Strategic Motivation and Effectiveness Analysis of Microsoft's Acquisition of Activision Blizzard - An Empirical Study Based on Valuation and M&A Performance

Tong Tong

Massey College, Nanjing University of Finance and Economics, Nanjing, 210023, China
dick.ma@kellychem.com.cn

Abstract. As global technology companies become increasingly competitive in content and platform integration, strategic mergers and acquisitions (M&A) have become an important means for large corporations to rapidly expand their ecosystems and technological capabilities. In 2022,Microsoft announced that it had acquired Activision Blizzard, a globally recognized gaming company, for approximately $68.7 billion, making it the largest M&A in the gaming industry to date. This paper takes this M&A event as the research object and systematically analyzes the motivation, valuation reasonableness and its impact of Microsoft's acquisition of Activision Blizzard. By analyzing the financial impact and market reaction of Microsoft's acquisition of Blizzard, this paper points out that the deal will not only help Microsoft strengthen its layout in the mobile game and cloud game market, but also further enhance its content ecosystem and subscription service integration capability. The study shows that the acquisition embodies the typical strategic path of platform-based technology enterprises to acquire content resources and realize user ecological stickiness through acquisition, which is an important revelation for the future trend of M&A in the technology industry.

Keywords: Strategic Mergers and Acquisitions, Microsoft-Activision Blizzard Acquisition, Platform Ecosystem Expansion.

1 Introduction

With the rapid development of Internet technology and the acceleration of digital transformation, the Internet industry has widely penetrated into the fields of e-commerce, social networking, cloud computing, artificial intelligence and entertainment. Especially in the entertainment and gaming industry, emerging technologies such as virtual reality, cloud gaming, and AI have accelerated to the ground, driving industry change. In this context, corporate M&A has become an important means to promote technology integration, market expansion and acquisition of competitive advantages.

Since the late 1990s, Internet companies have been expanding rapidly through M&A and integrating resources to improve market competitiveness. After entering the 2010s, M&A extended to cutting-edge fields such as cloud services and artificial intelligence,

M. M. Husin (ed.), *Proceedings of the 2025 International Conference on Financial Innovation and Marketing Management (FIMM 2025)*, Advances in Economics, Business and Management Research 353,
https://doi.org/10.2991/978-94-6463-874-5_141

such as Microsoft's acquisition of LinkedIn and GitHub. In recent years, Internet M&A has become increasingly globalized, with the focus of competition shifting from traffic to ecological layout, and content assets becoming the core of technology giants' strategies. Internet mergers and acquisitions have entered a more complex and globalized stage, and the global Internet industry is experiencing a profound transformation from traffic competition to ecological competition, with content assets becoming a core element of the strategic layout of technology giants.

Different scholars have put forward their own views on the motives of M&A. Keith D. Brothers et al. (1998) summarized the motives of M&A into three main categories: economic, personal and strategic motives [1]. Liu Ruibo (2000) analyzed the characteristics and motives of the fifth wave of M&A in the 1990s by comparing the five waves of M&A in Western countries. He argues that M&A in this period is characterized by cross-border M&A predominance, diversification of M&A methods, huge M&A amounts, and horizontal M&A becoming mainstream. The drivers of M&A include global economic integration, advancement of high technology, pursuit of economies of scale, stock speculation, acquisition of market share, and tax relief [2]. Liu Shengfu and Liu Guoxin (2003), on the other hand, analyze the motivation of the new wave of M&A from the background of global economic internationalization and regional economic integration, and discuss it from both macro and micro levels. At the macro level, the rapid development of science and technology, the rise of the new economy, the advancement of the economic globalization process, and the relaxation of government policies and investment liberalization are the main reasons for promoting M&A; at the micro level, the change of enterprise management, the demand for development, the development of new markets and the acquisition of new technologies are the important motives for enterprises to carry out strategic mergers and acquisitions [3].

