't yet embracing full transmedia storytelling into video gaming. But it's clear that it hopes to launch a game that will benefit from the brand equity of the MCU, and hopes to take back some of the brand equity the game creates.

Specifically, the fall of 2020 will see the first "AAA" console/PC game focused on Marvel comics IP in close to a decade. And although the game is made by a third party, Square Enix's Crystal Dynamics, Marvel Entertainment reportedly owns all narrative, character and brand-related decisions. And not only did the studio decide that the game should star the MCU's roster of *The Avengers* (which, notably, is not the classic team from the comics), but it gave them eerily similar outfits, too.

There is one extra "Avenger", though, and she's the star of the game: Ms. Marvel. This was undoubtedly a strategic choice. While the rest of The Avengers were created decades ago and have since become household names, Kamala Khan was created in 2013. Given she'll be getting her own MCU TV series in 2021, it's likely Marvel is using the game to grow awareness and affinity for the character in advance of her premiere.

There are two other important Disney points to note. First, many of Disney's franchises, such as *The Lion King* and *Star Wars*, are now being shot in part through gaming engines such as Unity and Unreal. As a result, it is considerably easier and cheaper to repurpose sets, settings, and assets for game-specific purposes. In addition, *Star Wars* boasts the largest active player base of all Hollywood IP via the EA-published multiplayer title, *Star Wars: Battlefront* (by some reports, millions play the richly visualized game every week).

And if Disney doesn't decide to expand into gaming-based storytelling, we may soon see the company pull its stories from games instead. While *Star Wars* has struggled to satisfy audiences for the past twenty years, many of its video game adaptations are beloved by even the most avid of fans. For a franchise in deep need of recalibration and a narrative plan to film against, it would be little surprise if the company decided to adapt a game like *Knights of the Old Republic* or *Jedi: Fallen Order* to the screen.

Furthermore, "phase five" doesn't necessarily depend on Hollywood moving into gaming. After years of false starts and failures, it's now clear that gaming IP will soon proliferate television and film. In 2020, *League of Legends* will release a hotly anticipated anime series, Showtime's *Halo* TV series is expected to air, and Sony, having stood up its own Marvel Studios-esque PlayStation Production, will likely begin production of several series and films. While most of these are not strictly "transmedia" — they are instead adaptations of IP into new formats — it's likely that, over time, the transmedia model will become the priority. Marvel, for example, made scores of non-MCU television series over the past decade… until suddenly its strategy changed.

False Starts

Although few are likely to remember, it once looked as though phase five was beginning twenty years ago. In fact, 2003 saw the Wachowski Siblings launch a "transmedia storytelling universe" that's still ambitious by today's standards. On 15 May 2003, the duo released the second *Matrix* film, *The Matrix Reloaded*, as well as a AAA tie-in video game, *Enter the Matrix*. Two weeks later, audiences could buy *The Animatrix* on home video, a collection of nine animated short films, each of which boasted a different visual style and built out different parts of the *Matrix* universe and its mythology, such as the early history of the robot rebellion. Five months after that, the third and final *Matrix* film was released.

Enter the Matrix was the most unique part of this experiment. Unlike most movie-related games, the player never replicates events from the film, nor do they play as the hero. Instead, they control two supporting characters and play out events that are directly mentioned in and critical to *The Matrix Reloaded* but occur off-screen. The game even includes an hour of live action footage shot specifically for the game and starring supporting stars Jada Pinkett Smith and Anthony Wong.

Although both titles sold well (3MM and 5MM copies) and *The Animatrix* received rave reviews, the "*Matrix* Transmedia Universe" is largely seen as a failed experiment. Worse still, it probably harmed the core film franchise. *The Matrix* was already fairly hard to understand, and so the shifting of important content to ancillary media experiences made both *The Matrix Reloaded* and *The Matrix Revolutions* even more difficult to follow. The fact that most *Matrix* fans disliked the two films and considered them to be creative failures didn't help, but the decision to treat the "ancillary" DVD and video game as "core" content is probably partly to blame.

