
From: Satya Nadella </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MICROSOFT.ONMICROSOFT.COM-55760-SATYA NADELLA>
To: Phil Spencer; Amy Hood; Peggy Johnson
CC: Sarah Bond; Tim Stuart; Takeshi Numoto; Scott Guthrie; Jason Zander
Sent: 1/28/2020 4:37:10 AM
Subject: RE: INDUSTRY FYI | YouTube Partners with Activision Blizzard for Exclusive esports Streaming
Attachments: F3DDD849E100458D8C2F5749BC3ABB1F.png

I would love to understand the economics better.

ATVI gave up 100s of millions of 100% margin dollars for a cloud design win and YouTube eSport exclusivity.

If we say did 90/10 or 100/0 on XBOX for ATVI, what would the equivalent of the economics be for exclusive on Mixer and Azure design win.

Just want to understand the economics in some detail here.

Also Scott and Jason need to note that Azure still is not ready for Gaming workloads.

Thx

Satya

Sent from [Mail](#) for Windows 10



From: [Phil Spencer](#)
Sent: Monday, January 27, 2020 5:56 PM
To: [Satya Nadella](#); [Amy Hood](#); [Peggy Johnson](#)
Cc: [Sarah Bond](#); [Tim Stuart](#)
Subject: FW: INDUSTRY FYI | YouTube Partners with Activision Blizzard for Exclusive esports Streaming

Sarah and I wanted to give you a background on the Activision/Google deal which includes the announce below plus Activision signing on to use GCP as their game cloud infrastructure.

We don't know all of the details but from discussions with ATVI, our understanding is that Google went to 80/20 in the Google Play store across King, Activision and Blizzard titles in exchange for YouTube eSport exclusivity and GCP support.

The 80/20 exchange to ATVI was worth hundreds of millions of dollars on their annual P&L given the scale of Candy Crush and Call of Duty on mobile. This is a deal we could not match given the value we'd see in our ecosystem today.

Sarah and I are travelling to ATVI next week to secure rights for ATVI on Scarlett, Xbox Game Pass and xCloud. We will do this through 80/20 value exchange in our console store, 95/5 in our PC store and co-marketing for key titles over the next 4 years. This deal, for us, drives strategic value and growth in our core Gaming pillars.

Sarah, Tim and I do have work to do to go to the larger game publishers with an all-encompassing MS opportunity across Azure, M365 and Gaming. The teams are making progress on Azure robustness for game service hosting where we can now look at future deals that approach Gaming partners in a more One Microsoft manner. I feel better about our go forward ability to land these end to end deals.

Thanks,

Phil

From: Kenney III, Henry <Henry.KenneyIII@assemblyinc.com>
Sent: Monday, January 27, 2020 3:51 PM
To: Gaming News Coverage <xboxnewscoverage@microsoft.com>
Cc: Gaming Comms Team <XboxComms@microsoft.com>; Xbox International PR Leads <xboxinternational@microsoft.com>; @Assembly Xbox <AssemblyXbox@Assemblyinc.com>
Subject: [EXTERNAL] INDUSTRY FYI | YouTube Partners with Activision Blizzard for Exclusive esports Streaming

INDUSTRY FYI | YouTube Partners with Activision Blizzard for Exclusive esports Streaming

January 27, 2020



Summary

On Friday, 24 January, Google and Activision Blizzard announced the two companies have signed a multi-year strategic partnership where YouTube will serve as the game publisher's exclusive worldwide streaming partner (excluding China), and Google Cloud as its preferred game-hosting infrastructure. Esports leagues and events impacted by this include Overwatch League, Call of Duty League, Hearthstone Esports, and additional Activision Blizzard franchises.

The news has driven a straightforward, moderate cycle from outlets such as Forbes, Digital Trends, and The Verge, with media acknowledging this partnership as a way for YouTube to establish itself in the gaming live-streaming space beyond video on-demand. Forbes suggested this partnership was the sign of a "larger issue" for Amazon's Twitch, as did The Verge, with both outlets highlighting the number of recent departures in content creators and the loss of esports programming from the streaming platform. Digital Trends also opined that Twitch's dominance is "slipping away." According to HypeBeast, the announcement coincides with the launch weekend of Call of Duty League's inaugural season and just ahead of the Overwatch League season start date on February 8.

The PR team is monitoring the cycle and will provide updates on noteworthy developments.

Citations

9to5Google: Activision Blizzard will host games on Google Cloud, makes YouTube exclusive streaming partner

Business Insider: YouTube just scored a major victory in its battle with Amazon's Twitch for esports supremacy, thanks to the company behind 'Call of Duty'

CNET: Overwatch, Call of Duty leagues exclusively streaming on YouTube after Google deal

Digital Trends: Overwatch League, Call of Duty League to exclusively stream on YouTube

Engadget: YouTube will stream the CoD and Overwatch leagues in 2020

ESPN: Activision Blizzard announce multi-year YouTube streaming partnership with Google

Forbes: YouTube Stealing 'Call Of Duty' And 'Overwatch' From Twitch Is A Sign Of Larger Issues

Gamasutra: Activision Blizzard And Google Enter Into Multi-Year Strategic Relationship To Power New Player Experiences

GamesIndustry.biz: Activision Blizzard and Google sign esports, cloud deals

HypeBeast: YouTube Lands Exclusive Streaming Deal for 'Overwatch' and 'Call of Duty' Leagues

IGN: Overwatch, Call of Duty, and All Other Activision Esports to Broadcast Exclusively on YouTube

Polygon: Overwatch and Call of Duty leagues move to YouTube in exclusive Google deal

Variety: YouTube Scores Exclusive Streaming for Activision Blizzard's E-Sports, Including Overwatch and Call of Duty Leagues

Venture Beat: Activision Blizzard brings Overwatch, Call of Duty esports exclusively to YouTube

The Verge: YouTube is using massive e-sports leagues to take on Twitch in big live-streaming bet

Wired: An Esports Exodus to YouTube Reshapes the Livestream Wars

Please reply to the original sender for questions.



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