

Netflix puts 'Fortnite' in crosshairs as streaming wars heat up

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The survival video game Fortnite was named by Netflix CEO Reed Hastings as a potential rival for consumer screen time

Netflix, moving to fend off the challengers in the war for streaming media dominance, is taking aim at competitors from the video game world, notably "Fortnite."

The dominant online television service has begun efforts to become more interactive as part of an effort to keep its viewers from turning to service like Epic Games' Fortnite and Microsoft Xbox video games.

Netflix chief executive Reed Hastings spoke of competition from the video game sector this month as he discussed the quarterly results from the company with 140 million worldwide subscribers.

"I think about it really as us winning entertainment time away from other activities... Xbox, 'Fortnite,' or HBO or a long list," Hastings said.

"We compete so broadly with all these different providers."

A billion hours of television content is watched daily in the US, and Netflix accounts for about a tenth of it, according to Hastings.

Hastings was asked about plans by Disney to launch a streaming [television service](#) this year, pulling coveted content such as shows starring blockbuster Marvel action heroes in the process.

But he appeared to focus on how consumers spend their [screen time](#), including the growing market for participatory games and eSports including Fortnite.



CEO Reed Hastings says Netflix faces competition from a variety of rivals including interactive video games

Battle for time

"The idea is that time is a lot more finite than money seems to be, so getting people engaged and stuck is how you can generate dollars," NDP Group video games industry analyst Mat Piscatella told AFP.

Microsoft has focused intensely on building ranks of users and getting them to spend more time on Xbox consoles. The technology titan is working on streaming games from the internet cloud.

Amazon-owned Twitch boasts that it streams [game play](#) to online audiences that surpass those of Netflix.

"Interest only seems to be growing," Piscatella said of [game](#) play on a gamut of internet-linked devices.

"I think people like to be participatory instead of sitting back; although sitting back definitely has its time and place."

Netflix has been interested in making videos more interactive for some time, and recently released a "Bandersnatch" episode of techno-dystopia series "Black Mirror" that lets viewers make choices that influence the story.

"We are starting to see Netflix figure out interactive elements," Piscatella said.



Netflix is working on new interactive features for its videos including one for its "Black Mirror" show

"It will be fun to watch."

Netflix executives promised there will be more interactive shows at the service.

"This one has storytellers salivating," Netflix chief content officer Ted Sarandos said of the interactive "Black Mirror" episode during the earnings presentation.

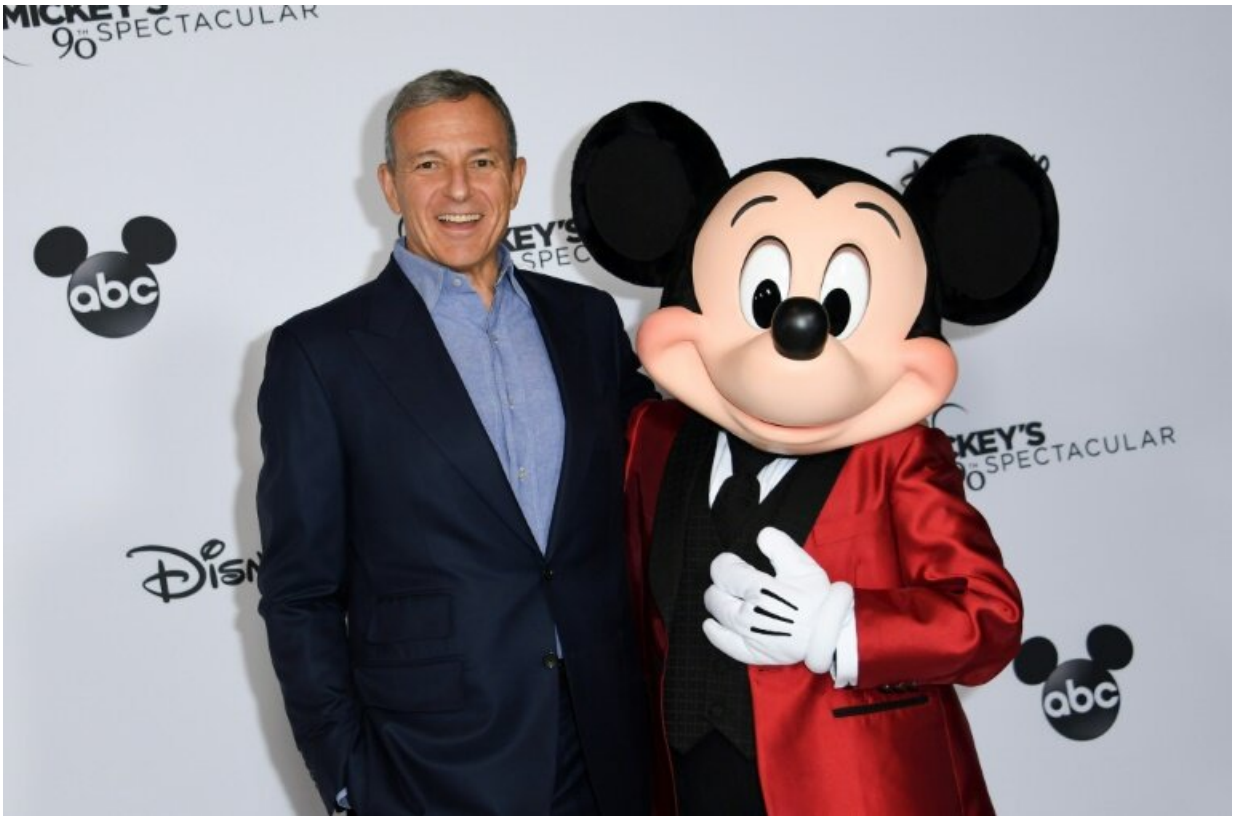
'Double Whammy'

Video games and sleep may vie for people's time, but rival streaming services rank much higher when it comes to real competition for Netflix, contended eMarketer principal analyst Paul Verna.

Verna thought it unlikely that Fortnite is a major rival for Netflix when it comes to winning people's leisure time.

While people have a wide array of entertainment options, television streaming services such as Hulu, HBO Now, and Amazon Prime are more viable threats to Netflix, the analyst reasoned.

"Discretionary spending and entertainment media all play into the same ecosystem, but I would put them on a spectrum," Verna said.



Some analysts say rival streaming services including from Disney, whose CEO Robert Iger is seen here, pose a challenge to market leader Netflix

He placed rival television streaming services at the high end of the competitive spectrum for Netflix, while Fortnite along with Facebook Watch and YouTube were at the low end.

"What Netflix should be worried about is the direct competitors and the services coming down the pike within a year," Verna said.

Some of the services come with a "double-whammy" of companies behind them, such as Disney, also pulling their content from Netflix to lure away subscribers.

Despite the competition, streaming television market leader Netflix is in a strong position, according to the analyst.

Netflix has been relentlessly investing in original content, and having success with films such as "Roma" which won Golden Globe awards along with Oscar nominations, including one for best picture.

"They have a lot going for them," Verna said of Netflix.

"That doesn't mean they don't have a lot of competition and growth won't slow, but I expect them will remain at the top for a good long time."

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