

# Oral History of Peter Moore

Interviewed by **Michael J. Halvorson** for the Microsoft Alumni Network

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## Preface

The following oral history is the result of a recorded interview with Peter Moore as conducted by Peter Moore on August 13, 2023, at Microsoft Studios in Redmond, Washington. This interview is part of the Microsoft Alumni Network's Microsoft Alumni Voices initiative. The goal of this project is to record the institutional history of Microsoft through the recollections of its former employees, so that the information may inform and inspire future generations.

Readers are asked to bear in mind that they are reading a transcript of the spoken word captured through video rather than written prose. The content reflects the recollections of the interviewee. The following transcript was edited by the Microsoft Alumni Network, which holds the copyright to this work.

## Interview

**Michael Halvorson:** Hello. My name is Mike Halvorson, and I have with me today Peter Moore, who's going to talk about his time at Microsoft and other things. This recording is for the Microsoft Oral Histories Project and we're going to focus especially on Peter's role as Corporate Vice President of the Home and Entertainment Division. Thanks for being here today, Peter.

**Peter Moore:** My pleasure, Mike. Pleasure to do this, and I'm delighted we're doing it. These things are important for generations to come to understand what preceded them.

**Michael Halvorson:** Yes, I agree! Let's start with your background. Where are you from? And where did you grow up?

**Peter Moore:** Yeah, I'm, as you can probably tell from my accent, not American born and bred. I was born in Liverpool, England, in 1955, and grew up there in my formative years. My dad was a docker. If you're familiar with Liverpool... it had the world's biggest docks in the Victorian era, and that is still a very important part of the legacy of that city.

My mom was a nurse at Alder Hey Children's Hospital, a world-renowned children's hospital, just on the outskirts of Liverpool. We moved when I was about nine or ten to North Wales, to Wrexham, which people know now because of Ryan Reynolds and Rob McElhenney having bought the football club [Wrexham AFC].

I grew up as a teenager during that period, living in Wrexham, going to an all-boys grammar school. I always wanted to be a physical education teacher and that's what I am. That's what I'm qualified to be and that's about it. I went to Madeley College of Physical Education in Staffordshire, England, and did my teaching certificate and then taught for five years in high school in Llangollen in North Wales.

During that time, an important time for me, I came to America to coach soccer and play soccer. Finally, I made the decision in

1980 to come over permanently, and that was not easy. I had to do my Master's degree at California State University Long Beach to stay legal in the country, and did that whilst I waited for my green card. I coached soccer during the day and did my master's degree [in Physical Education] in the evening. Interestingly, my mother was born in Boston, Massachusetts, and so she was born on January 1, 1930. That gave me my entree to get my green card. It took a couple of years to do that, but that pretty much cemented my life here in America and I was able to stay here legally. I completed my Master's degree and needed a real job, so I started selling soccer shoes, and that was kind of how my career got going in the world of commercial soccer. And I worked for a company called Patrick for 11 years. I went from rookie salesperson to president of the company, based in the [San Francisco] Bay Area.

Then I got a fortuitous call from an executive recruiter who said, "What do you know about video games?" and nothing really! I went over having worked for Reebok after Patrick and so I changed my career, Mike. I was 45 years of age and got into tech, although it was pretty fundamental in those days. Dial up modems for the Sega Dreamcast. And I moved back to the Bay Area which I was delighted to do and launched the Sega Dreamcast, the first online console.

It was during that period, where I started to work with Microsoft that Dreamcast actually had Windows CE 2 as its operating system. And so that was my first introduction to Microsoft into Windows. I started working very closely with the team in Redmond, Washington to be able to not only develop the hardware, but also work on what we were doing at Sega with software. We were going nose to nose with the PlayStation 2

and it was a war that we were destined to lose ultimately because we just didn't have the resources, but they're one of the moments in life that you get those crossroads in life. I met Robbie Bach and Robbie and I and the team there at Microsoft really hit it off. We were starting to work together to bring Sega content to the existing original Xbox. Figuring out how we could collaborate was not easy with a Japanese company that was pretty stubborn in what it wanted to do but ultimately, I started to work much more closely with the team in Redmond.

After a very frustrating period, we got out of the hardware business at Sega. [After] going back to Tokyo every couple of weeks from San Francisco, I got a call from Robbie and he said I'd like you to pop up and meet with Steve Ballmer. We're starting the planning for what became the Xbox 360. So, this would be in January of 2003. So very quietly, (I was still working for Sega) [I] jumped on a plane to Seattle and sat in Steve's office in Building 34. (I think it was at the time.) Steve talked about the need to bring people in that were more marketing focused because there was concern at Microsoft that Sony was starting to own the living room and games were going to be the entree that would allow us defensively to make sure that Microsoft had a role to play in the living room. It wasn't forever going to be relegated to the office and productivity. Steve was convinced it was going to be a little bit of a drag-down fight and needed people like me to get my fists up and take on the behemoth that was Sony, which I had done at Sega.

I joined Microsoft, February 1 2003 went to NEO (new employee orientation), and sat with a bunch of interns who I still remember to this day. We had a great day of figuring out what Microsoft was all about, glossary of terms being the most

important thing, and understanding the language. Then off we went and so I worked with the team there.

We were actually over in the Millennium buildings and we had decided that it was best to be away from “the Borg” as it was known, and probably still is, to create the Xbox brand, the product, [and] work on software. [I] had a phenomenal four and a half years there. I then had a huge opportunity to get back to the Bay Area to be president of EA Sports, which I grasped brought together my video game background and my sports background. I eventually became the chief operating officer of EA in 2011. Having left Microsoft in the summer of 2007, and I was 10 years at EA until I got a call from another recruiter. “Would you ever move back to England Now?” I [replied that I] live here in California, and I love it. “What if it was to be the CEO of Liverpool Football Club?”

A young lad that was born and bred... and Liverpool's my team, and the first game I ever went to was in 1959, my dad took me. It was obviously an opportunity I couldn't turn down. So, Debbie, my wife, and I went back to Liverpool for close to four years as it turned out with COVID hitting, and then returned back to the United States in 2020 (late 2020) and [I] joined my old boss at EA, John Riccitiello, at Unity and did two years at Unity, building out volumetric capture technology. Very similar to the stuff that we've been doing in video games all along for sports broadcasting. More recently, [I] became the founding owner of Santa Barbara Sky Football Club, which will be a professional soccer team that commences play in 2025 here in Santa Barbara. Lots of detail in between all of that but that's my life in three minutes.