As the world's leading technology company, Microsoft's layout in the gaming industry has always attracted much attention. Since the launch of the Xbox game console, Microsoft has gradually developed into an important player in the global game market. And Blizzard Entertainment, as a globally recognized game developer, owns several market-leading game IPs, such as World of Warcraft, Starcraft and Call of Duty, which are loved by players around the world.2022 In January, Microsoft announced that it had acquired Blizzard at a price of $68.7 billion, which set a new record for the scale of mergers and acquisitions in the Internet industry. The move signaled Microsoft's further expansion in the global competition in the gaming industry, and also provided richer content support for its cloud computing platform, Azure. According to Newzoo's Global Gaming Market Report 2022, 3.2 billion players will help the global gaming market generate $196.8 billion in revenue in 2022, a 2.1 percent increase year-over-year. By 2025, players will grow to 3.5 billion, helping the market generate $225.7 billion in revenue. This explosive growth has made high-quality gaming IPs a scarce strategic resource, which has directly contributed to the M&A race around content assets by tech companies such as Microsoft and Sony.

Based on the above background, this paper takes Microsoft's acquisition of Blizzard as the object of study, outlines the company profiles of both sides of the merger and acquisition, the motivation of the merger and acquisition, the pre-merger valuation and the post-merger impact, and puts forward the relevant suggestions, with a view to providing theoretical references and practical insights for similar mergers and acquisitions in the future. The case reflects the typical features of current M&A of Internet companies, such as technology integration, scale effect and globalization trend. As pointed out by Xie Yizhang (2023), this kind of M&A may not only trigger technological monopoly, but also affect the national competitiveness and international pattern, which is of important research value [4].

2 Corporate Profile of Both Parties to the Merger and Acquisition

Founded in 1975 and headquartered in Washington State, USA, Microsoft is one of the most influential technology companies in the world. In recent years, while consolidating its traditional strengths (such as Windows and Office), Microsoft has actively transformed itself into a technology platform-oriented enterprise centered on cloud computing and digital services. Its Azure cloud service, GitHub platform, and LinkedIn and other mergers and acquisitions have fully demonstrated its globalization strategy oriented to technology integration and ecological construction. In the gaming field, Microsoft has built a complete hardware and content ecosystem through the Xbox platform and has successively acquired a number of well-known game companies to enhance content competitiveness and user stickiness. The acquisition of Activision Blizzard marks Microsoft's strategic upgrade to accelerate its entry into the high-end content market of the gaming industry, and is an important step in strengthening its dual-engine drive of "game + cloud services".

Founded in 2008, Activision Blizzard, headquartered in California, is one of the world's most important 3A game developers and publishers, and was formed through the merger of Activision and Blizzard Entertainment. The company owns a number of globally recognized IPs such as Call of Duty, World of Warcraft, Diablo, Overwatch, Candy Saga, etc., covering three platforms: console games, PC-based games and mobile games. Activision Blizzard has built a diversified product portfolio covering both heavy and casual players through integrated content development and globalized distribution system. Meanwhile, the company also continues to expand in e-sports, subscription services and digital platforms to provide continuous growth momentum for the future digital entertainment ecosystem. Microsoft's acquisition is based on the strategic value of Activision Blizzard's high-quality content, user base and global distribution capabilities.

3 Motivation for the Acquisition

3.1 Reasons for Microsoft's Acquisition

Industry pattern of competition among the gaming trio. The global gaming industry is currently dominated by three giants-Microsoft, Sony and Tencent. Tencent, as the world's largest video game company, owns a number of popular game IPs including Honor of Kings and PUBG; Sony, with its PlayStation platform and its powerful first-party game studios, dominates the global market share (see Figure 1). By acquiring Activision Blizzard, Microsoft aims to boost its position in the global market, thus becoming the world's third largest gaming company after Tencent and Sony. With this, Microsoft hopes to gain more market share and user base in an increasingly competitive market.

