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7 Reasons Why Video Gaming Will Take Over — Matthew Ball

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31-39 minutes

In October of last year, I wrote about the absurdity of the fact that Big Media content companies and distributors were spending unprecedented sums to increase their exposure to a segment of the media industry with declining value (video), even as another (video games) was growing 15-25% per year. While I remain surprised by the differential between investment and growth potential, it's worth considering why the future of gaming is so immense.

This includes (1) what gaming competes against; (2) how it's (now) being packaged; (3) why it's such a uniquely scalable medium; (4) why people play today and will play more in the future; (5) why it's such an engaging medium overall; (6) the unique growth potential in the medium; and (7) why it's the modern comicbook.

#1 – The Dominant Attention Medium, Television, Has Peaked and its Time is Being Redistributed

In the 19th century, the idea of "leisure" versus "work" emerged. To economists, we could do only two things with our time: "generate" income by working, or give up potential income and/or "spend" our income on leisure (either literally or via opportunity cost). This latter classification included everything from going to a play, reading a book, spending time with your partner, or sleeping. For the most part, these different leisure activities didn't actually compete that much – before electricity, you could only read so late, there weren't many local theaters, the solar cycle defined when you needed to wake up, etc. More broadly, there were few real alternatives in entertainment. For example, you had (1) newspapers, which refreshed only once a day and needed to be either delivered or picked up; (2) books, which took lots of effort to consume and were text only; (3) radio, which was audio and live only; and (4) socializing, which required planning, wasn't for everyone, and had high, logistical costs and limitation.

And so, by the time TV arrived – which offered an abundance of content to choose from, and, uniquely, moving video plus dynamic audio – it dominated. By 2010, more than nine in ten American households were paying $50+ per month for Pay-TV, making it the most accessed and highest revenue-generating entertainment category. What's more, 280MM Americans were spending an average of 5+ hours per day on the medium.

TV isn't going away. But regardless of how effectively the major TV companies transition to digital, it's hard to imagine it will maintain current levels (at least until autonomous vehicles free up another two hours per day). It's not new that human attention is finite, but the "attention economy" is so talked about today because there's finally competition for leisure time. That doesn't mean video time will ever fall below three hours per day, but the historical 5+ level is likely inflated by the fact real substitutes didn't exist. Now there's TikTok, Snapchat and *Fortnite*. And they continue to take generational share away from the category with the most to give.

This is why I once tweeted that *Fortnite* was Netflix's most threatening competitor (which CEO Reed Hastings said in his investor letter a month later). This is most plainly understood as the idea that everyone is competing for finite attention and there are more applications for this attention than ever before. But the real challenge for Hollywood is that for decades, whenever "leisure" won over "work", TV was the primary beneficiary. In recent years, the leisure decision has changed or "moved up" a level. It used to be "what to watch" and now it's "whether to watch" – and the answer is increasingly "no, I'm going to play a game". Neither Netflix nor Hollywood has a good solution for this problem. And no one chooses not to game because there's a branching narrative available instead.

#2 – Gaming is Replicating the TV Package

At the same time, the degree of TV's success isn't just due to the scarcity of leisure competition. It boasted many characteristics that ensured its mass appeal, drove its penetration, and maximized its usage. Yes, it was flawed and over time, its value perverted - but Pay-TV was still an incredible package, one that bundled together and offered:

1. An abundance of content (in both volume and variety)
2. Ease of access (TV was everywhere, its content universally accessible and immediately viewable; you could go to your friend's house, a bar, or another state, and immediately resume your "regularly scheduled programming")
3. Frictionless content discovery and sampling (aside from basically three channels, all content was immediately accessible; indeed, much of it was found by accident or while simply "channel surfing" during commercials
4. A wide range of different use cases and functions (some content was designed to inform, others to entertain, babysit, teach, or tap into local tribalism, etc.)
5. A range of different engagement levels (viewers could lean in and be totally immersed, lean back and just watch, or turn the TV on in the background for even more passive distraction as they tended to cook, do laundry, or run on the treadmill, etc.)

