

The Overwatch League, the first major global professional esports league with city-based teams, completed its second season in 2019 and began its third season in February 2020. During 2019, we also sold the first 12 teams for the Call of Duty League, which began its first season in January 2020.

International Sales

International sales are a fundamental part of our business. An important element of our international strategy is to develop content that is specifically directed toward local cultures and customs. Net revenues from international sales accounted for approximately 54%, 54%, and 55% of our total consolidated net revenues for the years ended December 31, 2019, 2018, and 2017, respectively. The majority of our net revenues from foreign countries are generated by consumers in Australia, Brazil, Canada, China, France, Germany, Italy, Japan, the Netherlands, South Korea, Spain, Sweden, and the United Kingdom. Our international business is subject to risks typical of an international business, including, but not limited to, foreign currency exchange rate volatility and changes in local economies. Accordingly, our future results could be materially and adversely affected by changes in foreign currency exchange rates and changes in local economies.

Operating Metrics

The following operating metrics are key performance indicators that we use to evaluate our business. The key drivers of changes in our operating metrics are presented in the order of significance.

Net bookings and In-game net bookings

We monitor net bookings as a key operating metric in evaluating the performance of our business because it enables an analysis of performance based on the timing of actual transactions with our customers and provides more timely indication of trends in our operating results. Net bookings is the net amount of products and services sold digitally or sold-in physically in the period, and includes license fees, merchandise, and publisher incentives, among others. Net bookings is equal to net revenues excluding the impact from deferrals. In-game net bookings primarily includes the net amount of downloadable content and microtransactions sold during the period, and is equal to in-game net revenues excluding the impact from deferrals.

Net bookings and in-game net bookings were as follows (amounts in millions):

	For the Years Ended December 31,		Increase (Decrease)
	2019	2018	
Net bookings	\$ 6,388	\$ 7,262	\$ (874)
In-game net bookings	\$ 3,366	\$ 4,203	\$ (837)

Net bookings

The decrease in net bookings for 2019, as compared to 2018, was primarily due to:

- a \$572 million decrease in Blizzard net bookings primarily driven by (1) lower net bookings from *Hearthstone* and (2) overall lower net bookings from *World of Warcraft* expansion and in-game content sales, primarily due to *World of Warcraft: Battle for Azeroth*, which was released in August 2018, with no comparable release in 2019 (although net bookings from subscriptions increased due to the release of *World of Warcraft Classic* in August 2019);
- a \$239 million decrease in Activision net bookings primarily driven by (1) lower net bookings from the Destiny franchise (reflecting our sale of the publishing rights for Destiny to Bungie in December 2018) and (2) lower net bookings from Call of Duty franchise catalog titles, partially offset by net bookings from *Sekiro: Shadows Die Twice*, *Crash Team Racing Nitro-Fueled*, and *Call of Duty: Mobile*, which were new releases in March 2019, June 2019, and October 2019, respectively; and