**Michael Halvorson:** Yeah, that's fantastic! Well, it sounds like Sega and then Microsoft were really interested in your marketing background. Did you gather some of that as you were working for Reebok and so on? Is that one of the places you became strong?

**Peter Moore:** Yeah, in those days, Mike, it was still very much what we call "boys in their bedrooms." I mean, video games were teenage boys and that was about it. It was still somewhat of a niche medium, somewhat determined by the lack of graphical power... [video unclear] The Japanese dominated with obviously Sony, Sega, [and] Nintendo, and Microsoft being the first Western company of any magnitude to go in and try to get into the market.

So, the theory was if you could sell sneakers to teenage boys, then you could do video games. And that was the theory anyway. As the gaming industry evolved, my skill sets needed to evolve more than just marketing to teenage boys. One of the things that the entire Microsoft team, Steve being very involved, Bill being very, very involved, and I, had the honor of spending a lot of time with he and Robbie and two-on-ones and in Bill's office, and talking about what the future of gaming was going to be. We were right in predicting this would be a massive medium that Microsoft absolutely needed to be a player in to allow us as a company to evolve away from just being as I said, productivity. And as good as that is, there was the concern that we would get pigeonholed in that space and other brands and companies would be able to reach into the entertainment space which was going to be a real driving force as we predicted, and

as it was, for consumers going forward. But yeah, I was very much taking my skills at Reebok and then applying them.

Certainly, in the first six months at Sega I had to learn on the job. I became president after five months in the industry and had to launch the Sega Dreamcast on 9/9/99, which was the biggest retail launch in entertainment history at that time, with about \$100 million in sales in 24 hours of the hardware and software. But the industry was evolving very quickly and online was going to be the key. Online would broaden the power of the machines. We're creating greater graphical power from the perspective of now you can start to do more mature games that look like movies and played a little bit like movies. And so, we were moving away from that kind of *Donkey Kong*, *Legend of Zelda*, that kind of animated thing, to really, 60-frames a second. Games that ran smoothly and looked good. And if you weren't, you know, paying attention you would think you're watching the real thing on the screen.

So, we embarked when I arrived at Microsoft, embarked on taking the skills and certainly the combativeness that I had developed against the PlayStation and built that strategy to launch what became obviously the Xbox 360 in November of 2005. And that was very much what we've focused on. It took us two full years of development and trial and error to try to figure out what we were going to do to get the hardware right, get the price point right, get out ahead of the PlayStation 3, which was coming, and make sure that we had all of the tools.

The power of Microsoft was very, very important here, and the support from the board of directors, from Bill Gates, and Steve Ballmer, in particular, was going to be immense for us. And that's what we focused on. I'm proud to say that, I think ultimately, when you look back at it, about 130 million units sold of Xbox 360. Concurrently, and I think most importantly, we were developing Xbox Live. This was something that Steve, in particular, was focused on: how we could build subscription services, how we could not just have a single transaction, sell a gamer or a game, and then move on, but how we could have a relationship with them that was subscription based and created this wonderful environment to play online games. Not just to play games, but to socialize, to listen to music, to share photos, and create more of a broader entertainment platform than just a gaming console. Fast forward to where we are today, I don't know the numbers, but it's probably close to 100 million people who have been Xbox Live customers and paying five [dollars] to a lot more than that now for a subscription. And that was our dream at the beginning, and I'm glad to say that it played out well what Steve wanted us to do.

**Michael Halvorson:** Totally. Can you talk about how you interacted with other game developers that were outside of Microsoft as you sort of built out the Xbox 360 initiative?

**Peter Moore:** It was critical that whilst we had a very strong first party group, we needed to get the third parties, the Japanese developers, the Take-Twos, the Activision, in those days a claim to develop for the Xbox 360. This was very much evangelical missionary work to go out there because there was still a little bit of a suspicion of, "Is Microsoft in this for the long haul?" We built a tremendous third-party team that reported to me, and we



embarked upon traveling the world pitching who we were as a games company, and what our plans were and convincing third parties from Konami and Capcom and Namco in Japan, to Take-Two and Activision and Blizzard and everybody on the west side of the planet, to figure out that Microsoft was in this for the long haul.

We had the right platform, we were building out a very substantial online platform, that would allow game developers to be able to, not only sell a game, walk away, and then come back a year later and sell a game, but to build what turned out to be DLC (downloadable content), microtransactions, and all of the things now when you look at the gaming industry, you take for granted. It was still very much in its infancy in those days and figuring out the business models of what we would be able to offer to third-party developers, and really convincing them that we were going to be a major competitor against the PlayStation, that we could go toe to toe with Sony. And importantly, to any third-party developer, that we were in it for the long haul.

**Michael Halvorson:** Peter, the Japanese market is fascinating in these years, and you were part of the group that interacted very carefully [and] closely with them. Can you talk a little bit about the Japanese perception of West Coast companies, and... companies like Microsoft? Were they pretty eager to cooperate or compete with Microsoft?

**Peter Moore:** To answer your question to Japanese companies: at first, no. There was a huge classic Japanese culture loyalty to the likes of

Sony, Nintendo, and Sega. Obviously, Sega by then had got out of the hardware business. I was responsible for Japan during that period of time as we moved up to launch, given my experience with Sega, obviously. So, I got to know many of the Japanese third-party developers and it's my job to travel regularly from Seattle to Tokyo, and work with third-party developers to convince them that we are for real. We understand what this industry is all about. We are going to be around for a few years and we had considerable financial resources to incentivize as hardware manufacturers do, to incentivize the developers particularly in Japan, who were still very much an important part of the global gaming ecosystem that they should develop for the Xbox. Our SDKs, our software development kits, were relatively easy to use. And we were really focused on building a critical mass of content that not only would be there for launch, but then two years later, three years later, four years later, we would constantly get content coming through from all the world's top developers.

**Peter Moore:**

Now that's all predicated on you hitting your numbers [for] an install base, and then getting the attach rate of their software titles to that install base. The good news is, we got out well ahead of the PlayStation. Our price point was very competitive in relation to the PlayStation, and the game developers then could see that with Xbox Live, in particular, the opportunity to grow their business with Microsoft as well as continuing to work, as you might imagine, with Sony. But we made a huge dent in those two years, primarily in 2004 and well into 2005. I Spent a lot of time going back and forth to Tokyo, working with third-party developers. And Microsoft Japan, we not only had an Xbox group there, but the overall Microsoft Japan entity was incredibly helpful in making sure that when I wasn't there, they

could follow up and take care of all of the development needs that the Japanese developers had.