   … In addition, TV benefited from…

6. Achieving a cultural tipping point. Because "enough" people watched TV, it became a watercooler discussion and dominated pop culture – forcing many to watch TV simply to participate in society, similar to "social smokers" who only smoke when with smokers who are smoking
7. Incredible competition that continually drove more value and format diversity/innovation

When atomized, it's clear that essentially every single element of this TV experience is now being replicated by the gaming ecosystem:

Access: Cloud gaming means you will be able to take your game "everywhere" and avoid dreaded 20-minute updates before you can start playing. In addition, new consoles will allow players to auto-resume several games (versus just one), claim to reduce game loading times to less than two seconds, and will expand the ability to log into your "save" files from other players' consoles. No longer are we stuck to a single device in a single location.

Discovery/Sampling: Historically, the number of games played and the amount of total play time have been limited by the high barriers to finding and trying a new game - namely a $40-60 price tag plus the need to spend a half-hour downloading a game, or more time literally picking up or receiving a physical copy. All-you-can-eat subscriptions like Microsoft's Xbox Game Pass, Apple Arcade, and Sony's PlayStation Now are bundling together both the most valued titles with a large catalogue of other titles that many enjoy but wouldn't have known about or sought out as a standalone title. To point, Microsoft claims Game Pass subscribers increase their overall playtime by 40% — proof that this content bundle doesn't cannibalize engagement among a larger content offering, it grows it.

Competition: After nearly 20 years of a Nintendo-Sony-Microsoft triumvirate, several new platform giants have emerged. Apple and Google are already the fourth- and fifth-largest gaming platforms outside China via mobile, with Google now entering AAA "console" gaming via Stadia. Amazon is expected to enter the space soon, too.

Increased competition isn't just happening at the platform level, either. The growth in the number of gaming platforms has led to a "super-funding" of the developer ecosystem, which has in turn grown the total number of games made, as well as their diversity. The aforementioned rise of all-you-can-eat bundle subscriptions is also allowing game developers to take increasingly large creative risks with their content. Historically, a developer needed to convince a gamer to buy their $20-60 game, rather than continuing to play one they already had or buying a competing title. This is hard ask generally, but especially for unproven formats/styles that lack franchise IP. As part of a bundle, however, a developer can instead focus on just earning a share of (or growing) gamer playtime – no extra fee involved. The ability to de-risk content experimentation and innovation is obviously great for current gamers. But crucially, it also produces the best opportunity for developers to build the sort of non-traditional games that might appeal to non-gamers, too. A bigger and better "Call of Duty" is unlikely to expand the industry pie.

Functions: Gaming used to have a singular function – immersive entertainment. Not only has the degree of immersion diversified, so too has the purpose. Many games, such as *Fortnite*, have become about participating in culture conversation, spending time with friends, and accessing shared live experiences (be it *Fortnite*'s concerts or live movie tie-in events).

Engagement Requirements: Gaming historically has been limited by its burdensome requirements. To play a game, you needed your "full" attention; multi-tasking wasn't possible. What's more, it took many hours to become "good" at a game, and even then, you might not be good enough to enjoy playing competitively with your friends or to enjoy complicated set pieces in single-player games. Through esports, you can now enjoy professional- grade play at any time, offering as much or as little attention and investment and time as you like. Similarly, live streamers allow you to "play" an entire game without ever picking up a controller (earlier this year, Polygon reported on the rise of this behavior, with many "gamers" watching streamers during their lunch breaks, buses home, etc). For what it's worth, the most popular video site in the world is YouTube - and it's most watched content is recorded video game clips.

Furthermore, the major game streaming platforms are now building experiences that will allow these viewers to affect this live gameplay by sending in items or health to help or impede the player. Genvid (a portfolio company) is designing a slate of brand new "games" specifically for this. In addition, cloud services such as Stadia are building the capability for viewers to "jump" into a video or live stream to play a game at that specific point; rather than playing a 40-hour game, you can play the hour you want (perhaps just to try something a streamer did or challenges her audience to do). We've also seen the emergence of news shows, highlights and clipshows, in-game comedy, and more. You no longer need to sit down and play for hours to enjoy gaming content.

