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# Agenda

- Overview and Statistics
- Marketing and Promotions
- Site Improvements
- Portfolio
- Getting Your Game onto Xbox LIVE Arcade
- Questions and Answers





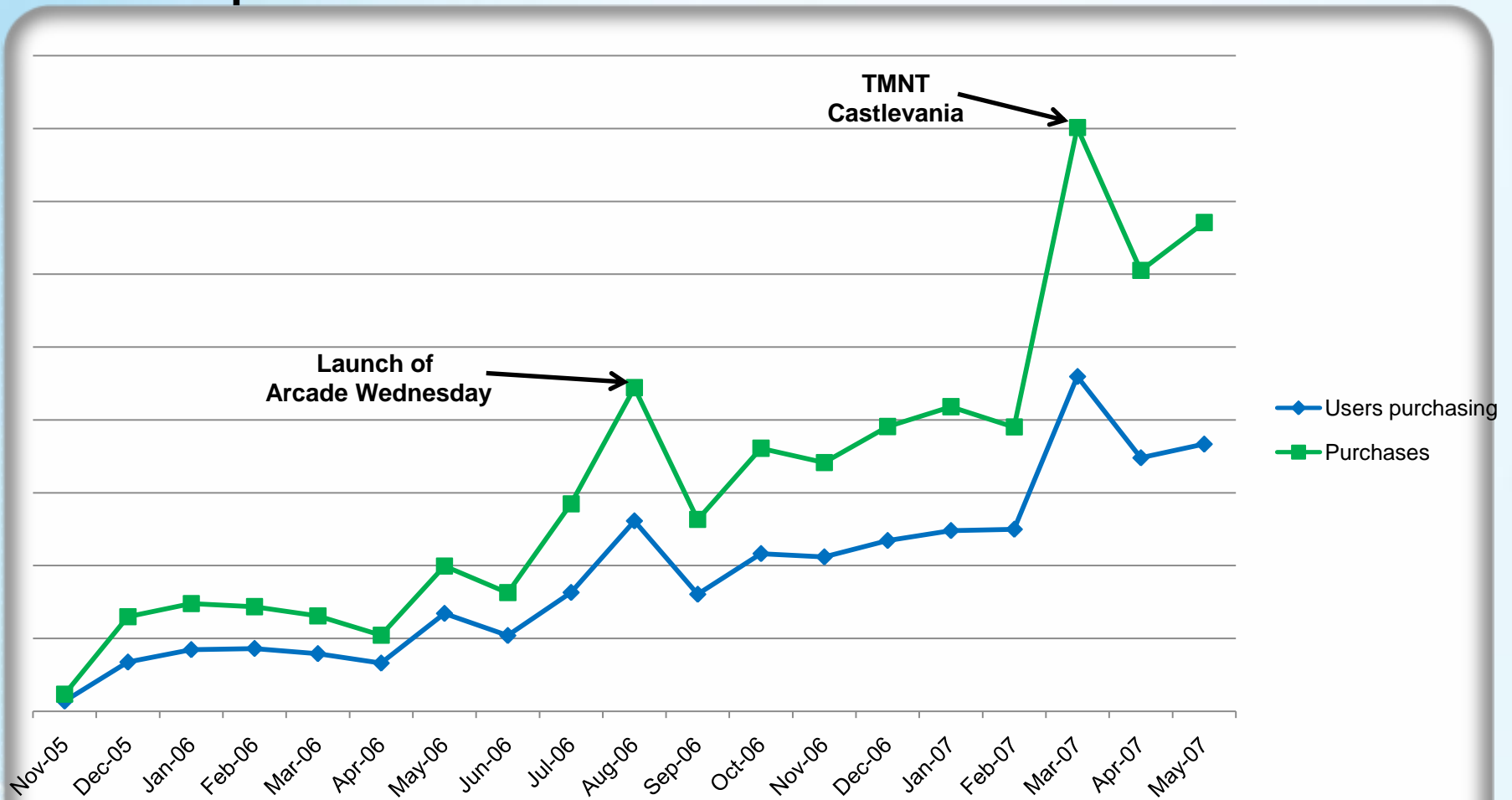
# Overview and Statistics

# Xbox Live Arcade Overview

- Service is continuing to grow in users and revenue
- 68 games currently on the service
- Great content flow with one or more titles launched each week
- Buzz continues over XBLA with the industry and consumers
- Best game download service out there amongst the three consoles
  - New games
  - Indie games
  - Connected to LIVE services