**Michael Halvorson:** PlayStation was such an incredible competitor. One of the questions I have about that is your understanding of those products as they were in development. Did you know what price, for example, the PlayStation systems would come out at, or did you know what their features were? How did you gradually learn those things, Peter?

**Peter Moore:** Everything was under tight NDA [non-disclosure agreement] which they certainly (they being the developers) knew darn well. They didn't know the price point, and that's a great story in itself, but what they did know is all of the technical features. So, there's no way they're sharing that information with us. But you glean, you listen, you watch what's going on, and you try to figure out what the other guys are up to. We "war-gamed" in Bellevue. I think it was early 2005, we got the entire team for three days. I played the role of Ken Kutaragi, the head of PlayStation, and I think it was McKinsey [& Company] that oversaw it, but we literally war-gamed the launch and then two years afterwards, as to what Sony would do, and I was Sony.

Robbie Bach decided that I would be the best [at playing the role of] Ken Kutaragi. And we'd figured out that they were a bit complacent. When I say that, I don't mean arrogant, but complacent. They had had phenomenal success, obviously, with previous iterations of the PlayStation. And they were very good, as I learned at Sega, at "fudding" the competition, [creating] fear, uncertainty, and doubt. So, we were ready for anything.

What we weren't ready for was the arrogance of their price point when they marched out at E3 that year and said, "\$599." And I remember to this day, we sat watching the stream of the press conference. We weren't invited obviously. And all the Microsoft team just looked at each other and then started high-fiving because of their comment afterwards, "You'll work overtime to afford a PlayStation." That still rings in my ears as somewhat [of a] "let them eat cake" statement to gamers and we had a head start.

Our unit was \$299, we were adding storage, you had different levels, and we had a plan to get to larger capacity hard drives over the years. Peripherals were an important part, customization was a big deal, with the faceplates, and we had everything in a row. We tore out of the blocks with sales until we started to see some defective rate creep in and that was then what now is obviously well known as the "red rings of death", a very difficult period of time. But one that I look back at, in particular, [after] a meeting with Steve Ballmer, with some level of pride as to Steve's reaction to what was a \$1.15 billion problem that we had worked out. We had started to see defective rates that were concerning. We started to build a "bone pile" in the tens, then hundreds of thousands of units that simply weren't functioning properly, and we couldn't figure out at that time what was going on.

We knew how to build a new motherboard... I think it was codenamed the Falcon, to be able to, not quite eliminate the failure rates, but [address them]. This was known as the red rings of death because the power button on the Xbox 360 had

kind of [makes circular gesture], "This is the state of play right now." [If] everything's green, you're in great shape, but [if you see] those red rings, you've got a problem.

I'll always remember going to see Steve, we'd worked out what we needed to do, and I said, "Steve, if we're going to save this brand..." (because that's where it was, what I call to this day, a Tylenol moment... although I realize the generations that I talk to now have no idea what I'm talking about anymore). But I said, "This is a moment we've just got to take huge and expensive action to save the brand. Otherwise, if we don't there won't be an Xbox after this, and to do that we're going to take back every impacted unit. We're going to have you call us, we're going to FedEx you a customized box. You put your Xbox 360 in that customized box. If you FedEx it back, overnight delivery, we either fix it or replace it. And then we FedEx it back to you."

I mean, when I say FedEx, I mean overnight courier, and we figured out we needed a reserve of \$1.15 billion. You can imagine me sitting in front of Steve Ballmer telling him this. And he said, "Do it. Just do it. Get on with it. We got to save this. Report back to me if there are any issues." [It's] typical of Steve, pragmatic, decisive. It's nice to have the balance sheet that Microsoft had, and has, that you could afford to do this. I was afraid the stock was going to crater it the next day, [but] not a blip.

We not only saved the brand, but I think we proved to gamers that we cared about them and that we were in it for the long

haul, and that we were going to fix this, and it was going to take some time. But we explained to our third-party developers, who were extremely concerned, because they're building \$10-, \$20-, \$30-million games in those days. So, we did a tremendous amount of work during that period of time to hold on to the trust we had already built with the entire industry. [And] retail, who were getting driven crazy because [people] still very much [bought] hardware at retail and the returns... they don't like that at all, obviously. The third parties were very worried that they'd spent a lot of money and resources on games and were never going to get their attach rate, but we salvaged it, we fixed the problem. And the Xbox 360 went on to do 100 million-plus units and really sowed the seed for where Xbox is today and the importance of what gaming is for Microsoft.

Fast forward to today, if you told me that Microsoft had spent \$78 billion dollars on their biggest acquisition ever of a video game publisher, Activision Blizzard, I would have said you were crazy back in those days. But the commitment is there, obviously. But we saved the brand, there's no doubt, and when I say we, all of us had to work to fix it, but Steve, in particular, believed in it. And he said, "We'll explain it to the board. But go ahead. Let's do this. We've got to save this brand."

**Michael Halvorson:**

Peter, I talked to Leo Del Castillo about this issue on the engineering side only last week. And it was very interesting to hear a little bit more of the backstory of the engineering. One of the things I wanted to ask you about this issue is that you learned about this feedback from customers. And your team had their ears to the tracks, but that was a time in which new things were happening, right? People were posting YouTube

videos of people smashing consoles and there were people yelling on YouTube.

I just wanted to ask you, for the benefit of those maybe who have learned about customer interaction at a later time: What was it like in those early Internet days when you began to suddenly learn directly from customers? It really became a cultural moment, almost, to kind of be mad at [Microsoft]—because these gamers are so passionate, right? So, if you could just explain a little bit how you learned from customers about this issue and how you thought you needed to interact with them as a group.

