

An Electronic Arts Case

MANAGEMENT DECISIONS

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An Electronic Arts Case: Management Decisions

“The ability to speak does not make you intelligent.” - Qui-Gon Jinn

On November 12th, The Electronic Arts’ community team defended the controversial position of the company and posted the following response on Reddit:

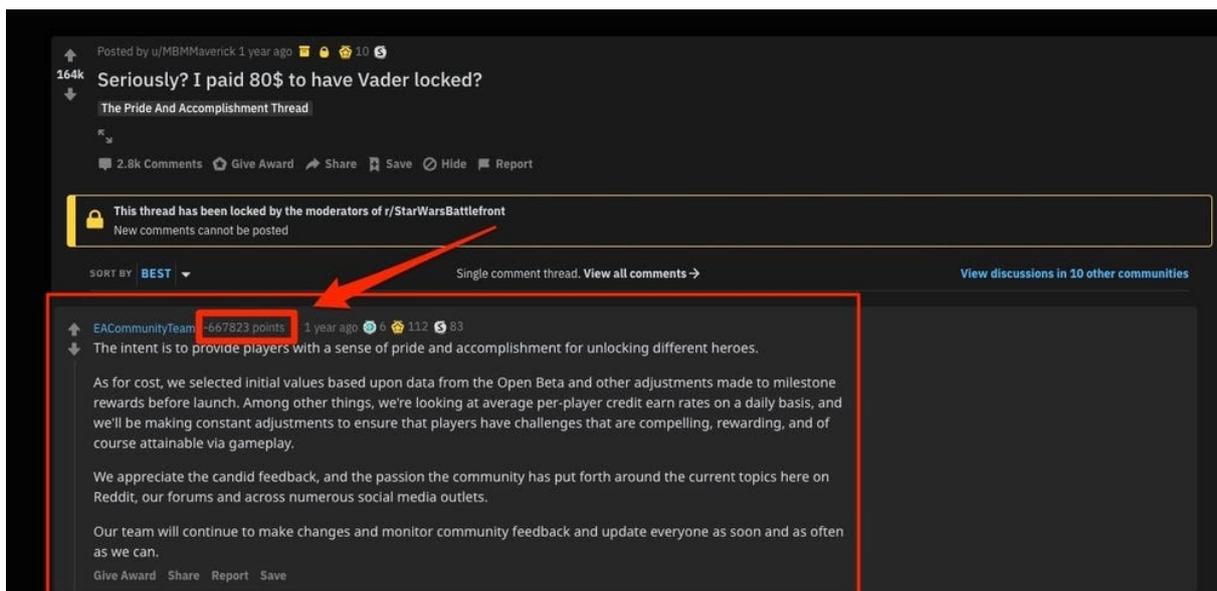
“The intent is to provide players with a sense of pride and accomplishment for unlocking different heroes.

As for cost, we selected initial values based upon data from the Open Beta and other adjustments made to milestone rewards before launch. [...] we'll be making constant adjustments to ensure that players have challenges that are compelling, rewarding, and of course attainable via gameplay.

We appreciate the candid feedback, and the passion the community has put forth around the current topics here on Reddit, our forums and across numerous social media outlets.

Our team will continue to make changes and monitor community feedback and update everyone as soon and as often as we can.”

What followed was, without a doubt, one of the most important communication crises in the gaming industry, as well as one of the defining moments of this industry’s future.



After the post, the subreddit members of r/battlefront did not take the message kindly; in fact, the community team of Electronic Arts still holds to this day the title of the most downvoted (disliked) message on Reddit, with a staggering 667,823 downvotes, something never seen before on the platform. For comparison, the second most downvoted comment on the social media platform as of today has a score of -88,906, where the user explicitly asked to get downvoted. The story of the extremely dissatisfied Star Wars: Battlefront 2 customers quickly made its way to other subreddits and social media platforms, spreading the news as fast as the Millennium Falcon.

Not buying your game seems like a sense of pride and accomplishment.

 1.0k  Give Award Share Report Save

I hope you get voted worst company for a third time EA

 3.9k  Give Award Share Report Save

"Can't divide a community if there is no community"

 16.0k  Give Award Share Report Save

The intent is to provide players with a sense of pride and accomplishment for unlocking different heroes.