# Growth

- Growth of the service continues in users and purchases























# Highly Engaged Audience



- Over 45,000,000 games downloaded
  - Over 80,000,000 hours of gameplay
    - That's over 9,100 man-years
  - Over 170,000,000 game sessions
  - Over 45,000,000 achievements earned
  - Over 550,000,000 in gamerscore earned
- 

# Top Title Usage in 2007

	By Users	By Average Session Length	By Total Minutes
1	TMNT 1989 Arcade 	Jewel Quest	UNO 
2	Worms 	Hardwood Spades 	Texas Hold 'Em 
3	UNO 	Catan 	Worms 
4	Castlevania	Bejeweled 2	Castlevania
5	3D Minigolf Adventures 	Texas Hold 'Em 	Bejeweled 2
6	Paperboy 	Castlevania	Geometry Wars
7	Alien Hominid 	Zuma	Zuma
8	Geometry Wars	Soltrio Solitaire	Aegis Wing 
9	Texas Hold 'em 	Worms 	Catan 
10	Heavy Weapon 	Luxor 2	3D Minigolf Adventures 

Blue – 2007

Orange – 2006

Green - 2005

- Performance during 2007 only, regardless of when title launched

# Sales Insight

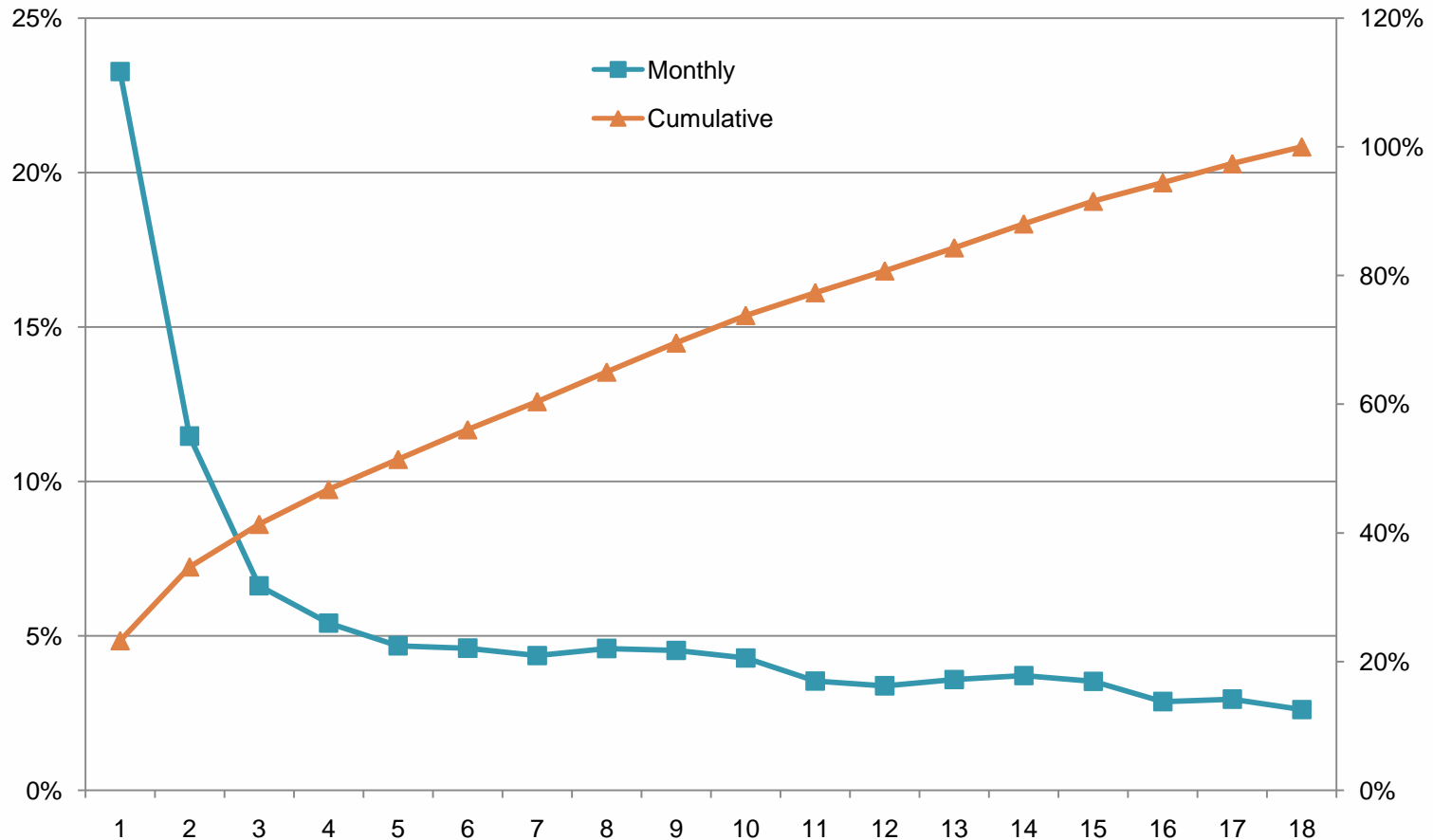
## Downloads and conversion rates

- Average XBLA conversion rate is approx 18%
- Low of 4%, High of 51% (UNO)
- Original titles netting 350k DL in 1st month
- Big hits getting \$125K in sales in the 1<sup>st</sup> week
- Games get significant volume in the tail






