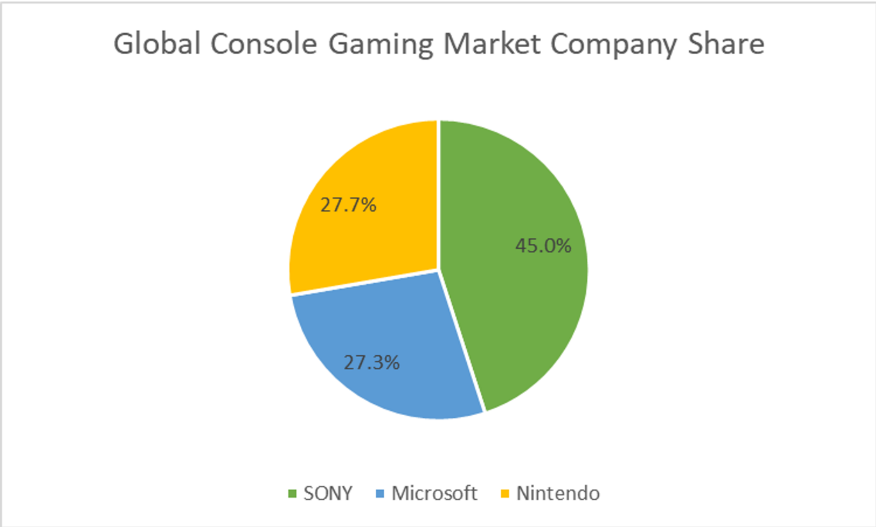

Fig. 1. Global market share of game consoles (Data source: Ampere Games-Markets)

Activision Blizzard is a core player in the gaming industry and owns a number of well-known game Ips. Activision Blizzard owns a number of well-known game IPs under its banner such as Call of Duty, World of Warcraft, Candy Crush, Starcraft, etc., and these games have a huge user base and strong market appeal globally. By acquiring Activision Blizzard, Microsoft is able to occupy a more favorable position in the global gaming industry and enhance its competitiveness in the global market. As can be seen from the Figure 2, Microsoft is ranked No. 4 and Activision Blizzard is ranked No. 8 in the Top10 of listed gaming companies in 2020, and after the acquisition is completed, Microsoft will become the world's third-largest gaming company after Tencent and Sony.

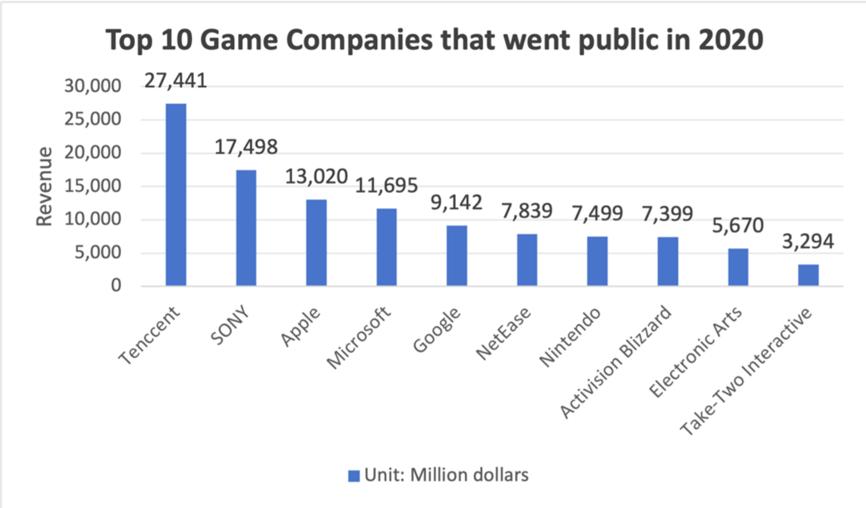

Fig. 2. Top 10 gaming companies to go public in 2020 (Data source: Newzoo)

