

From: [REDACTED]
Sent: 12 July 2023 11:07
To: Commerce Commission Enquiries
Subject: Public submission on Microsoft-Activision Blizzard merger

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Dear NZ ComCom,

I am writing to express my support for the proposed merger between Microsoft and Activision Blizzard. I believe that this merger will benefit consumers, competition, and innovation in the gaming industry.

As a gamer and a fan of both companies, I think that this merger will create more value for consumers by enhancing the quality, variety, and accessibility of games. Microsoft has a proven track record of investing in and developing diverse and creative gaming content, such as Minecraft, Halo, Forza, and Bethesda games. Activision Blizzard has some of the most popular and iconic gaming franchises, such as Call of Duty, Warcraft, Overwatch, and Candy Crush. By combining their strengths and resources, Microsoft and Activision Blizzard will be able to offer more games to more players across different platforms and devices.

Moreover, this merger will not harm competition in the gaming industry, which is highly dynamic and competitive. There are many other players in the market, such as Sony, Nintendo, Tencent, EA, Ubisoft, Valve, Epic Games, Roblox, and others, who offer different types of games and services to consumers. The gaming industry is also constantly evolving with new technologies, trends, and consumer preferences. Microsoft and Activision Blizzard will face strong competitive pressure from existing and new entrants in the market.

Furthermore, this merger will foster innovation in the gaming industry by enabling Microsoft and Activision Blizzard to leverage their complementary capabilities and expertise. Microsoft has a leading edge in cloud computing, artificial intelligence, and hardware development. Activision Blizzard has a deep understanding of game design, storytelling, and player engagement. Together, they will be able to create more immersive, interactive, and innovative gaming experiences for consumers.

In conclusion, I urge you to approve this merger without any undue delay or conditions. This merger will bring positive outcomes for consumers, competition, and innovation in the gaming industry.

Also, I think that the NZ decision to not consider Nintendo as a competitor to Xbox and PlayStation is totally absurd. Nintendo is one of the largest and most successful gaming companies in the world, with a loyal fan base and a unique product offering. Nintendo's consoles and games appeal to a wide range of consumers, from casual to hardcore gamers, from children to adults, from families to individuals. Nintendo's Switch console is especially popular and versatile, as it can be used as both a handheld and a home console. Nintendo also competes with Xbox and PlayStation in the online gaming market, with its own subscription service and exclusive titles. To ignore Nintendo's role and influence in the gaming industry is to ignore reality and common sense. Therefore, the NZ decision to not consider Nintendo as a competitor to Xbox and PlayStation is flawed and biased. It does not reflect the actual situation and behavior of the

gaming market and consumers. It artificially narrows the scope and definition of competition, and unfairly favors one or two players over others. It also ignores the potential benefits and synergies that the Microsoft-Activision Blizzard merger could bring to the gaming industry, such as more innovation, diversity, and accessibility. The NZ decision is not based on facts or logic, but on assumptions and prejudices. It should be reconsidered and revised.

Another problem with the NZ decision is that it adopts the “high-performance console” market definition, invented by Sony, which only includes Xbox and PlayStation. This market definition does not exist and was made just to intentionally try to defend Sony’s business. It is biased and its use is as absurd as not considering Nintendo as a competitor to Xbox and PlayStation. The “high-performance console” market definition is based on arbitrary and subjective criteria, such as graphics, processing power, and storage capacity. It ignores other important factors that influence consumer choice and satisfaction, such as gameplay, content, price, portability, and social features. It also fails to recognize that gaming consoles are not isolated products, but part of a larger and interconnected gaming ecosystem, which includes PCs, mobile devices, cloud services, and streaming platforms. The “high-performance console” market definition is a false and misleading concept that should be rejected.

