‘We Are Xbox’: read the memo defining Microsoft’s gaming future



Dear team,

Xbox has always been different.

We started with a simple idea. Games should bring people together through shared experiences. That led to the first Xbox in 2001, Xbox Live in 2002, and new ways to connect, from friends lists and achievements to parties and play across devices. Today, Xbox reaches over 500 million players around the world, with some of the most important franchises in entertainment.

From the beginning, Xbox was built by people willing to try things that others wouldn’t. We placed a consumer bet inside an enterprise company because we believed gaming would define

the living room, and we were at risk of missing it.

That spirit has carried us through the last 25 years, and it is required to carry us forward.

We have work to do

Players are frustrated.

New feature drops on console have been less frequent. Our presence on PC isn’t strong enough. Pricing is getting harder for people to keep up with. And core experiences like search, discovery, social, and personalization still feel too fragmented. Developers and publishers are asking for more, too: better tools, better insights, and a platform that helps them grow faster.

At the same time, a new generation of players is coming online with different expectations. Their time is split across games, media, and everything else competing for attention. They expect more content in familiar places, want to shape the worlds they play in, and want to create and socialize together, not just play together.

These changes are happening as the industry reshapes around us.

Console remains large and stable. Windows now represents more players and more hours and is increasingly where competition is most intense. Players have access to more games than ever, even as the cost and time to build blockbuster titles continues to rise, putting pressure on what gets made and how risk is taken. Some of the biggest recent hits are coming from small teams or even single creators, and places like Roblox are producing experiences that rival major franchises in scale. More players are also choosing subscriptions and services as their primary way to play, with expectations set around instant access, ongoing value, and libraries that evolve continuously.

The industry is becoming global and competitive. More than half of the market's revenue, players, and growth are happening outside of our core markets. But the rest of the world is not just a large market. Developers there are increasingly competing with the most established Western studios, combining scale, speed, and a willingness to reinvent genres many once considered mature.

The model that got us here won't be the one that takes us forward.

Xbox will be where the world plays

What does Xbox become in this next era?

Xbox will be where the world plays and creates. We will build a global platform that connects players and creators everywhere. Console is at the foundation, delivering a premium experience, and cloud brings that experience to any device. You can play where you want, and your games, progress, friends, and identity stay with you across console, PC, mobile, and cloud.

Xbox will be built to be affordable, personal, and open. We will offer flexible pricing so it's easy to get started and keep playing. The experience will adapt to you, letting you customize how you play, helping you find what you'll love, and connecting you with the right people. And we will be open to all creators, from individuals to the largest studios, giving anyone the tools to reach a global audience and keep their games growing over time.

Our new north star will be daily active players.

We will execute this through four priorities: hardware, content, experience, and services.

Hardware

Stabilize Gen9 as a healthy and high-quality base

Deliver Project Helix to lead in performance and play your console and PC games

Lead in comfortable, personal, high-performance accessories

Build a strong ecosystem that expands choice and reach

Content

Grow and extend an enduring portfolio of franchises players love
Evolve our 3P partnerships and strengthen our 5-year slate

Expand into China, emerging markets, and mobile-first audiences

Maintain and grow in live games and long-term stewardship
Elevate creator-centric platforms like Minecraft, Elder Scrolls, and Sea of Thieves

Experience

Fix the fundamentals for players and partners

Make Xbox the best place for developers and creators to build and grow
Overhaul discovery, customization, social and personalization to connect the community

Services

Fortify Game Pass with clear differentiation and sustainable economics
Return the business to durable growth with strong cost discipline

Make cloud play feel native, fast, and reliable across TVs and low-cost devices

Use M&A deliberately to accelerate growth where organic paths are too slow

Along the way, we will reevaluate our approach to exclusivity, windowing, and AI, and share more as we learn and decide.

We are Xbox

To achieve our master plan, the way we work must transform.

Our best work happens when the full stack moves together. “Microsoft Gaming” describes our structure but it does not describe our ambition. So, we are going back to where we started and changing our team’s name.

We are Xbox.

We are a high agency culture where wild and wonderful ideas thrive. Our job is not to smooth over our differences, but to connect everyone into something greater than any one studio or product.

We have to be honest about where we are. We’re a challenger, and meeting this moment will require pace, energy, and a level of self-critique that should feel uncomfortable. At our best we:

Over the last five years, Xbox and the industry have been through an unimaginable amount of change, and this team has continued to deliver through it for our community. Thank you for staying focused on what matters. 62 days in, we’re proud of how we’ve honored our commitments of great games, return of Xbox, and future of play. We’re here to do the most creative and courageous work of our lives, and that’s what we’ll do together.

With gratitude,

Matt & Asha

https://www.theverge.com/news/917689/microsoft-xbox-gaming-future-memo-asha-sharma-matt-booty