# Sales volume over time

- Graph is average of all games on the service
- First two months of sales accounts for only 35% of total volume
- Purchases have slow decay in volume from the 7th month on



# Top Titles in FY07 (Jul 06 – Jun 07)

	By Sales Volume	By Revenue	By Conversion Rate
1	Street Fighter II HF 	Street Fighter II HF 	TMNT 1989 
2	UNO 	Worms 	UNO 
3	TMNT 1989 	DOOM 	Texas Hold 'em 
4	Worms 	Castlevania	Street Fighter II HF 
5	DOOM 	Ultimate Mortal Kombat 3	Worms 
6	Castlevania	Texas Hold 'em 	Castlevania
7	Ultimate Mortal Kombat 3	UNO 	GALAGA
8	PAC-MAN	Bankshot Billiards 2 	Ultimate Mortal Kombat 3
9	Geometry Wars	LUMINES LIVE!	PAC-MAN
10	Contra 	TMNT 1989 	DOOM 

Blue – 2007

Orange – 2006


Green - 2005

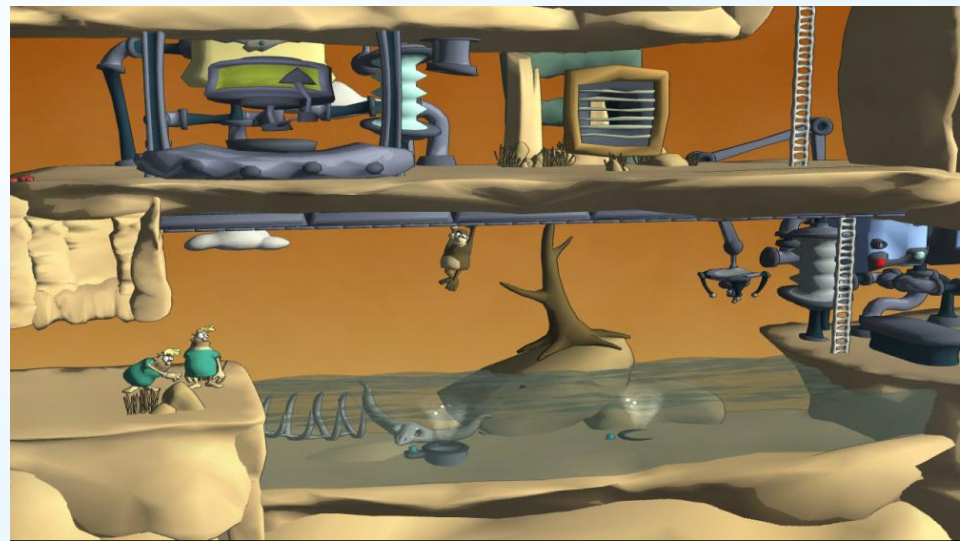
- Performance during FY07 only regardless of when title launched

# Scott's Favorite Game



**Cloning Clyde**  
Last Played Online: 9/3/2006

200 of 200   
12 of 12 Achievements



# Premium Downloadable Content (PDLC) Performance

- Paid Downloads
  - 107K Game Themes
  - 360K Premium Game Content
  - 170K Tiles
  - Total – 636K paid downloads
- Free Downloads
  - 1,055K downloads
- Summary – PDLC won't make you rich but it is nice supplementary revenue