(Notably, one could say this is really just "video", not gaming content. There's a truth here, but that's similar to saying "sports" is like scripted television; it's entirely unhelpful. Furthermore, it ignores the unique virtuous cycle in gaming — football fans don't watch football to get better at playing, nor do they watch highlights of their friends' "best ofs", nor play football for hours each day.)

Cultural Tipping Point: While gaming has not substantially grown its penetration among older generations, it is flooding the younger runs of the pyramid. 90% of Americans watch television and listen to music. With time, the reach of the category should be just as great – and thus just as talked about and just as socially important – as any other.

#3 – Gaming Has Unprecedented Content Leverage

Most media categories are confined by three challenges. First is their finite length. At a certain point, you reach the last page of a book, last episode of a TV show, or end of a podcast. A consumer can re-read/watch/listen to them, but few do – and even then, most will do so only once. Second, elongating requires more investment – another book or episode or podcast needs to be made (which requires equivalent investment to the first book, episode, or podcast, thus solving no real problem). We also know that elongating content for the sake of additional engagement, rather than narrative needs, often erodes the overall quality of the experience (see Netflix's Marvel series).

Third is the fact that while traditional content can seed consumers imaginations, it can't really participate in it, let alone leverage it. *Star Wars*, for example, spawned billions of hours of imaginary stories that were locked in the minds of children and acted out only in a family basement or yard. A franchise could facilitate this story creation, but only via making rich films/TV/books/comics and selling toys that were

fun to use — but they couldn't access it, nor could these independent "imagineers" really share it with their friends (especially those who didn't live nearby).

None of this is true in gaming.

Most superficially, games are often designed around ancillary content that exists outside the core story – badges, side missions, and so on. While this requires additional programming, it typically achieves significant leverage over prior investment (e.g. characters, items, stories, programming). The fact that it's optional also means that it's only completed by those who desire more playtime, and thus doesn't dilute the experience in the same way a 7-hour TV series over 13 hours might. As a single-player game, Red Dead Redemption 2 can be 47 hours long (main game), or 76 (main + core extras) or 161 hours (to complete everything).

More broadly, games are increasingly driven by social experiences. A gamer isn't playing to "complete" a story, they're playing because they love competitive play – especially play with their friends. And given no multiplayer experience is the same, there's always a "new story" that can be played. Red Dead Redemption 2's online experience only ends when your friends all bore of it.

On top of this, many games leverage audience obsessiveness to generate more content. Sometimes this is little more than UGC "maps" or "mods" (such as placing Iron Man in *Grand Theft Auto*), but it has come to mean much more. For example, the "Multiplayer Online Battle Arena" genre (of which *League of Legends* is the most famous title) was essentially created by a user mod of *Warcraft III*, a real-time strategy game.

In addition, a whole sub-economy on *Fortnite* has emerged where "players" can build (and monetize) their own games and worlds, while *Roblox* and *Minecraft* are entirely based on this model. This not only grows the amount of time audiences *can* spend with a game, but it increases the breadth of the experiences available to consumers in this game. In 2019, Roblox says it will have paid out more than $100MM to its game creators around the world (a group that ranges from single "developers" to studios of "10 or 20 people"). The company also notes that it doesn't even pay these developers directly — unlike the iOS app store — they receive direct payment from users. And in the fall of 2019, Roblox launched its "Developer Marketplace", which allows developers to monetize not just their games, but also the assets, plug-ins, vehicles, 3D models, terrains, and other items they produce for these games.

This month, these three titles will likely deliver 1.2-1.5B hours of playtime *each* — and this is before adding in hundreds of additional hours from livestreaming and VOD content from these games. Similarly, the most popular video service on earth is YouTube – and there's no practical amount of money a Netflix, HBO, or Disney+ can spend on content to topple it. And while the creation of user-generating gaming experience remains complicated, it, as with video creation, is becoming easier each day (see Super Mario Maker, etc.).