Microsoft seeks synergistic development of game content, technology and community. Microsoft hopes to promote the all-round development of its game business by integrating the resources of Activision Blizzard. Microsoft's gaming business is currently dominated by Xbox content, services and hardware sales, and is committed to driving business growth through a triad of content, community and cloud gaming. in 2021, Microsoft's gaming revenue reached $16.3 billion, comprising 8.8% of its total revenue, a year-on-year increase of 17.7%. This was driven by the launch of Xbox Series X|S, the performance of games from first-party studios, and subscriber growth from Xbox Game Pass. With the acquisition of Activision Blizzard, Microsoft will realize business synergies through the integration of content, technology and community. Microsoft has multiple owned game studios (Xbox Game Studios) and has acquired companies such as Bethesda Softworks, which has resulted in a richer set of first-party game content. Activision Blizzard owns a number of multi-platform quality game IPs. After the acquisition, Microsoft's game studios will expand to 34, further enriching its game content. In addition, Microsoft offers two main types of membership services: Xbox Live and Xbox Game Pass, with the former providing users with multiplayer connectivity and social features, and the latter providing subscribers with rich gaming content. Activision Blizzard has 400 million monthly active gaming users globally, which will bring Microsoft a stronger user base to further drive the development of Microsoft's cloud gaming and subscription services.

Capital operation and all-terminal game layout. Activision Blizzard has a strong “merger and acquisition gene”, through capital operation to create a full terminal platform game layout. In the Activision stage (1997-2007), the company has acquired 13 game studios, expanding a number of popular categories and gameplay; the merger with Blizzard in 2008 further strengthened Microsoft's computer game business; in 2016, the company acquired King, the developer of the mobile game “Candy Saga”, and successfully expanded its business to mobile games, realizing the layout of all-terminal platform games. In addition, Activision Blizzard has also cooperated with Tencent, NetEase and other manufacturers to adapt high-quality game IP for handheld games. Through the acquisition of Activision Blizzard, Microsoft will further consolidate its market position in each terminal platform and continue to promote the integration of the whole terminal game ecosystem.

Promote the long-term development of cloud games and subscription services. The addition of Activision Blizzard will further enhance Microsoft's competitiveness in cloud games and subscription services. Through its existing hardware, technology and channel advantages, Microsoft is able to empower all-terminal content and drive the growth of these businesses in the future. By combining Activision Blizzard's premium game content and Microsoft's cloud technology, Microsoft is expected to take a leadership position in the future cloud gaming market.

3.2 Reasons for Blizzard's Sale

Influence of platform factors. The competition pattern of the game industry has gradually shifted to be dominated by platforms, and the development cost and time of games are getting higher and higher, which puts game companies in a disadvantageous position when negotiating with platforms. Platforms not only control the flow, but also have the capital advantage, forming a “vertical integration of a dragon” mode, with a strong market control. Some platforms even adopt an exclusive policy, which limits developers' distribution on specific platforms. For example, 81% of the revenue of Nintendo's Switch platform comes from its own games, while the share of third-party developers on this platform is relatively small. Facing such a platform-dominated market, Activision Blizzard and other game companies are in a passive position in the competition, with profit margins gradually compressed and profitability and market share greatly challenged.

Game development costs and negotiation disadvantages. With the continuous rise of game development costs, Activision Blizzard and other large game companies are feeling more and more pressure in the cooperation with platforms. Game development requires huge capital investment and a long research and development cycle, while platforms control distribution channels and market traffic. The platform-dominated market environment has put these game companies at an increasingly serious negotiating disadvantage in their cooperation with platforms. For example, platforms are usually able to prioritize the promotion of their own games, while third-party games are often limited in resource allocation. Activision Blizzard likely realized that continuing to operate independently would put it under greater financial and operational pressure to compete with platforms. Therefore, a sale to a technology giant like Microsoft would not only provide it with stronger capital support, but also ensure better distribution and marketing of its game content on the platform.

Changes in industry structure. The structure of the game industry is gradually shifting to a platform-led model, where the platform is not only a distribution channel for games, but also has a firm grip on the market share through exclusive content and its own ecosystem. Activision Blizzard, under this industry trend, may believe that it will face tremendous pressure to survive if it continues to operate independently. Partnering with a leading global technology company such as Microsoft can leverage Microsoft's strong platform and technological advantages to optimize game distribution channels and enhance its competitiveness in the market. By merging with Microsoft, Activision Blizzard will be able to leverage Microsoft's hardware, cloud services and large user base to better expand its global market and gain a more stable and sustainable source of revenue.