# Market Presence

- Xbox LIVE Arcade is now available in 25 countries:
  - EMEA
    - Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK
  - Asia Pacific
    - Australia, Hong Kong, Japan, Korea, New Zealand, Singapore, Taiwan
  - North America
    - Canada, Mexico, US



# Advertising

- The current advertising model for XBLA is sponsored games
  - We work with advertisers to determine the best way to meet their advertising objectives with a game
  - We work with a developer to create the game
  - Game is distributed free to consumers
  - Advertiser pays for promotion of game
- Will only do a small number of these each year
- Games need to meet our quality requirements



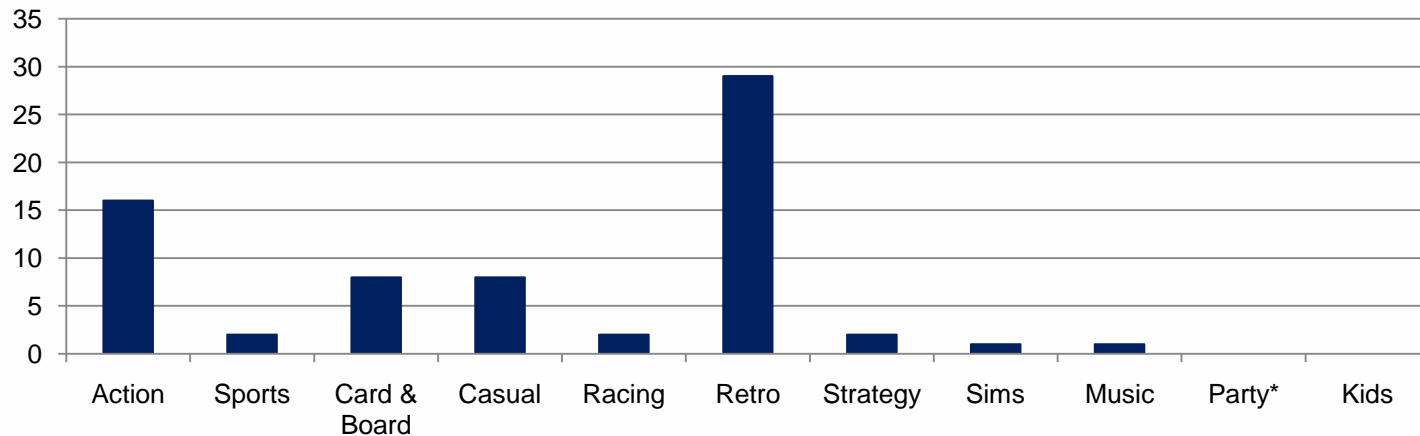


# Portfolio

# Portfolio Strategy

- Keep our core audience happy
  - Arcade shooters, platformers, fighters, etc
- Quality games
- Mix of games at all price points
- Focus on innovation (less retro, no clones)
  - Arcade continues to be a great platform on which to experiment with new game concepts