Successful as *The Incredibles* is, and obsessed upon as the original *Star Wars* was, fans can't spend hundreds of hours with the IP; its content doesn't scale – even with physical toys. Yet, video games regularly achieve this level of engagement. Games are uniquely capable of capturing the full range of audience love for a franchise. Not only does it capture the linear story, but also infinite multiplayer experiences built atop that story, and increasingly, the myriad experiences that an at-home fan can dream up, too. The ceilings for audience love is infinite – and thus so, too, is the potential "play time" and monetization.

#4 – Social Signals, Effects, and Reinforcement

The most successful mediums, like the most successful content, are all socially driven. Part of this is purely social pressure – the "watercooler" effect means that in order to participate in culture, you need to consume specific media. We've seen this countless times – be it *Survivor*, *Jeopardy, Game of Thrones*, or *Here Comes Honey Boo Boo.* In addition, many content experiences become *better* because others are enjoying it with you. *The Bachelor* is exponentially more fun when you can gossip with friends, we know comedies are funnier when watched in the theater versus home alone, and that the core of sports fandom lies in "beating" another team. Oprah's Book Club was successful in part because she understood her audiences, but mostly because it created a share experienced across her audiences.

What's more, games have become a fundamentally social medium. The content, as discussed above, is largely based on your friend's overall participation and what they're doing. As more people game, the importance of being a gamer, the "fun" of gaming, and signaling value of being "good" at gaming all increase.

We see evidence of each of these elements via *Fortnite*. There are millions of frequent players that (strongly) prefer playing other multiplayer titles, such as *Overwatch* or *Call of Duty*. However, *Fortnite*'s reach and engagement is so great that these players nevertheless focus on it. If your "friend group" has eight people, where four love *Fortnite*, two love *Overwatch*, one likes *Call of Duty*, and another *Counter-Strike*, everyone ends up playing *Fortnite* – and *Fortnite* is ultimately the best experience. And if you're the ninth friend, you've little choice but to become a gamer. This is broadly applicable to other media categories too (per the points above), but they are strongest with gaming. If you're the only one watching *Orange is the New Black*, the experience is lesser as a result. And if you're the only one not watching *Game of Thrones*, you miss out on school conversation. But if you're not gaming at home, you're missing out on your friends actively socializing together – and they're doing it without you.

Notably, mobile has long been as the exception to social gaming – yet it, too, is rapidly becoming a multiplayer, always on, and socially driven gaming experience (as it has been in China and South Korea for some time now). To this end, mobile gaming overall is also embracing the complexity, immersion, and functionality of PC/console games. This is in part a reflection of improvements in device technology and high-speed internet access – five years ago, it was hard to imagine that millions of players would log onto a game like *Fortnite* each week via their iPhones and iPads, let alone the idea it might play well. But more important is the way in which mobile games have expanded familiarity with gaming and the gaming sophistication of previously casual players.

#5 – Tightest Feedback Loops + Culture

One of the best ways to understand gaming's runway is to consider the present-day focus on Hollywood. Every big media company wants to establish a direct-to-consumer content platform and relationship, and to collect/use audience data to improve their content investments. The gaming industry has had this in place for years.

More broadly, one needs to consider the goals and design principles of gaming versus, say, music or television or print. Games, especially non-narrative games, are fundamentally constructed and then trained around being "fun". The goal is typically less about art (e.g. *The Irishman*) or even editorial vision (e.g. *Black Panther* as part of the MCU), and more about creating an environment that audiences never want to leave and which constantly sucks them back in. In other words, everything is about the player, not the storyteller.

This dynamic has been supercharged by the world of "living" games, in which content is constantly being updated and added to sustain, grow, and optimize engagement. *Fortnite*, for example, performs weekly updates, plus several major content overhauls per year to keep the game fresh and improving. With each addition, it pays close attention to overall metrics, such as average sessions and play time per week, to specific gameplay measures, such as the average time a player spends in the game before engaging a competitor, how long they survive in each game, how many kills they get, and the relationship between skill and success. Everything is being tracked to ensure the best possible experience for the average player (sometimes to the chagrin of the most talented players). If a change creates too large a distortion, a rapid patch occurs to correct it. Gaming, in other words, is an outcome-oriented medium.