4 Pre-Merger Valuation

According to Activision Blizzard's full year 2021 financial results, its core financials are as Table 1, as below.

Table 1. Activision Blizzard FY2021 Core Financials.

Indicator	Amount (billions of dollars)
Operating Revenue	8.803
Net Income	2.699
Income Tax	0.465
Operating Costs	2.317
Operating Expenses	3.335
EBITDA	3.151

This study uses the enterprise value multiple approach (EV/EBITDA) for valuation analysis. Based on Activision Blizzard's 2021 earnings report, Microsoft acquired Activision Blizzard for approximately $68.7 billion, which equates to an EV/EBITDA multiple of 21.8x, a price-to-earnings (PE) ratio of 25.5x, and a price-to-sales (PS) ratio of 7.8x for Activision Blizzard. From a market perspective, Microsoft's acquisition of Activision Blizzard for $95 per share represents a premium of about 46% to the pre-announcement Activision Blizzard share price (about $65). This premium is higher than the average financial M&A (typically 20%-30%), but is common in technology M&A with strategic synergy expectations, suggesting strong strategic synergy potential in this acquisition.

5 Analysis of the Impact of Mergers and Acquisitions

5.1 Financial Impact

Profitability. Table 2 shows the changes of Microsoft's total revenue, net profit and earnings per share (EPS) before and after the merger and acquisition, and the full fiscal year revenue after the merger and acquisition is $245.1 billion, with a synchronized growth of 15.67%, and the net profit is $88.14 billion, with a year-on-year growth of 21.80%. The acquisition gave Microsoft's gaming business revenues of $21.5 billion, up 39% year-over-year, and 44% year-over-year in the fourth quarter; with Xbox content and services up 50% year-over-year for the full fiscal year, and 61% year-over-year in the fourth quarter. Among them, the growth of the game business comes entirely from Microsoft's acquisition of Activision Blizzard, if you exclude the impact of the acquisition, the fourth quarter of the total game revenue will be down 4% year-on-year.

Table 2. Changes in Microsoft's profitability before and after the merger and acquisition.

profitability	FY 2022-2023 (in billions of dollars)	FY 2023-2024 (in billions of dollars)	increase year-on-year
Revenue	211.9	245.1	15.67%
Net profit attributable to owners of the parent	72.36	88.14	21.80%
Basic Earnings Per Share	0.972	1.186	22.02%

Capital Structure. Impact Zhang Ziwon points out that in the process of mergers and acquisitions (M&A), it is crucial to reasonably assess the value of the acquired enterprise as well as to choose an appropriate payment method. [5] If there is a lack of in-depth understanding of the profitability, asset status and operation of the acquired enterprise, or the payment method is inappropriate, it will likely increase the financial risk, which in turn will affect the sustainable development of the enterprise. Microsoft chose to acquire Activision Blizzard for $68.7 billion in cash, and its free cash flow showed a significant increase despite paying a huge acquisition fee. According to the financial data, Microsoft's free cash flow of $59.475 billion in FY2022-2023 has grown to $74.071 billion by FY2023-2024, an increase of about 24.5%. This change indicates that Microsoft has not only effectively managed its post-acquisition capital needs, but also optimized its cash flow performance through the integration of Activision Blizzard.

The acquisition had a significant impact on Microsoft's capital structure. Despite paying a high amount of cash, Microsoft did not rely on debt financing, which kept its leverage level low and avoided adding additional debt burdens. After paying for the acquisition, Microsoft's cash reserves declined in the short term, but with the recovery and growth of free cash flow, the company's capital structure did not change significantly and leverage risk was effectively controlled. This reflects Microsoft's robustness in capital management on the one hand, and enhances the market's confidence in its solvency and financial stability on the other.

The increase in free cash flow from the acquisition of Activision Blizzard was mainly due to Activision Blizzard's contribution in revenue and profit. Activision Blizzard's profitability, as well as the integration of its IP, has significantly enhanced Microsoft's cash flow performance. In particular, Microsoft's cash flow was further enhanced with the commercialization of its game subscription services and core IP. This growth has not only enhanced Microsoft's ability to be self-funding, but also provided it with more financial security for future strategic investments.