**Peter Moore:**

Yeah, I mean, what happened was, our customers in those days were really the retailers because it was the retailers that... Toys R Us, GameStop, BestBuy, Target, Walmart. I mean, these were our key customers. We didn't have the ability too much then, to do what gaming is today, which is directly interacting with the gamer itself. But retailers started to call up and say, "Hey, we've seen a lot of returns on this." And it was puzzling to us at first. I'm sure Leo said that. It's like wait, "What's is going on here?" And I think that at first, we kind of said, "Well, that's just the failure rate of hardware, blah, blah, blah." But then it started to mount up, and then we started to see on our own when passing QA, to make sure that everything was working at the factory level, we were starting to see a ton of failure rates. Obviously, to your point, there was no Twitter or anything from a social media perspective. But people were posting YouTube videos, doing exactly that: throwing their Xbox 360, setting fire to it, hitting it with a sledgehammer in frustration. But also, we were looking at, interestingly, some fixes that seemed to be strangely working, like wrapping a towel around [the console].

Still, Leo may have a better idea than me—and Todd Holmdahl—as to what would happen there because we knew heat was an issue. But that seemed to work. In some instances, a small minority, but in some instances. Once we got enough units back and what happened there was an uncomfortable period where we really couldn't admit to anything and I was very much in the firing line then, of a publicly traded company. We didn't have any answers. We certainly didn't have a solution. I was getting calls and did a number of interviews where fundamentally, because of a lack of information and certainly not a battle plan to solve this, I just had to bob and weave and got a lot of abuse and still to this day will get abuse. Now social media is obviously a thing.

But once we figured it out, we were pretty decisive. I remember being in Robbie's house, actually. I didn't live too far from him. I was in Bellevue, he was in Medina, and somehow, we all ended up in his basement figuring out what the heck was going on. And then sketched out a plan of what we need to do. We need to do this and it needs to be done immediately.

[gap in video]

**Peter Moore:**

Our brand was on the precipice of being in tatters. And obviously, PlayStation was loving this and stoking the fires in the background. Their narrative was, "This is typical of a software company. Microsoft [is] trying to get into the hardware business [and] rushing it. They needed to beat us (Sony) to market so they rushed it and didn't do the necessary QA and look what happens."



But we salvaged it. We went in, we took care of every customer, [and] every gamer. We kept the brand afloat at that time, and then, as we came through the other end, and the content kept coming through. Xbox Live really started to take a hold much superior to the PlayStation Network. When you look back at it, the salvation here is that we had a tremendous online platform that allowed gamers not only to play against each other but to socialize, and this was very much right in our wheelhouse as a company, as Microsoft, to be able to develop this.

This is where, as the industry started to move away from being just hardware and a game disk you put into it, and being more reliant on software as a service at that point. Then you would see Microsoft come to its fore. Then you would see all of the Microsoft divisions wanting to help in these ways, with network groups and servers and everything that was required to be able to pull off what is now Xbox Live. A massive magnitude and scale required not just the Xbox team, but every element of what we could muster, and that was the advantage we had over Sony, who was still very much a hardware company, and learning the ropes of software and networking. The ability to manage millions of consumers wasn't their forte whatsoever, but it certainly was ours.

**Michael Halvorson:** Yeah, I understand what you're saying. And I think that as video game complexity increased, it seems like the resources of a software company were just better suited for complex animation and audio and the kinds of things that people were doing. It used to be that a hardware manufacturer could say, "Hey, here are the registers and here's the cool stuff that's

gonna happen [when you use them]." Microsoft did really lean into that. I think you're exactly right.

**Peter Moore:**

Yes. And it played very much into our strengths. I think that history has recorded that. As everything moved and particularly [with] global billing systems. How do you interact with an individual consumer anywhere in the world, and we were used to doing that through Windows or Office or whatever it happened to be. So, we always went and plucked and grabbed help from every corner of Redmond and around the world, and that allowed us to be able to get a leg up on Sony who was still learning the ropes here.

**Michael Halvorson:**

Peter, another difference between sort of the older Microsoft model of software production and what happened in the gaming industry was really the focus on that pre-Christmas release time. Microsoft software for Windows or MS-DOS or even Office [was released] every 18 to 24 months [but] kind of set anywhere around the year (although a November release would be nice). Can you talk about how that really needed to change with the Xbox 360? Like you had to really focus on particular times of the year.

**Peter Moore:**

Yeah, our fiscal year, I'm sure it's still the same, ended June 30. And so, we had something interesting which is different from most of the video game industry, which is March 31, fiscal year end. But we all knew that you better be in position to have the right software to drive your hardware sales from the week before Black Friday onwards [i.e. the third week of November]. Because you could do 80% of your business in that seven-week

period. If you had the right combination of- you needed the hardware in place, not production constrained but ready to go with the right games that would drive it. And so, famously, *Halo* was the game that was always going to be, and still is, to a certain extent, a first-party game that was going to break through. So E3, the massive video game conference in Los Angeles every year in June, set the table for what was going to come for the balance of the year, and got gamers excited. And in those days, got retailers excited about placing their orders and getting behind you with big units.

We were struggling to get a launch date for *Halo 2*. This was make or break. And gamers all of a sudden were started to be a little skeptical. Can Microsoft deliver their launch? Can they deliver their first-party content? So, these were the days of, man—we would do anything in these conferences to, A: have a good time, which gamers want to do, and B: have this console-war mentality that gamers loved. It is Sony versus Microsoft versus Nintendo, and that actually was a rising tide that lifts all ships.

So rather famously, I'm with my team planning E3. And we were very concerned about how we needed to announce a ship date, otherwise retailers are gonna go, "You guys got nothing, you got your hardware, but you don't have the software, you don't have that killer app that's going to drive the hardware." And so, I famously said, "What do I need to do to get Bungie," which is the developer that we owned, "to give us a definitive date? Frickin' tattoo it on my arm?" And the PR guys go, "That's a great idea." So, I rather famously on my right bicep tattooed: "November" and the *Halo 2* logo, and revealed that on stage,

which today people still here in Santa Barbara, California will stop me on the street and ask to see my tattoo.

[We] followed up the following year with *Grand Theft Auto IV* which was a big deal for us to get *Grand Theft Auto* on the platform. So, that became a little bit of my trademark. But yeah, getting the right software that was gonna drive hardware, particularly the first party which was obviously exclusive to your box was key. *Halo 2* was amazing and did exactly what it needed to do, which drove massive amounts of hardware sales and really put the wind at our backs going into that holiday.

**Michael Halvorson:** Peter, for those who don't know about E3, particularly in those days, can you describe what would be at that conference? Was it a matter of presenting to the press who would then write articles and sort of spread through their networks? Were there gaming partners or companies there? I mean, why was that such a definitive moment?