For me, there is a very clear reason of why the merger must be approved: it will bring Activision Blizzard games to a number of gamers much higher than it is without merger. Microsoft’s deals with other cloud gaming services like Nvidia Geforce Now are already happening, with Xbox games coming to that service and to the other services soon. People, on a post-merger scenario, are going to have a lot more options to play popular ABK games like Call of Duty. Before merger, it could only be played on Xbox, PlayStation and PC, and on PC it is not available on the extremely popular store Steam. With merger, it will be available on Xbox, PlayStation and PC as usually, but now we will also have Nintendo Switch, Steam, Geforce Now, Boosteroid and many others. Those cloud gaming services would also allow us to play Activision games on mobile devices, with much less cost than choosing to buy a gaming PC or Xbox/PlayStation/Nintendo. Also talking about pro-competitive effects of the deal, it would allow us to play ABK games on Xbox Game Pass, at the day of the launch, which should result in a much broader access of the games to the Game Pass subscribers. Also, Microsoft adding their games to Game Pass catalogue would make Sony, the market leader since 1994, finally have to make moves in benefit of gamers to attract more consumers, as people would be choosing to get Call of Duty and other ABK games for much less on Game Pass than paying the game at full price on PlayStation. These pro-consumer effects that Sony would be forced to do could be, for example, include their first-party games on their subscription service, like Microsoft do, and much more. Also, another pro-merger point I would like to say is the fact that ABK games will become available on the Xbox Play Anywhere program, where you can buy a game on Xbox and you already have the same copy of the game on PC, without having to pay it again. That is extremely pro-consumer. To finish, Nvidia, Boosteroid and others are all fully in favor of the deal, and are supporting almost 40 countries that approved the deal, including the US (with San Francisco ruling), EU, Brazil, Chile, Ukraine and much more.

Alongside with that, I would also like to explain why each of the NZ ComCom concerns over the merger are invalid. I think that the NZ ComCom is completely wrong with these concerns, and I will explain why. First of all, the “high-performance console” market definition is invalid and arbitrary, as it excludes Nintendo and other gaming platforms that compete with Xbox and PlayStation. Nintendo is a major player in the gaming industry, with a large and loyal fan base and a unique product offering. Nintendo’s Switch console is especially popular and versatile, as it can be used as both a handheld and a home console. Nintendo also competes with Xbox and PlayStation in the online gaming market, with its own subscription service and exclusive titles. To ignore Nintendo’s role and influence in the gaming industry is to ignore reality and common sense. Secondly, the merger would not give Microsoft an unfair advantage or market power over its rivals, as the gaming industry is highly dynamic and competitive. There are many other players

in the market, such as Sony, EA, Ubisoft, Tencent, Valve, Epic Games, Roblox, and others, who offer different types of games and services to consumers. The gaming industry is also constantly evolving with new technologies, trends, and consumer preferences. Microsoft and Activision Blizzard would face strong competitive pressure from existing and new entrants in the market. Thirdly, the merger would not create a risk of foreclosure or degradation of Activision Blizzard's games on other platforms, as Microsoft has stated that it will continue to support and distribute Activision Blizzard's games on all platforms where they are currently available. Microsoft has also shown that it is willing to cooperate and collaborate with other platforms, such as Sony and Nintendo, to enable cross-play and cross-progression features for some of its games. Microsoft has no incentive to alienate or harm its customers or partners by restricting or reducing the quality of Activision Blizzard's games on other platforms. Also, Microsoft has under oath that it will not make Call of Duty exclusive to Xbox Series X|S. To add, EA, Valve, Nintendo, Take-Two, Tencent, Nintendo, almost all cloud gaming service providers owner's and more fully support the deal. Fourthly, the merger would not harm innovation and diversity in the gaming industry, but rather enhance them by enabling Microsoft and Activision Blizzard to leverage their complementary capabilities and expertise. Microsoft has a leading edge in cloud computing, artificial intelligence, and hardware development. Activision Blizzard has a deep understanding of game design, storytelling, and player engagement. Together, they would be able to create more immersive, interactive, and innovative gaming experiences for consumers. The merger would also create more value for consumers by enhancing the quality, variety, and accessibility of games. In conclusion, I urge the NZ ComCom to reconsider its concerns and approve this merger without any undue delay or conditions. This merger would bring positive outcomes for consumers, competition, and innovation in the gaming industry.

Thank you for your attention and consideration.

Sincerely,

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