One can debate how this orientation limits the artistic potential of the category. However, the potency of engagement optimization is without debate; Facebook and YouTube are far better at winning the "attention economy" than Hollywood. And if gaming has any comp in traditional media, it's Disney's best business unit: its parks division. Disneyland maintains its appeal through thousands of workers and extensive (and mostly unseen) infrastructure designed to ensure the suspension of disbelief at all times, and monetizes through a mix of brutally high entry prices and nearly inescapable micro-transactions (e.g. a t-shirt here, a mickey cupcake there, etc.).

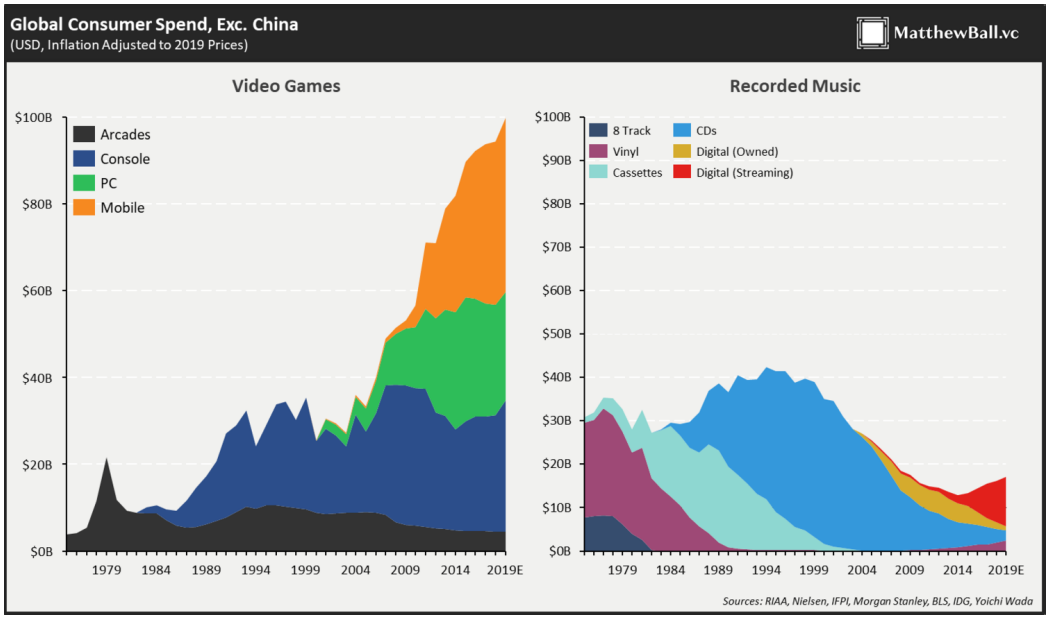
(It's also important to emphasize how much the open-mind culture of game developers further enables the overall ecosystem – and not just by building UGC creator tools (as discussed above). Many of the largest titles, such as Counter-Strike, Grand Theft Auto and League of Legends, are shockingly liberal when it comes to allowing 3rd parties to access in-game APIs to build complimentary experiences. This can include apps designed to improve a player's skills by pulling/analyzing historical and real-time performance data, or the addition of viewer-focused meta-games that can affect a live match played by a streamer or professional esports team. Some of these experiences are structurally not possible with other types of media, but this overall mindset is also fairly unique in the media industry. Hollywood and the major music labels, for example, lock down and control every expression of their IP and rarely allow anyone – let alone "the crowd" – to remix or experiment with it).

#6 - Consistent Growth Through New Devices, Categories, Technologies, Content

All media is the product/intersection of (1) technology (e.g. capturing, distributing, re-producing an image), (2) content, and (3) business models. Among other categories, video gaming has always had the greatest reliance on technology because ultimately a local processor has been responsible and required for the delivery of nearly every element of the consumer experience – from collecting local inputs, to rendering a live image, decision processing, outcomes analysis, and so on. Even in online gaming, controller inputs are gathered and at least partially processed locally, and algorithms are applied. Some of this occurs with music or video or text today, but computers/processing/reading typically became involved later in these mediums' histories (e.g. CD players were the first to involve processors in music) and their roles were also lesser (e.g. content selection and presentation, rather than active generation).