In the long run, Microsoft will further integrate Activision Blizzard's resources through this acquisition, optimize its gaming ecosystem and enhance its overall profitability. Therefore, it is expected that Microsoft's free cash flow will continue to grow in the coming years, further consolidating the stability of its capital structure and providing strong support for the company's sustainable development.

The chart shows the changes in Microsoft's free cash flow before and after the M&A, reflecting the effect of Microsoft's capital management after paying for the acquisition as well as the rebound trend of cash flow brought by the M&A. Despite the pressure of paying huge amount of cash in the short term, Microsoft, with its strong profitability and cash flow management ability, has successfully realized the recovery and growth of cash flow, further proving the strategic significance of the M&A.

Table 3. Changes in Microsoft's cash flow before and after the merger.

	FY 2022-2023 (in billions of dollars)	FY 2023-2024 (in billions of dollars)
Free Cash Flow	59.475	74.071

5.2 Market Reaction

Change in Activision Blizzard's Stock Price. After Microsoft announced the acquisition of Activision Blizzard, Activision Blizzard's stock price rose rapidly (see Figure 3). According to the chart, on January 18, 2022, Activision Blizzard's stock price increased from $65.3 prior to the announcement to approximately $82, an increase of nearly 26%. This significant increase reflects the market's recognition of the acquisition premium paid by Microsoft. The significant premium paid by Microsoft for the acquisition of Activision Blizzard indicates that the market generally believes that the transaction will provide Activision Blizzard shareholders with a sizable return on capital. In their empirical study, Lanlan Huang, Jianbo Dong, and Shengnian Wang (2024) point out that corporate mergers and acquisitions (M&A) behavior tends to have a significant impact on the stock price of the target company and bring substantial benefits to the target company's shareholders [6]. The rapid rise in Activision Blizzard's stock price is a reflection of this phenomenon, and investor confidence has been significantly enhanced in anticipation that Microsoft's premium will effectively enhance shareholder returns.

Fig. 3. Change in Activision Blizzard's share price before and after the merger and acquisition (Data source: WIND)

Change in Microsoft's share price. Compared to Activision Blizzard's share price volatility, Microsoft's share price reacted more moderately (see Figure 4). Microsoft's stock price fell slightly in the days after the M&A announcement, from US$310 on January 13, 2022 to US$302 on January 18th. This volatility reflected some market concern about the financial pressures on Microsoft to pay high amounts of cash for acquisitions. Nonetheless, Microsoft's stock price did not decline significantly and remained around $300 overall. This suggests that despite the short-term financial pressures facing Microsoft, investors maintain some confidence in its long-term strategy and earnings growth potential.

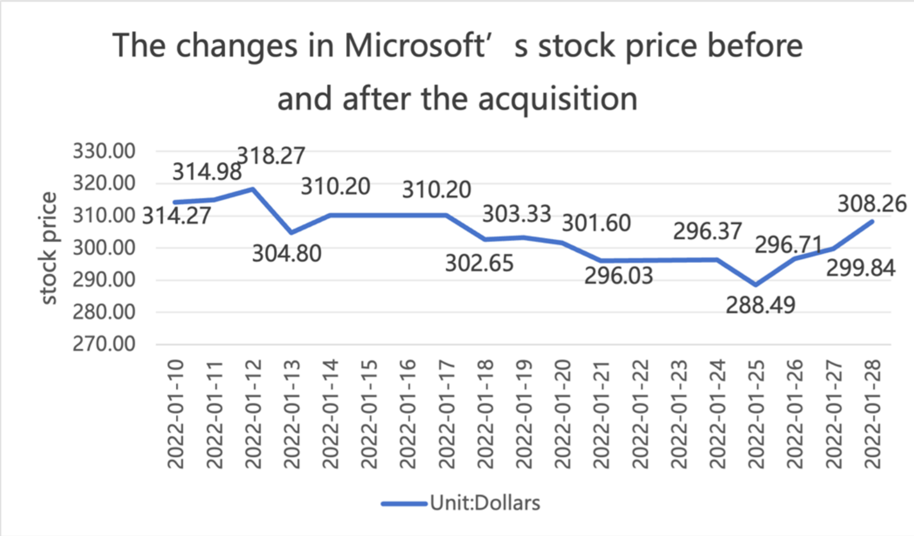

Fig. 4. Change in Microsoft's share price before and after the merger (Data source: WIND)