**Peter Moore:** E3 was a combination of certainly the media, your customers, and again customers being retailers. What it wasn't, was gamers. It was not open to the public. But it garnered huge attention on a global basis. It was at the Los Angeles Convention Center. Typically, in mid-June. We at Microsoft spent an inordinate amount of time in the three, four, or five months prior to that planning for it. The budgets for our booth would be like a small town in there with hundreds of demo units showing a combination of first-party games and third-party games, and brought in not only the gaming media and retailers from around the world, because it was by far--I would

say the international visitors probably actually outnumber the domestic visitors from all over the world that came there.

It was the perfect time to show your software at whatever state that software happened to be and the perfect time to start writing orders and getting forecasts from the retailers. But also, it was front page news. It was a huge show. Hundreds of millions of dollars spent. We did press conferences the day before or two days before and certainly I helmed for the three-four years that I was there, helmed those press conferences with Robbie Bach and we did some amazing things at these press conferences. Almost like no cost was too much to be able to draw attention. I can remember two years in a row walking Steven Spielberg around our booth and showing him the games. Michael Eisner would always come in from Disney at that time because he was interested and concerned that games were going to overtake movies and TV. The celebrities that would come through that were LA-based, that we would give passes to, that loved gaming, even they were so honored to get a backstage pass to come and see the content here. So, it's a huge show, usually about 70,000 attendees, but again, no gamers, it was not open to the public.

Its job was to put global attention on the industry. And there was always, "Who won E3?" That was usually determined at the press conferences with the surprises that we had to spring on the media. You know that, "Look this game is coming"--that maybe they didn't expect and doing things like tattooing your arms and all sorts--was totally focused on drawing attention to you as a company in my case, obviously here, to the Xbox 360 and Xbox Live.

**Michael Halvorson:** Right, so is this where you revealed the price of \$299 for your console and the PlayStation folks had been like, “Aahh”?

**Peter Moore:** We had a separate conference. We had two elements of the Xbox 360 launch. We did a separate event in Hollywood. Again, tying into the entertainment. You're right there across from the Roosevelt Hotel, and Elijah Wood, I remember, was kind of our host and we had not shown the Xbox 360 to the world.

A young lady in a backpack dramatically walked down the aisle, “backpack girl” as she became known, put a backpack on, then brought out this Xbox 360. We had spent the previous six months of what I called “putting up chaff” of fake digital renditions of what the Xbox 360 would look like, to try to throw the Internet off as regards any leaks with its design. We were very proud of this kind of concave unique design that the Xbox 360 had. Because prior to that, everything had been pretty boxy and kind of consumer electronics-ish. But we had a separate event then.

And then on launch night, about seven weeks only before launch, we decided to really get gamer focused and that was an important inflection point and said why don't we just go figure out somewhere in the middle of the Mojave Desert where we could find some Airforce hangers and then theme it out, and then invite gamers. If they were going to get out to the Mojave Desert, they deserved to come. We threw open the doors with this big green glow. We had probably 200 interactives with all

of the games and massive amounts of beanbags. And this was “zero hour” as it was called. And that was the night of launch and again provided huge publicity in a very unique way. And it showed that we were gamer-oriented first. BestBuy showed up with truckloads of Xbox 360s, which these gamers were allowed to buy. But more importantly, we had them there for 24 hours, if they wanted to stay for 24 hours. Laying on beanbags and playing to their heart's content of games. That again is an event that the team put together with great pride and people often still talk about that as being a very unique moment. That was zero hour, I think, just outside of Palmdale, if I remember rightly, in the Central Valley.

**Michael Halvorson:** Do you feel this is not the way Microsoft normally would market software although they had started to do things like this at Comdex. Do you feel like maybe you were taking some inspiration and insight from the entertainment industry or the marketing of other commercial products? I mean, where does this idea of the outside LA big splashy celebrities concept kind of come from?

**Peter Moore:** So, the marketing team which we eventually put together was a combo of internal Microsoft employees that wanted to work on the Xbox business, that maybe had been working, to your point, on Windows or Office, anything that was kind of consumer-facing-ish. And then we brought in people from gaming all around the world to Redmond and staffed our subsidiaries with gamers. I had a background very much as a marketer and I had like-minded individuals. We had great agencies that worked with us, McCann Erickson, in particular, and event agencies ZED INK, were the folks that put together our [campaign]. They were

LA-based, who I still stay in very close contact with. [They] did all of our E3 stuff.

So, what we were dealing with were internal folks who understood entertainment marketing and grasped it, and then we had our own agencies different from the kind of Wag Ed [Waggener Edstrom Communications] and everything else that the Windows team would have that were very productivity software focused. We were more Hollywood, if you will, and we were also given free rein by Bill and Steve, and whomever, to go do what was necessary. So we did, and it really resonated with gamers that this was a very different side of Microsoft. To the extent where, if you looked at the Xbox packaging, you were hard-pressed to find the Microsoft logo on that, and I explained that to Bill, I always remember, and he got it. We needed to build a brand that wasn't, and I say this gingerly, saddled with the baggage of Microsoft. This was at the time when those Apple TV ads were running with the two actors who theoretically played Jobs and Gates, and they used to drive me crazy, because I am a challenger brand guy and I wanted to like smack out... But no, let it be, let it be. So, this was our opportunity to start throwing punches, if you will, and we grasped it, and our TV commercials were different and unique. And I can thank McCann Erickson for that and working with our third parties.

We changed the way that games were marketed. And I can point to a game, in particular, *Gears of War*, which is a very important part of our launch lineup for the Xbox 360. A shooter from Epic games that really helped them drive their new engine: Unreal Engine 4 at that time. And we did a TV commercial called *Mad World*, which is a version of the Tears for



Fears hit, but it was done by Gary Joule (a cover version). And it was unlike any video game commercial you would ever see. I was and still am very proud of what we did there because then the following years you saw this more mature utilization of storytelling and graphics whereas previously it was shoot up and explosions and heavy metal music. We figured it was time for a change. So, we worked with Digital Domain, and we did it in [the game] engine and that commercial, still today, people talk about. And what, is this 17 years on? It changed the way that, A: Gamers would interpret a game; and B: I think it gave us credibility in the broader entertainment space because it got Cannes Lions, it got awards for innovative marketing, and to this day, is still pointed to as a moment in time when video game marketing grew up.