Managing which narratives are in which titles, on which mediums, and with what significance will always be a challenge in transmedia storytelling. However, there are clear lessons to be learned from what *The Matrix* did poorly and the Marvel Cinematic Universe did well. For example, you don't need to watch every MCU film — or even every film in a character's own franchise — to enjoy another. Instead, watching more of the MCU mostly helps enrich the experience of watching other titles. Transmedia experiences should not raise the burden placed upon first-time or casual fans of a franchise, let alone exclude them. The goal should be to offer more to those who want more. And just as audiences had to "learn" what we MCU was and how to watch it, it will take time for audiences to socialize and know how to engage with transmedia universes. It was probably a mistake for *The Matrix* to launch two critical transmedia spinoffs after only the second film, too.

One needs to consider access hurdles. Placing *The Animatrix* and *Enter the Matrix* behind a $20 DVD and $60 disc is particularly prohibitive and quite different than offering ancillary content at no incremental cost via Disney+ or through a free-to-play downloadable game. The more important side content is, the more dangerous it is to gate it.

The maturity of the media used matters, too. Compared to 2003, there are considerably more gamers today and the average gamer spends more time gaming. Contemporary video games also offer substantially greater visual believability and experiential capability, both of which enrich immersion. It's similarly important to highlight that the average consumer is substantially more savvy when it comes to gaming and interactivity, too. Most consumers, for example, can now use an iPhone without a dedicated home button, but it would have been a mistake to launch without one in 2007, even if the technology had been available.

The Actual Phase Five: Transmedia Worlds That Are Programmed *and* User Led

The Matrix Transmedia Universe was a failure — it was too complicated, too early, or too onerous for its audience. Or perhaps all three. However, it's clear that this is the future — in fact, the future of storytelling is likely to be even more expansive that the Wachowskis had then imagined.

In its "best" implementation, phase five stories will be much more than a movie franchise plus a game that compliments, runs adjacent to, or precedes/follows a feature film or miniseries. It will be a persistent, constantly updated, and living virtual world. Consumers won't buy a $60 copy of *Avengers: 5*, for example, but access to an unending and real Marvel Universe. While this universe will offer the opportunity to visit key locations like Wakanda and perform game-like tasks such as building Tony Stark's fleet of "Iron Legion" suits, what will truly bring it to life is the moment when you run into a superhero, join them in a live mission, and only later find out why it happened and where it led to. And as with all modern games, it will keep growing with new stories, characters, and adventures added all the time.

It's hard to know the exact evolution path or implementation. For example, it seems likely that just as there are many parallel multiverse Earths in the Marvel comics, and six different tiers of canon in *Star Wars*, the largest interactive gaming universes may have different dimensions. Some might be for kids versus adults, others might be where Thanos won versus lost, and more still that are community run. Alternatively, this Marvel Universe might itself just be a persistent "mini-universe" inside a game like Fortnite.

Exactly how any of these experiences is managed, by whom, and with what degree of integration into "linear" "canonical" film/TV content is unclear. But what matters most is that audiences have a constant desire to spend more time in fictional worlds and to take the stories they love into new places. The franchises that satisfy that desire will thrive. The opportunities here have never been so numerous and compelling, nor the underlying technologies required to bring them to fruition more capable. It will be particularly important for the franchises that don't have corporate theme parks, such as DC and *Lord of the Rings*, to experiment here. But fortunately, the worlds of experiential, location-based, and social gaming are evolving rapidly — and it doesn't take tens of billions of dollars or a decade to participate here.

The Consequences of Transmedia Ascendence

The shift to immersive storytelling will be great for IP owners. Most obviously, it will offer yet another opportunity to translate brand equity into new revenue streams and grow affinity. In addition, interactivity is uniquely able to monetize proportionally to affinity and the amount of time *each* fan spends inside a fictional universe. Today, the difference between someone who watches *Iron Man* twice and twenty times is fairly marginal — especially if they don't live close to a Disney theme park. A Marvel fan who spends hours a week with Tony Stark will be extraordinarily more valuable than someone who joins him for only the occasional mission.