This reliance has several interconnected consequences. First, gaming is more powerfully influenced by technology (and therefore technology change) than other categories. Put another way, business models and content flow more strongly from tech than to technology. Second, the gaming category's reliance on technology/computers means that it has experienced more frequent and more significant change than any other medium. Third, gaming has been held back by the limitations of technology more than any other medium.

But this same point has produced an interesting outcome: technology changes have always driven huge net additive growth. In other media categories, new generations of devices or formats have tended to replace the prior one (e.g. DVD replacing VHS, Streaming Music replacing Digital Download replacing CDs replacing Cassettes replacing Vinyl, on-demand TV replacing cable replacing broadcast). In gaming, growth has piled up on top of each other like a geological stratum as each new "thing" tends to unlock fundamentally new types of content. The shift from arcades to consoles, for example, meant that you could "save" and "pause" games, thereby allowing narrative stories to emerge. Online, meanwhile, meant that these "stories" could just be multiplayer experiences — or, through constant updates, never end.



As gaming's capabilities expand into new form factors and devices (e.g. VR, AR, MR), new content experiences are created (games made specifically for streamers to play for their audiences) and monetization models are unlocked (subscriptions, audience/spectator micro-transactions, cloud gaming), we should see significant and sustained growth in the category — as we have for decades already and to greater results than in any other medium.

#7 – IP Kiln

It's not a coincidence that comic books have proven to be the most fertile sources of IP today. For decades, the category produced enormous volumes of content and characters (writers such as Stan Lee were frequently ordered to create a new hero or villain each week). This dynamic meant that only the most resonant characters and characterizations survived, and even then, they were constantly remixed, iterated upon, or imitated. Marvel, for example, is estimated to own the rights to some 6,000+ characters – almost none of which have any value, but some of which are worth billions. Similarly, producers such as Kevin Feige have the ability to look across scores of audience-tested stories, some of which are simply retellings of the same plotlines, and then "cherry pick" only the best ideas and learn from

mistakes. Marvel Comics' *Civil War* comic book run, for example, was popular, but not well received. And so, when Marvel Studios adapted it for film, the central premise was retained, but it was plotted quite differently. The Marvel Cinematic Universe is essentially "the best of" eight decades of Marvel comics. And all of this potential was backed by an important truth: comic books spent decades at the forefront of kids' imaginations, some of which included imagining how they would adapt a given character or storyline to the big screen.

The gaming industry today is the closest analogue to the Golden (1938-56) and Silver (1956-1970) Ages of Comics that created the characters, worlds, and storylines that now dominate the box office. Like comics, the medium is now creating a tremendous amount of content – almost all of which is terrible and repetitive, but through which the best content rises to the top. Fast, cheap, pulpy, and out of control has always produced era-defining content. And thanks to the shift to online play, DLC, and live services, today's games are evaluated, iterated on, and improved based on audience response faster than ever.

User-generated content and experiences are particularly important here. Historically, a content creator could only pay attention to which of their creative decisions resonates and try to hypothesize what they might like next. Through UGC, they can also directly see what the audience thought was missing and what they'd like more of – and then build atop of this and integrate it into the game at large. Consider, for example, the story of E.L. James' *Fifty Shades of Grey* trilogy. James had first written the series as *Twilight* fanfiction, having been unsatisfied with the restrained sexuality of the original books (which was influenced by author Stephanie Meyer's Mormon faith). By all measures, she wasn't alone. The fanfiction, then titled "Master of the Universe" went viral, prompting several publishers to approach her for book rights. A year and a half later, Amazon announced the first book (which had its *Twilight* references expunged) had outsold the entire Harry Potter series combined in the UK. The series claimed the top four slots on the *New York Times* best sellers list (the 4th being the combined box-set) and broke the record for weeks at number one. As a medium, modern games are essentially designed to facilitate such experimentation and then absorb them.