**Michael Halvorson:** Were you getting the sense that the Xbox platform was getting a reputation for being a leading platform, for example, in first-person shooters, like you're mentioning, or did you start to sense, well, there are [also] different genres? There are sporting games, there are open world games. Can you speak to that a little bit?

**Peter Moore:** Yeah, [we were] concerned a little bit [that] we were being perceived as a shooter platform, [with] *Halo* and in particular *Gears of War*. These are the games. We needed to broaden out and we did that. We had acquired Rare, a great developer in England. Interesting, unique, and somewhat quirky games like *Viva Piñata*, we started to put out there. *Kameo*, a beautiful game, to kind of soften the image, if you will, and to broaden the image that this was more than just hardcore shooters. Because that's a great niche, but it's a niche, and we need to develop a canyon. So, we then purposefully scoured the world

for more, let's call it family-oriented games, and different genres, trying to get [broad coverage].

And to your point on sports, whilst EA was developing, we developed XSN sports, which we developed our own sports line. In those days, if you were first-party, you needed your own sports, first-party games. But we quickly realized (and when I say quickly, after maybe 18 months), you know what, let's just leave it to EA and we'll go put our development money somewhere else. And *Madden* and *FIFA* and *NHL* and *NBA*—we'll get enough royalties from those games, and that will satiate the sports gamer. By having those great games on our platform, we'll go do something else. So, this is where we would go spend that money that we probably had earmarked for game development for sports and go spend it on third-party developers in other genres, but we badly needed at that time to broaden the appeal of the platform, not just to that hardcore shooter gamer.

**Michael Halvorson:** Right, and eventually, *Minecraft* and platforms like that will prove that there's a lot of money to be made in those other areas.

**Peter Moore:** Absolutely. Yeah, totally.

**Michael Halvorson:** Peter, can you talk about the worldwide marketing of Xbox there? These are worldwide launches. But we've been talking a lot about the US and Japanese markets. But did you have

responsibility for a kind of worldwide launch and partnerships too? Can you speak to that a little bit?

**Peter Moore:**

Yeah, totally. It was a worldwide group out of Redmond. The US was an important market and obviously easier for us, but we spent a lot of time traveling the world. I ended up in Mumbai, India launching the Xbox 360 one night and eventually did a worldwide trip. I found it was easy to just go all around the world and make calls to key retailers, our subsidiaries, and even to gamer events and I started to be the front man for this.

What we did is then developed what we call the X0 events. X04, X05 in places like Amsterdam, where we would bring together in particular... This would be our European element of what we would do where we would have a European-based event in a very cool environment and start speaking to the gaming industry in the UK, France, Germany, Italy, Spain, the Netherlands, you name it. And we decided to spend a chunk of money by doing that on the ground in usually Western Europe and making sure that, Barcelona was the next year, making sure that we were talking at a European level, which is very important. And then we would go to the TGS (Tokyo Game Show), which was a bit of an uphill battle, but we would want it to be there. We wanted to be seen, from a respect perspective.

Playing in the Japanese market, we were not really successful with the hardware. But from that perspective, we needed the support of Japanese game developers, and so we would show up at TGS (Tokyo Game Show) every year and show what we were about. We were still very much in the shadow, the

Japanese [had a strong] culture of loyalty... [video unclear] We served the Sony's and then Nintendo's well, but missed one during my period there and made sure that I did 20 or 30 interviews. It was exhausting doing interviews there with a translator and what have you. And taking the abuse of why you aren't more successful blah blah, blah. But it was important that we showed respect to that community.

**Michael Halvorson:** Yeah. Peter, I was going to ask you about the challenge of some of these different retail channels because like in Europe, the retail business is different... France is like FNAC and places like that. So, did you need to retail through the same places that were selling Microsoft business software, or did you have people on the ground that were kind of coming up with new retail channels?

**Peter Moore:** Yeah, it was a combination of both. Yeah, I mean, if you were there, typically it's consumer electronics. FNAC is a good example in France. HMV Virgin in the UK. Each country seemed to have its game specialty retailer, but from the perspective of us building out new channels, yes, this was a great opportunity for Microsoft to build out new channels, new opportunities to sell our products at retailers that actually had never really carried any Microsoft stuff. So that was good. And yeah, you got to build new relationships.

I had spent my life from my Patrick days and my Reebok days calling on retailers, so it wasn't hard for me, and we had a great product. But they would roll me out wherever I was in the world and go see retailers and sit down and talk about the future. Talk

about the industry and talk about Microsoft's role in the industry. I wasn't there to write orders but talk about the future and the strategy and how this industry was going to grow, and that these retailers needed to be a part of it. So yeah, that was one. I think one of the major pluses for us at Microsoft doing this is that it opened up different channels. And I'd like to think maybe then we follow up with maybe our PC peripherals or whatever and be able to really take full advantage of a door that was opened by Xbox.

**Michael Halvorson:** Thank you. Can you comment a little bit about Microsoft's internal structures when you were there, Peter? We've been talking about outside relationships through much of this conversation, but you came to a place that was different from your work at Sega or Reebok. You're a leader with a responsibility for looking after and hiring a lot of people. Can you kind of comment on Microsoft culture at that time?

**Peter Moore:** It was fascinating to me and I've never worked in software per se. I've always been a consumer products guy, whether it was soccer shoes, sporting goods and games, but I was a Corporate Vice President, I was a level 80, I guess (I'm trying to think what it was in those days). I got hauled around to Semiahmoo and sat down [to discuss strategy at the annual retreat]. I was fascinated. In those days, the biggest concern was open source software and Linux. You smile now because it really didn't actually pose the threat that we were worried about. But I remember sitting in Semiahmoo, which is just up on the Canadian border, where we'd go every year, just outside of Blaine, Washington, if I remember. And, we would talk about what threats and opportunities there were. For me, I was more of a voyeur. And there were still a cadre of execs that actually

resented, and I say that probably too harshly, but the amount of money that Microsoft was spending on games that in their mind should have been spent elsewhere. It was a minority. The great number of people that I interacted with, my peers at CVP level, loved the idea that Microsoft was branching out into the world of entertainment and thus having a presence in the home rather than purely being in productivity.