While this will further skew profits to the IP "haves" and away from the "have nots", it also produces the opportunity for new IP to be created and for less successful franchises to quickly grow in popularity and prominence. As the many failed efforts to build non-Marvel universes have demonstrated, Disney won't be topped by a competitor trying to replicate its monetization of content models. Instead, a "sharper spear" is needed.

This is a huge lesson from the past hundred years of storytelling. The greatest *commercial* achievements have had more to do with technological or business model innovation than artistic accomplishment. First it was practical effects, then visual effects, then franchises, now universes and transmedia ecosystems. The companies that breakthrough will seize on this massive transition and create generation defining IP.

This also means that new kinds of companies will be competitors. Yes, Disney may no longer face Lionsgate and might need to contend with a stronger, transmedia Warner/DC. But now the gaming companies will be entering this same transmedia storytelling space — and they have unique advantages on the newest frontier.

This hints at the final challenge: carrying capacity. As the leading universes grow into more categories and capture an ever-increasing share of audience time, they may further crowd out less-popular, less-immersive, or less-expansive franchises and become even more immune to displacement from new ones.

We've seen considerable evidence of this theory over the past decade. The Marvel Cinematic Universe, for example, has increased the *average* box office haul of its films by more than 50% even as it grew its annual output from 1.2 films per year to three. At the same time, every other would-be cinematic universe stalled or crashed, while the franchises still focused on single entries, such as *Fantastic Beasts* or *Fast & Furious* struggled to reach new highs or even sustain old ones.

Similarly, the most played games of the past decade have been remarkably constant year to year — it's all *Warcraft*, *Call of Duty*, *Grand Theft Auto*, *Pokémon*, and *Counter-Strike*. For the most part, expansions in the number of gaming hours played have been taken up by existing market leaders. Every five to ten years, a new franchise does squeeze in, but this might be due to the sheer volume of user growth rather than displacement. It also doesn't speak to what is starting to happen in the transmedia era.

There are a number of ways to explain the longevity and loyalty now enjoyed by leading franchises. For example, it's quite difficult for a new blockbuster to beat the emotional richness of a decade spent with Tony Stark… without a decade (and strong creative execution, too). It's similarly hard to displace the emotional and mental investment of 500 hours of time spent and achievements unlocked in *World of Warcraft*. We also know that the dominant IP can, perhaps counter-intuitively, more easily expand into another genre or format than whole-cloth new IP. The MCU, for example, has embraced everything from a buddy comedy, to a space opera, Watergate spy thriller, and liberation epic. *Warcraft*, meanwhile, has expanded from its real-time strategy origins to massively multiplayer online role-playing game, digital card game, and, less successfully, multiplayer online battle arena.

Certainly, there is a small percentage of the addressable market eager to keep up with ten universes, but a far larger one willing to stay up to date on one or two. The cognitive and time burdens are large. And ultimately, a franchise's success depends on more than the ability to collect the occasional fan. It needs to collect entire groups of friends, penetrate the zeitgeist, and be covered by the mainstream press.

This is the threat to all IP owners. The carrying capacity of these franchises and universes used to be medium specific — there was a fight to be one of the winning comic books, video games, or film franchises. This meant there was room for many winners and that the reach of any winner was limited.

Soon, it will be a fight for dominance between all franchises and across all mediums. The major stories will expand into all categories, from film to TV to podcasts, and be envisioned as interactive experiences, whether UGC worlds or ever-extending game universes, that allow them to grow indefinitely. And as long as these franchises continue to offer more "more," there's little reason for a fan to look (and invest) elsewhere.

This doesn't mean smaller stories won't exist, be consumed, or be popular — but they're likely to be snacks and sides. It's also likely that we'll continue to see new franchises emerge and old ones fade. However, the IP business is fueled by love and monetization feedback loops. And thus, the immersive transmedia world will mostly make the strong much, much stronger. Over 9000 or 3000, depending on the franchise of your choice.

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