That's rich. Just be honest. The truth is you know very few people are going to sink a full work week into this game and you're hoping that somebody is desperate enough to buy credits to unlock the character. It has nothing to do with providing a "sense of pride and accomplishment." This is a flat-out lie and you know it. How naive do you think your player base is?

 19.7k  Give Award Share Report Save

Edit 8: Now at 680,844 downvotes. At \$60 lost per downvote, that equates to a **revenue loss of \$40,850,640.**

 1.9k  Give Award Share Report Save

We are now facing what could be described as a deluge of negative feedback from the gaming community online. As a result, three developers of the game from DICE, the leading development studio of Star Wars Battlefront 2, owned by Electronic Arts, partake into a Reddit Ask Me Anything, the equivalent of a Q&A, on November 15th, 2017. As expected, a lot of questions from the redditors were directed to the progression system and the loot boxes. Unfortunately for them, disappointment came again: a majority of users felt the responses from the developers were more from the PR-team than themselves, and some of the most voted questions were avoided as if they did not have an answer.

Facing the uproar from the gaming community, Electronic Arts had to pull the plug, first by greatly reducing the cost of unlocking heroes with in-game credits, and then by disabling transactions from the game altogether, a day before the launch, citing

players' concerns that they gave buyers unfair advantages. They however stated that they were planning to reintroduce them at a later date, with unspecified changes.



However, the damage was already done: the uproar from social media on top of the poor press reception on the microtransactions' system had a negative impact on Electronic Arts' share price, which dropped by 2.5% on the launch day of the game. Wall Street's analysts even lowered their expectations of the game's financial gains for Electronic Arts. By the end of the month, the Californian company had lost around \$3 billion in stock value since the official launch of Star Wars: Battlefront 2.

This whole debacle had an impact that goes well further Electronic Arts and the Battlefront franchise. The relationship between the players and Electronic Arts was at such an all-time low that some members of the community went as far as alerting Disney about the situation, owners of the Star Wars franchise, and the same company that signed a \$1 billion partnership with Electronic Arts to have the exclusivity on the Star Wars license in the gaming industry. The story even was the turning point for governments to investigate if microtransactions were in fact just gambling.

"Always in motion is the future." - Yoda

From a more long-term perspective, the catastrophic launch of Star Wars: Battlefront 2 made some important changes to the gaming industry. While microtransactions are still existent in video games, they are now limited to certain genres, such as in the sports games Madden and NBA 2K. The majority of games that offer microtransactions now do so for cosmetic items and not for gameplay advantages. The emergence of Free-to-Play titles, especially in the Battle Royale genre, with Player Unknown's Battlegrounds (PUBG), Fortnite, and Call of Duty: Warzone, to name a few, saw the apparition of a new business model, one that is as profitable as the microtransactions one without the backlash: the "Battle Pass" system. During a

seasonal event, a player purchasing a “Battle Pass” will enter a new progression system, where each new rank obtained through playing the game will grant either cosmetic items or in-game credits.

As of today, Star Wars: Battlefront 2 is now as popular as ever. In 2018, developer DICE announced an overhaul for the progression and economic system. After multiple updates, as well as additional content highly anticipated by the players, it is now a complete game appreciated by a large part of the gaming community. Thanks to Epic Games, the creators of Fortnite who gave away the Celebration Edition of Star Wars: Battlefront 2 for free on their own game store platform, the game saw a surge in active players’ population, and was acquired by 19 million people during the promotional event.

“We will watch your career with great interest” - Senator Palpatine

More than three years after the launch, Electronic Arts still holds the reputation of an anti-consumer gaming company. They have introduced microtransactions in other franchises such as Need for Speed, stated controversial statements regarding history and World War 2 for the launch of Battlefield 5, and have overall had a lack of commercial and critical success from some of their most recognized franchises in recent years because of limited game development. Altogether, the Californian company has still a long way to go to reclaim the heart of the gaming community.

The reason for Electronic Arts not succeeding with their statement is simply because they failed to listen to their own customers. Instead of being customer-centric, which is a suitable approach for a gaming company, they chose to be profit-oriented. Thereby they failed to understand the value of brand communities as well as the importance of crisis management and crisis communication and therefore ended up with a weakened reputation.