Acquisition premium. In this transaction, Microsoft paid $95 per share for the acquisition of Activision Blizzard, while Activision Blizzard's share price was $65.3 before the announcement. As a result, Microsoft paid a premium of $30.7, a premium of approximately 45.5%. This level of premium is significantly higher than the prevailing level in the market, indicating that Microsoft highly values Activision Blizzard's future growth potential and strategic value, and that it is providing its shareholders with a strong return by paying a high premium. The high premium paid also reflects the importance Microsoft placed on Activision Blizzard's core assets and market position during the acquisition process, with the aim of enhancing its competitiveness in the global gaming industry by integrating its game content and user base. Lan Faqin and Guowen Ting (2022) pointed out in their study that there is a positive matching effect between the acquisition premium and the subject company's earnings quality, and the higher the fit between the premium and the subject company's long-term performance, the more likely the acquirer's merger and acquisition performance is to meet expectations. [7] Therefore, the high premium paid by Microsoft for Activision Blizzard not only reflects the importance it attaches to Activision Blizzard's core assets, but also indicates that Microsoft expects that the synergies brought about by the integration will bring it higher returns.

6 Discussion

Microsoft's acquisition of Activision Blizzard has resulted in significant synergies, particularly in terms of content integration, platform expansion, and diversification of profit models. The acquisition not only brought Microsoft world-leading game IPs such as World of Warcraft and Call of Duty, but also further enhanced its competitiveness in the global game market by integrating Activision Blizzard's resources.

Firstly, the integration of Activision Blizzard's core game IPs with Microsoft's own game studios creates a strong synergy effect. By incorporating Activision Blizzard's game content into subscription services such as Xbox Game Pass, Microsoft is able to attract more users and increase the stickiness of the platform. At the same time, Activision Blizzard's presence on multiple platforms (consoles, PCs, mobile devices) enables Microsoft to expand its content coverage and enhance the attractiveness and competitiveness of its platforms. This integration significantly enhances Microsoft's gaming ecosystem and lays a solid foundation for future profitable growth.

Secondly, platform expansion is another key highlight of the acquisition. The Activision Blizzard acquisition enables Microsoft to expand into multiple markets, particularly into the mobile gaming market dominated by Activision Blizzard. With the rapid growth of the mobile gaming market, Activision Blizzard's influence provides Microsoft with significant market opportunities. In addition, by integrating Activision Blizzard's game content with its cloud service platform, Microsoft can realize cross-platform synergies and promote cloud gaming and user experience enhancement, thereby increasing its revenue streams and further boosting its market share in the global gaming industry.

In terms of diversification of profit models, the addition of Activision Blizzard will enrich Microsoft's revenue channels. Activision Blizzard generates revenues from a variety of sources, including game sales, in-app purchases, subscription services, and advertising. By combining these revenue streams with its existing subscription services (e.g., Xbox Game Pass, Azure) and hardware sales, Microsoft has further strengthened its leadership position in the global entertainment industry and diversified its revenue.

However, despite the many positive synergies from the M&A, Microsoft still faces integration risks and financing risks. Microsoft paid a premium of up to 45.5 per cent, and there is still uncertainty as to whether this premium can be sufficiently rewarded through the subsequent integration of resources. In addition, how to coordinate the different corporate cultures, operating systems, and technology platforms of the two companies during the integration process will also be a huge challenge. Microsoft needs to invest more efforts in resource integration, teamwork, and marketing to ensure that synergies are maximized.