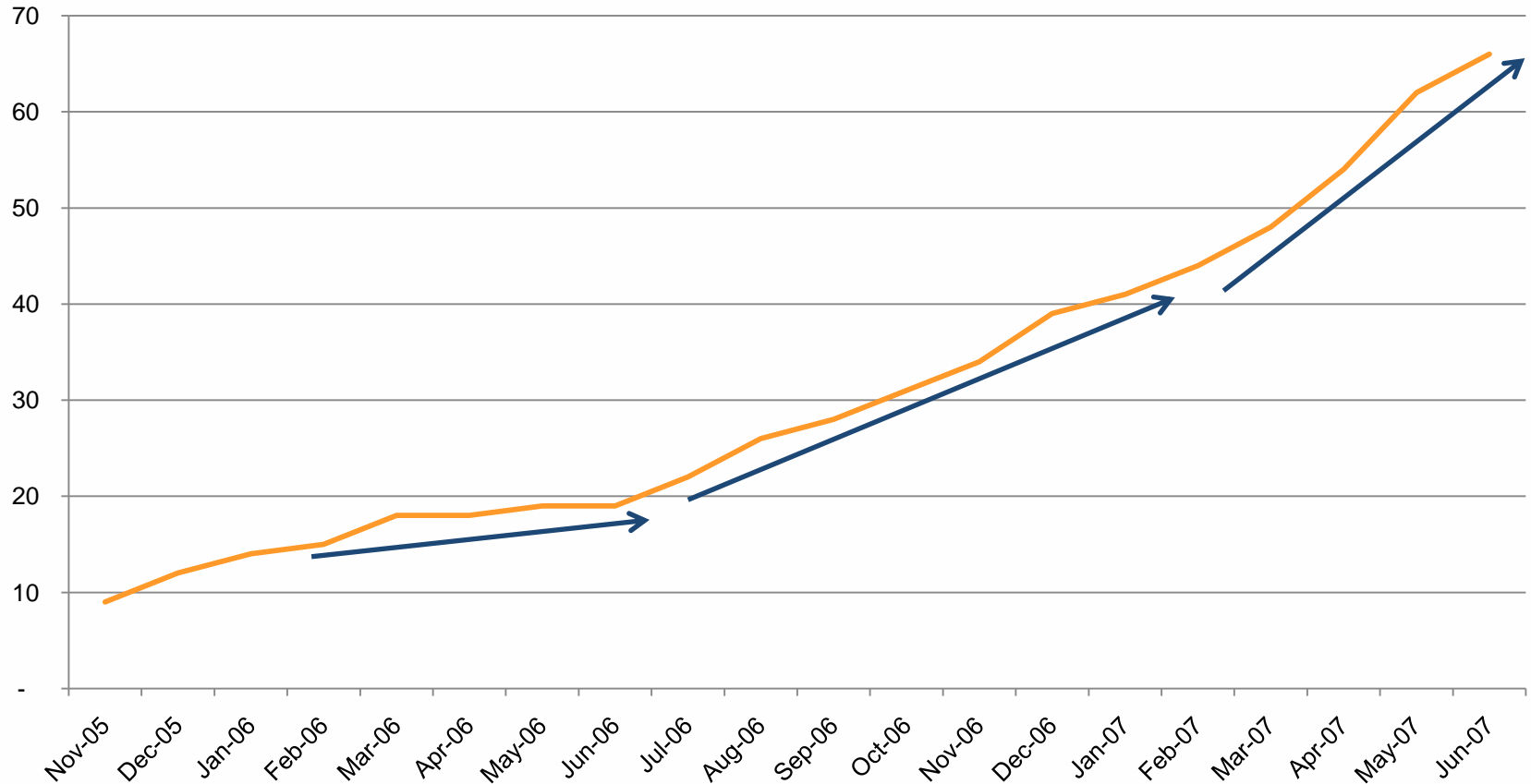
**Current XBLA Portfolio**



# More Portfolio Strategy

- Expand our offering further
- Offer “something for everyone”
  - Great casual games like Luxor2 and Bejeweled
  - Recognizable card & board games
- Approachable
  - Easy to pick up and play
- Social
  - Local (couch) multiplayer games
  - Party multiplayer games
    - As fun to watch as it is to play
  - Cooperative and/or competitive
  - Cross platform
- Kids games
  - To be successful, really need known IP
- Aspirational games

# Content Flow



Increasing flow of content onto the service



# Marketing and Promotions

# Getting the Word Out

- On dash
- Within Arcade
- On Xbox.com
- In direct mail
- Industry Events
- Press Releases
- Community Blogs



The screenshot shows the Xbox LIVE Arcade website interface. At the top is a banner for "XBOX LIVE arcade" with a colorful hexagonal pattern on the left and a stylized orange Xbox logo on the right. Below the banner is a navigation bar with several icons: "COMPETE AT CONSOLE", a person playing a game, a game console, a game box, a question mark, and a star. The main content area is titled "Xbox LIVE Arcade Games on Xbox 360". Underneath, it says "New on Xbox LIVE Arcade:" and features four game tiles. The first tile is for "Sonic the Hedgehog Arcade" with a description: "Sonic returns in **Sonic the Hedgehog Arcade**, featuring enhanced graphics and twelve new achievements to master." The second tile is for "Golden Axe" with a description: "Gilius Thunderhead, Ax Battler and Tyrus Flare ride again in **Golden Axe**, an enhanced version of the classic arcade game." The third tile is for "Missile Command" with a description: "Enemies are invading the coast and it's your mission to shoot them down in **Missile Command**, the classic arcade game." The fourth tile is for "Carcassonne" with a description: "Build your medieval town and prevent opponents from doing the same in the classic German strategy board game **Carcassonne**." Below the game tiles is a list of other games: "3D Ultra Minigolf", "Aegis Wing", "Alien Hominid", "Assault Heroes", "Astropop", "Band of Bugs", "Bankshot Billiards 2", "Bejeweled 2", "Boom Boom Rocket", "Castlevania", and "Catan". To the right of the list is a "3D Ultra Minigolf" advertisement with a "Go to game page" link. On the far right is a large advertisement for "Doritos PRESENTS UNLOCK XBOX YOU DREAM IT. WE BUILD IT." with a glowing green "XBOX" logo.