But there was still some animosity, I would say. People didn't understand it. They started to see some of the numbers because we invested billions of dollars in this, and it ultimately, I think, paid off nicely. But in those early days, the money was only going one way. I learned a lot and during those days Interactive Entertainment, which was the group I was in, we were also doing mobile phones and we were doing a ton of peripheral business at retail, with Microsoft peripherals, mice, keyboards, which was a big business for us, and also selling to Apple because Outlook and Office would be on a Mac system, and you were still selling discs in those days. So, Mitch Koch and his team, we'd call on retail, so we were and it took me a while to learn this. I'd gone from little Sega and having 40 people maybe at the end in San Francisco to 95,000 people at that time, spread around the world.

It was a huge, huge operation and sitting down talking to Steve Ballmer and Bill Gates about strategy. So I was fascinated again, I think there were certain elements that just didn't believe in the strategy of this and Robbie [Bach] was really good, figuring out how to defend us that this would pay off in the end type thing and would be great for the Microsoft brand and as I say, at that time, trying to be a little cooler in the face of Apple trying to put us in a corner as a bunch of nerds. They were the cool kids

and [Steve] Jobs at that time was working hard to put us firmly in the background here. So yeah, and it was tough for me at first because it wasn't who I was. But then I grew into it. And the more I got to understand all of the product lines and everything else that was going on, and where we fit... Because it was very important in probably year two and three of my tenure there that we could reach out to all various parts of the corporation looking for help because we then figured out Xbox Live was going to be our silver bullet here and that was going to require a ton of help.

**Michael Halvorson:** Where did you learn the ropes about being a manager or a person that hired people? Was that something that you kind of learned as you were at Microsoft or much earlier?

**Peter Moore:** I think I learned it being a PE teacher in Llangollen [Wales] in the mid-70s. And I always relate [this to], particularly when you're a physical education teacher, you're typically trying to convince 35 boys to do something they don't want to do eight times a day. [You need the] power of persuasion. I grew up in a pub and so I interacted with adults as early as 12 and 13, pulling pints, believe it or not, which I did. And I'm from Liverpool and my personality is a typical Liverpudlian. Probably we're all a little bit more self-confident than we should be and you've got that. People remember the Beatles and their cheekiness and their confidence and as Liverpudlians, we all have that element of self-confidence and our ability to convince people to do things for their own good, but we're not shy about that.

So, as always, when you're working with big corporations, Reebok would be the one that started me, you do management training and try to hone the skills at a corporate level, to be able to make the tough decisions on people. To be able to bring in people you knew were going to be additive to your team. And unfortunately, jettisoned a few people that maybe were blockers. And certainly, by the time I got to Microsoft, nobody liked the performance review period at Microsoft, but you really had to be on the ball there and be very, very focused on who your winners were. And there would be people that just weren't cut out. No, they were going to be fine somewhere else, but they just weren't cut out for Microsoft. And so, you had to make those hard calls. But yeah, that sense of management.

For me, it was about motivating from the front always and being very, very visible and being the face of the group. That was an important part and something, particularly at Microsoft, where it was always a challenge. Bill would always say there's so many people writing code, and he would, without being detrimental, say they need to go write code. We don't bring them out in public. Now guys like you, we roll you out on stage and you'll be the face of Microsoft and take on the competition, in the same way that the original Steve Ballmer would do in the Windows 95 period. For a big personality, portraying the brand is a lot more open and humane, rather than some bunch of engineers, which was Steve's job, and then it certainly became my job at Xbox.

**Michael Halvorson:** Xbox 360 was certainly very successful and a kind of a landmark in the industry. But when you look back at your time at Microsoft, do you have some particular moments of pride or things that you felt were a success that you'd like to share?



**Peter Moore:**

Yeah, I think for me, everything we went through to get the Xbox 360 ready to go. And it was the first time I think then that hardware, software, and services all came together, some thinking gaming now you take for granted, but this was the first time that you had a great piece of hardware, well priced, ready to go. You had a tremendous amount of games and you had peripherals that would support you and then you had this service that was still a little bit in its infancy in Xbox Live. But all of a sudden, you were introducing gamers to the fact that you don't need to go to your friend's house and sit on the couch next to him, and that millions of you could interact, socialize and it was challenging for us. I mean, we had to have so much administration and moderation in the early days. But it was that first launch where software, services and hardware all came together. And in today's world, that's what needs to happen. Not only in gaming, but just about any piece of hardware now. You better have some software and services to support it because the hardware business is tough. I think we debuted that as a company and taught the rest of the world a lesson on how to do it well. And I love [that its] not just me but by that time a couple of thousand people were working on this within Microsoft. And to this day, it continues- as we discussed earlier, that Microsoft pays so much attention to this space now that they make their biggest acquisition ever with Activision Blizzard.

**Michael Halvorson:**

Yeah, totally. Can you talk about some takeaways that you gained when you left Microsoft and went to other parts of your career, and some things that you learned at Microsoft that you're still using or that have been helpful to you?

**Peter Moore:**

For me, it was, in simple terms, harnessing the power of the entity, and what did that mean? You've got to figure out what you can do and what advantage you have. We weren't a gaming company. Certainly Sony, with the original PlayStation from the mid-90s, was but what could we do to harness the power of Microsoft and change the marketplace, if you will, and be disruptive to figure out how do we get a competitive advantage with who we are, rather than allow Sony that space or even Nintendo? And it became that software and services side of it.

**Peter Moore:**

We did the same when I moved on to EA and certainly took a lot of my learnings there from building internal morale and core camaraderie. Doing town halls, getting everybody on the same page, vision strategy objectives, and making sure that everybody understood their jobs, making sure that everybody understood who the competition was, in particular, and how we could exploit their weaknesses. How we could serve the gamer better. We always talked about being gamer first, and I took that, certainly to EA, being gamer first, and even took it to Liverpool Football Club, being a fan first. Football without fans is nothing, as we would say.

As this idea of interacting, as I started to do on social media, got some steam, interacting with gamers and having no issues sitting down talking with gamers anywhere in the world was something that I learned. You can't be- you can't sit at the head of that- and [think] it's beneath me to talk to a gamer. No, I would talk to gamers all day long on whatever platform I was able to do. And Microsoft started to do a bunch of stuff like blog posts and what have you just to engage. We didn't have the benefit of the social media platforms at any level. They're 16, 17 years ago, but there were opportunities to engage with

them with YouTube and actually record things, and I did a ton of media interviews. The magazines were still very popular in those days. So, you'll find a ton of gaming magazines with interviews with myself and George Peckham and J Allard and Ed Fries and going back to Seamus Blackley, in the old days. So, people whose names will be forever written in the legacy of Xbox and from whose shoulders the folks there today stand on.