The degree of audience attachment and time spent with video games is also without parallel. To point, we don't hear of regulators and royals warning of "Pixar addiction" or "Star Wars obsession". Tencent and the Chinese government now limit minors to two hours of gameplay per day. Games are also the most effective medium when it comes to the most important storytelling objective: the suspension of disbelief. If you stack up a viewer of John Wick or The Fast & The Furious to someone playing *Uncharted* or *Gears of War*, it's clear which medium achieves greater immersion. To this end, it should be no surprise that PlayStation is building out its own version of Marvel Studios. The Tencent-owned Riot Games, makers of *League of Legends*, meanwhile, is now self-producing anime that will likely be integrated into Tencent's various digital platforms.

It's common to hear the argument that video games don't actually create lasting IP that's highly valued by large audiences. This isn't true. The Legend of Zelda and Mario are in their fourth decades, Warcraft and Pokémon are in their third. What's more, Pokémon has now generated more revenue than any other franchise, including Marvel, Star Wars and Mickey Mouse, and amassed more than 1,000 consecutive episodes of television and more than two dozen films.

Furthermore, each year's highest grossing games are remarkably consistent over the past decade — it's all *Call of Duty, Grand Theft Auto, Red Dead Redemption, Warcraft, Battlefield, Counter-Strike, Pokémon*, etc. Yes, we've seen new titles squeeze in, such as *Fortnite*, *Overwatch* and *Apex Legends*. However, this isn't unique to gaming (see 2009's *Avatar*, which spent a decade as the highest-grossing film ever), nor unexpected given the overall growth of the medium and its diversification into new genres, formats, and devices.

To this end, it's actually remarkable how resilient the core gaming IP is. *Warcraft*, for example, started (and is still played) as a Real-time Strategy game ("RTS"), which was the dominant online gaming genre from the late 1990s until the early 2000s. However, it subsequently evolved into a much larger Massively Multiplayer Online game ("MMO" or "MMORPG") as *World of Warcraft*, which led the late 2000s. *Warcraft III*, the franchise's third RTS title, meanwhile, went on to spawn the Multiplayer Online Battle Arena ("MOBA") genre (most famously led by *League of Legends*), with *Warcraft*'s IP being deployed in the MOBA title *Heroes of the Storm*. And since 2014, *Warcraft* has been adapted to a secondary gaming category, the collectable card game genre (e.g. an online *Magic: The Gathering*) in Hearthstone. This process bears little in common with the traditional Hollywood definition of franchise reinvention, where a given IP (such as James Bond) sees only stylistic and narrative evolution/changes over time. Warcraft, it seems, can be anything. Bond struggles to be more than one. Even Marvel shows less flexibility; it thrives in film and TV, but not in gaming or books, while comics is a small industry, and each Marvel film is broadly the same.

It's true that to date, gaming IP has not delivered strong results at the box office. But this was true about comic books until 2000's *X-Men* and 2002's *Spider-Man* (the biggest film of the year). And today, of course, the only films that deliver strong results are adapted from comic books. More broadly, any definition of "IP success" that requires success in the box office (one of the smallest media categories) is certainly too narrow. The future of media isn't any one media, least of all film.

Game, Set, Match

What's ultimately powerful about the future of gaming is the interaction between each of the aforementioned elements. For years, gaming has been evolving into something all-encompassing. For millions, it's a hobby, an obsession, an in-home and out-of-home experience, something they read about, write about, talk about, and watch.

This isn't unique to gaming. Most obviously, professional sport has been here for decades. But the gaming ecosystem — from its products to its packaging and the diversity of its content — is finally meeting this potential. At the same time, both the number of players and the average playtime per player is growing quickly.

And while the major gaming platforms, such as Microsoft's Xbox and Sony's PlayStation, have tried and failed to invade video/TV over the past decade, they're now building gaming-centric entertainment ecosystems that include gameplay with sports-like highlights, commentary, and Twitch-like viewing. These are end-to-end packages that can reach every person, with every experience, in every way. As television has already proven, this entertainment bundle can be incredibly powerful.

Matthew Ball (@ballmatthew)