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## You Choose '08

SPOTLIGHT ON: **Bill Richardson**



### Xbox Live Arcade E3 2007



00:03 / 02:02

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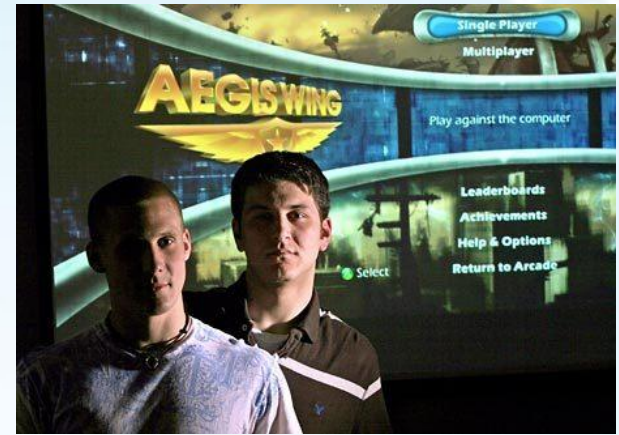
 [Dominik Hasek](#)

# XBLA PR Title Support

- Desired for Each Title Launch:
  - Email blast to international media week of launch
  - Visibility on Xbox 360 community blogs (Major Nelson and Gamerscore Blog)
  - Work closely with the partner on their announcements and/or events
- Additional Opportunities, Depending Upon News Value of Title:
  - Inclusion in media alert spotlighting upcoming XBLA titles
  - Long-lead outreach (previews, reviews via PartnerNet)
  - Short-lead previews (PartnerNet, under embargo until launch announcement)
  - Developer interviews
  - Potential for showcase/industry event inclusions

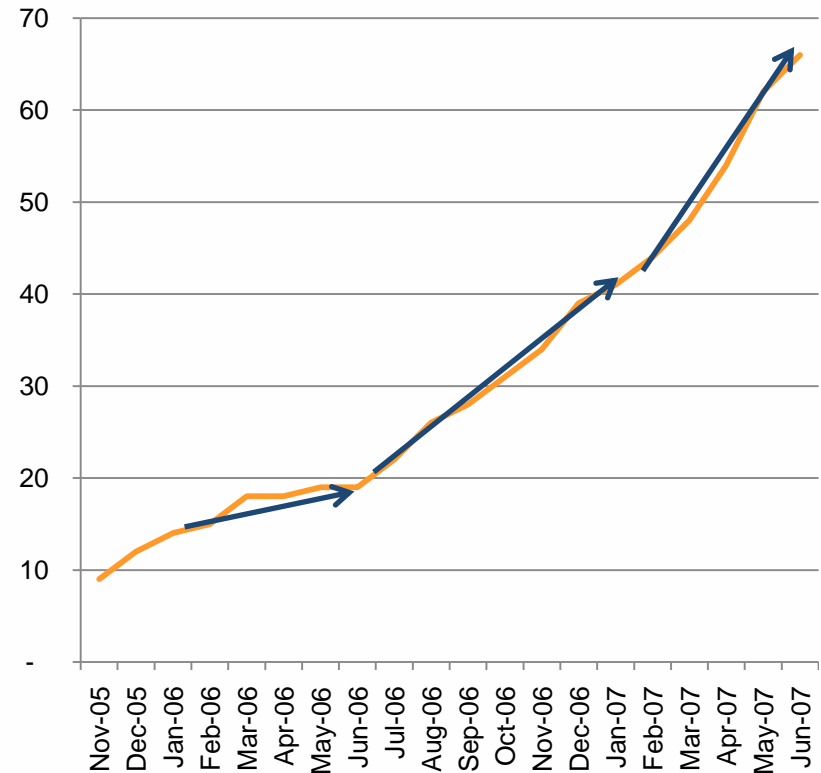
# Contests / Events

- Designed to build awareness of Arcade  
... and it's working!
- Aegis Wing Intern Developed Game
- Pac-Man World Championship
- Unlock the Xbox
- Xbox 360 Games for Change Challenge



# Increased Content Flow Means Increased Competition

- What does this mean for developers and publishers?
  - Focusing on the trial experience is more important than ever. Make it count.
  - Especially in the absence of strong IP, have a marketing and PR strategy!
  - Think about how PDLC can draw attention to your game months after its release.