**Michael Halvorson:** Yeah, excellent. You've also been very thoughtful about the challenges of the hardware issues with Xbox 360. You mean the red rings of death thing that you mentioned and you seem to have thought about it a lot. Has that also helped you going forward? Thinking gee, if you have trouble or if you end up at Liverpool, if you have a challenge, can you talk about that?

**Peter Moore:** Yeah... the red rings of death. Again, I refer to it as a Tylenol moment. I remember well, as I'm sure you do, one night in Chicago [in 1982], people were buying Tylenol and taking them that evening, and dying, and somebody who I believe they've never found, was injecting cyanide into Tylenol. Johnson & Johnson's reaction to that was to immediately go out of business with Tylenol, and buy every single piece of Tylenol off the shelves. The legacy of that, which people don't realize, are the safety seals we now take for granted in our drugs. Because in the old days, you didn't have those, you had a little piece of cotton ball [in the bottle], and you just unscrewed your container and there were your tablets. Now, if it doesn't have a safety seal, I'm sure none of us would actually use it. But that was our Tylenol moment.

I learned certainly at Liverpool Football Club, when you've got 300 million fans screaming that you ought to do this, that, and the other all the time. We had a number of Tylenol moments which we had to resolve but [through] quick decisive action, immediate mea culpas, apologies, a plan to fix it, and making sure that you were focused on making it good if you'd made a mistake, and there were plenty of opportunities every day to make mistakes.

Once I was there I did have the benefit of social media and I actually was on Twitter, which was very unusual for a Premier League CEO, and a bit controversial. My owners weren't huge fans of me being on social media and engaging with fans, which they found unstatesmanlike, but I am from Liverpool. I know these people. And I leverage my Liverpudlian-ness in my role to provide empathy and understanding for our local fans, in particular, all of whom were desperate to get a ticket to the stadium and could never get in because the demand to watch Liverpool play is outstripped by the supply. And so, yeah, I learned a lot during that period of time. And if you focus on red rings of death, it's get the facts, figure out the plan, communicate with humility and humbleness, and apologies, and then execute the plan, and that's what we did.

**Michael Halvorson:** Fantastic. And you have this ongoing love of sport and the connection between entertainment sport and business. Can you kind of reflect on that a little bit because it seems like it's just really an essential part of who you are?

**Peter Moore:**

Yeah, I mean, sport is entertainment. I mean, it allows us- as a working-class lad growing up in Liverpool, and still to this day- your release from the humdrum of work life was Saturday afternoon, three o'clock, at the stadium, and at the time when I grew up, that's all we had. We lived for that moment, to bask in the glory of the Mighty Reds, hopefully with a victory, that would cheer us up for whatever tough lives we were living, in a very working-class city.

And I think that in my video game career, I took so many lessons into my days at Liverpool on managing massive, massive customer bases, whose emotions would go up and down depending on what we did. Now, in the case of gaming, the gaming environment can be toxic and nasty and still is today. And football is no different. It was not about winning and losing but how you were treating the fans, how you were engaging on a global basis, in Liverpool's case, 300- or 400-million people that watch Liverpool either, very few in person, but the great majority on television, and the wins and losses would either cheer him up for the weekend or ruin their weekend. So, you took that on your shoulders and made sure that you paid the necessary respect because they own the club. Yes, in Liverpool's case, the American owners [are] Fenway Sports Group, but they were very clear that they never use the phrase owner, because they were stewards of the club. Because the fans own the club—dads like mine, the granddads, the great granddads—that have been watching the club that was founded in 1892, and is multigenerational. So, I had no issues engaging either in person on the streets of Liverpool at the stadium before the game and certainly on social media, because, again, football without fans is nothing.

We took that very much to heart. Gaming without gamers is nothing. So, like I say, I'd learned that lesson of trying to- Nobody's going to be perfect and it's a complex, fast moving industry. You're going to make mistakes. But the mea culpa needs to come quickly, in a humble and apologetic manner with a plan to fix it. And, I took those lessons into Liverpool, as well.

**Michael Halvorson:** That's fantastic. Do you think that digitization is going to continue to interact with and sort of guide sports? Or do you see that live sports will always have a particular role? That going to watch a football match will always, ultimately, be a live experience?

**Peter Moore:** It's both. Yes, it will always be a tremendous experience live- the tribal nature of the game itself, whether you're in Europe or South America- and look at what's going on here in the United States right now with Lionel Messi and Miami, with the Women's World Cup coming to a culmination this weekend. The World Cup is coming here in 2026, with MLS getting half a billion dollars in expansion fees.

I have lived here permanently since 1980 and been involved in the game personally and professionally since then. I have never seen it ever to where it's at right now. So, I think ten years from now, whether it challenges the NFL or the NBA, I don't know, but certainly all the metrics I'm seeing right now [show growth]. It's bigger than hockey. And it's finally given the United States a place at the table of respect around the world when you can

lure Lionel Messi here and you've seen the impact that he's having. SportsCenter every night covers Messi...

I've learned so much about being able to please people, if you will, in the world of consumer products. "Delight your customers" is a phrase that you hear all the time, and I'm very proud to say I know we did that at Microsoft, and took those lessons and applied them to Liverpool and in a tremendous three years, as you can see behind me [gestures to awards], of trophies and being the best team in the world at that time.

**Michael Halvorson:** Well, I wish you the best of luck with your future team, the team you're working with right now. We'll try to come and see a game when I'm in the area when you get started in 2025. But at this point, Peter, I think we can draw our interview to a close. I want to thank you for the time. Your career has been fascinating and your particular contributions to Microsoft are fascinating as well. So, thank you.

**Peter Moore:** Yeah, I'm proud to be a Microsofty. I've still got my blue badge and everything else. And if it wasn't for the attractiveness of being President of EA Sports, then I probably would still be there in the rain of Redmond and be there at Microsoft. It was one of the highlights of my career being there being with Bill and Steve at that time, and that crowd, and really turning around a tough situation for Microsoft and turning it into a win and something that they leverage to this day. So very proud of being a part of that with a very talented team at that time.