

Game Over?
Electronic Arts – SimCity in Flames

MANAGEMENT DECISIONS

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

What happened after the *SimCity* crisis?

Short-term Response (Crisis Management)

EA and Maxis had to come up with solutions to the *SimCity* situation right away. Three days had already passed since the North American launch and the global launch could further exacerbate the issues faced. In the first three weeks after the US release, all public communication was made by Lucy Bradshaw of Maxis. However, the first action taken by EA was to clandestinely request all of their affiliates to stop actively promoting the game. Bradshaw began by issuing an official apology on the *SimCity* website, offering a free game from EA to anyone who registered their copy of *SimCity* within the first two weeks after launch. More servers were added, solving most of the issues experienced by players. The developers provided updates to the game, further increasing stability and offering better gameplay.

Regarding the DRM complaints, Maxis consistently denied that this was part of *SimCity*'s always-online design. In their first public response to the crisis, EA denied that this design was implemented as a DRM measure – three weeks after the game was launched. Bradshaw also issued several statements confirming that always-online was an integral part of the game – it was designed by Maxis and not forced upon them by EA. However, these statements never convinced the gaming community, who continued to express that their game was ruined by DRM. Due to the high emotional involvement of gamers, the actions taken by EA and Maxis did not fully satisfy them, but instead led to a massive public backlash.

The *SimCity* disaster had a detrimental impact on EA's already tarnished reputation and, consequently, they became the first company to ever receive a second consecutive Golden Poo Award from Consumerist readers. The game never recovered from the initial debacle and finally settled on a 6.5/10 rating on Polygon.com, while the user rating on Metacritic.com is still a very low 2.2/10.

Long-term Response (Rebuilding Reputation)

Origin, Electronic Art's online market place, changed their policy on returning games, making it more generous than offered by any competition. It includes giving customers the right to a full refund within 24 hours of purchase of a game, no-questions-asked. This strategy was geared towards regaining the trust of consumers after the massive backlash experienced when launching *SimCity*, where unsatisfied gamers bought a game, could not play it and could not return it.

A year after *SimCity* was first released, update 10.0 finally introduced full single-player offline mode. This was done about a year too late, unfortunately.

Receiving the worst company award for a second time served as a wake-up call for EA. The first step was to change leadership: CEO John Riccitelto stepped down in September 2013 and was replaced by Andrew Wilson. He was content on restoring EA's damaged reputation and at the same time making the company profitable again. Wilson chose to leverage the existing core values, especially: 'Think Players First' and made gamer satisfaction his main priority. In February 2014, five months after taking over, he gathered the company's top leaders to help them understand why so many of their customers were frustrated. The renewed focus on gamers payed off and in 2014, the company was knocked out of the competition for the worst company in America during the first round of voting. Not only were their customers more satisfied, but profit skyrocketed from \$8 million to \$875 million in 2014, and the company's stock price soared.

In March 2015, EA consolidated the studio that developed *SimCity*, Maxis Emeryville, with EA headquarters and three other studios in Salt Lake City, Melbourne and Helsinki, that will continue to work on Maxis intellectual property. Later in the same year, Electronic Arts CEO Andrew Wilson announced in an organizational update that Lucy Bradshaw was moving on after 23 years with the company. In the same statement he highlighted that the Maxis player base is larger and more engaged than ever before, due to the success of *The Sims 4* on PC, *The Sims FreePlay* and *SimCity BuildIt* on mobile.