# Site Improvements

# XBLA Improvements in Fall 2006 Update

- **Auto Download.** Automatic download of new games on XBLA.
- **Fast enumeration of games.** Game lists are rendered more quickly and have better sorting options.
- **Friends Leaderboards.** Compare leaderboards against your friends list within Arcade.
- **Achievements.** Compare achievements against your friends list within Arcade.
- **Tell a Friend.** Send a message to any friend on the friends list about Arcade games.



# Auto Downloads

## Fall 06



Xbox Live Arcade

games



My Arcade Games



69

My Arcade Games

You have 69 Arcade games on your console. Select this option to play a game now.

Geometry Wars  
Last Played Game



Download Games



Auto Downloads

On

Y  
X

Back **B**  
Select **A**



# Friends Leaderboards

## Fall 06

### My Arcade Games - Geometry Wars

#1		Arcade Fun High Score	370860	#6		h3ll0w0rld High Score	8725
#2		bobthebuilder High Score	55875	#7		Xe5a347a7aVXPKH High Score	8050
#3		hootyhoo High Score	37875	#8		g33k High Score	8025
#4		Arcade Girl High Score	28325	#9		brianx4 High Score	6525
#5		sf40 High Score	23750	#10		Xe5a350c82FRIGW High Score	550



Back   
Select 

# Achievements

## Fall 06

### Xbox Live Arcade - UNO



Quick Change Artist

15G

Unlocked 4/21/2006

Change the color of the discard pile 5 or more times in a single round.



Y  
X

Back **B**  
Select **A**

# XBLA Improvements in Spring 2007 Update

- **Friends Playing Now.** Shows all friends playing in Arcade now. Displays what they are playing and allows joining of games. Friend information is displayed in multiple locations throughout Arcade.
- **Tell a Friend.** Three new messages have been added to “Tell a Friend” to help build excitement by displaying and comparing stats.
- **Auto Downloads.** Expanded to include all free and trial games. Game collections are built quickly and easily through background downloads.
- **Arcade Leaderboards.** Expanded to include all friends on the friend list and allows quick scrolling through and compare of achievements.



# Friends Playing Now

## Spring 07

### Friends Playing Now



briantest2



Hexic HD  
Marathon Mode (Normal)  
Score: 1230



briantest3  
Joinable



Joust  
Waiting in Lobby.



1 of 2

Sort by Games

Back   
Select

# Tell a Friend

## Spring 07

### My Arcade Games - Geometry Wars



Select a message to send, then choose a recipient.

---

Check out Geometry Wars in Xbox Live Arcade!

---

I earned 3 achievements in Geometry Wars worth 20 points.

---



I earned the Survived 100,000 achievement in Geometry Wars.

---

I have 461410 High Score in Geometry Wars. Try to beat me!

---



Back   
Select 





# Getting Your Game on Xbox LIVE Arcade

Partner Day: Seattle  
July 16, 2007

# Concept Submission

- Each proposal needs to be documented in our Concept Submission Form
- Proposed game is evaluated for:
  - Portfolio fit
  - Game play. Will it be fun?
  - Sales potential
  - Does it leverage the services that are important to us
- We will provide feedback on the submission

# Concept Submission Guidance

- Concept submissions often lack
  - Sufficient description of gameplay
  - Sufficient quantity and variety of art samples
    - Screenshots preferred, but concept art helps
  - Convincing evidence of differentiation
    - How is this different from comparable titles?
    - What exactly does “new modes of play” mean?
    - PDLC support is not automatically a “differentiator”

# How To Get Started

- For Independent Developers
  - Contact Xbox LIVE Arcade business development (arcade[at]microsoft[dot]com) to determine title fit
    - NDA
    - Submit Concept Submission Form (CSF) and materials
      - Playable demo, if complete
- For Publishers
  - Work with your established account manager



# Questions And Answers



# **Microsoft<sup>®</sup>**

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microsoft®  
casual games



Partner Day: **Seattle**  
July 16, 2007