Cross-border M&A, especially in the Internet industry, often faces many risks. Liu Desheng pointed out that insufficient understanding of the target company, information asymmetry, more uncertainty factors, difficulties in resource integration due to cross-industry M&A, and limited resources of the acquirer itself may increase financial risks [8]. Zhu Lianmei and Wang Qinghe also suggested that financial risks of corporate M&A often stem from difficulties in obtaining information about the target company, imperfect evaluation system, single financing channel, unreasonable financing structure, inappropriate choice of payment method, inadequate integration work, and unreasonable integration of assets and liabilities [9]. Bodt et al. argue that the acquirer's financial constraint ability is crucial to the choice of M&A payment method, and the stronger the financial constraint, the lower the financial risk [10]. Therefore, when enterprises carry out mergers and acquisitions, they should select the M&A targets scientifically based on their own development strategies, focusing on the realization of resource complementarity and synergies. At the same time, financing and payment methods should be reasonably planned to effectively control the financial risk. In addition, the evaluation of M&A performance should take into account the short-term financial returns and long-term strategic value, and establish a continuous evaluation mechanism to ensure that M&A can become an important driving force for the sustainable development of enterprises.

7 Conclusion

Through the above study, it is found that the transaction is not only a large-scale M&A deal, but also reflects Microsoft's strategic layout in the global game market, cloud computing, and subscription services. The M&A has strengthened Microsoft's content ecosystem, and by integrating Activision Blizzard's high-quality game IPs and multi-platform resources, Microsoft's market position in the game business has been significantly improved, while also promoting the development of its cloud services and subscription business.

In terms of profitability, the addition of Activision Blizzard has brought Microsoft new revenue growth points and enriched its profit model. By introducing popular game content into Xbox Game Pass, Microsoft attracted more users and enhanced platform stickiness. The diversified profit channels also provide a more solid support for its future financial performance.

In terms of capital structure, although Microsoft paid a high premium, thanks to its solid cash flow, the transaction has limited impact on its financial position, demonstrating good capital operation capability. In terms of market reaction, the market reacted positively to this merger and acquisition, and investors were generally optimistic about its strategic significance and long-term value.

Microsoft's acquisition of Activision Blizzard, as a strong alliance between a global technology giant and a top game developer, not only reshaped the pattern of the global gaming industry, but also symbolized an important step in the trend of deep integration of technology enterprises in the digital content and service ecosystem.

References

1. Brouthers, K.D., van Hastenburg, P., van den Ven, J.: If most mergers fail why are they so popular? Long Range Planning 31, 347–353 (1998)
2. Liu, R.: Analysis of the latest features and motivations of global corporate mergers and acquisitions. Economic Research Reference 46, 17–23 (2000)
3. Liu, S., Liu, G.: Performance characteristics, motivation and economic explanation of cross-border mergers and acquisitions of enterprises. Science and Technology Management Research 3, 23–28 (2003)

4. Xie, Y.: Trends, competition concerns, and antitrust responses to global technology mergers and acquisitions. Journal of Dalian University of Technology (Social Science Edition) 44(3), 84–92 (2023)
5. Zhang, Z.: Analysing the financial risks in the merger and acquisition of Jiangzhong Pharmaceutical by China Resources Pharmaceutical. National Circulation Economy (15), 94–95 (2020)
6. Huang, L., Dong, J., Wang, S.: Does corporate M&A strategy affect stock mispricing? Finance and Economics (2), 46–59 (2024)
7. Lan, F., Guo, W.: Matching effects in corporate mergers and acquisitions: A study of the impact of M&A premiums and earnings quality of the target firms on M&A performance. Economic Theory and Economic Management 42(5), 50–64 (2022)
8. Liu, D.: Analysis and prevention of financial risks of corporate mergers and acquisitions. Small and Medium-sized Enterprises Management and Technology (15), 148–150 (2022)
9. Zhu, L., Wang, Q.: Research on financial risks of corporate mergers and acquisitions. Contemporary Accounting (9), 3–4 (2017)
10. Bodt, E.D., Cousin, J.G., Officer, M.S.: Financial constraints, ownership dilution, and the method of payment in M&A transactions. Journal of Corporate Finance 75, 102250 (2022)