



## EA Games (ERTS:NASDAQ) Standardizes on Crowdcast to Forecast Game Quality and Product Ship Dates

**Industry**  
Multimedia and graphics software

**Geographies**  
North America, Europe, Asia

**Challenge**  
Reduce risk associated with new product introduction

**Solution**  
EA deployed **Crowdcast Team Intelligence Platform™** to gain access to the knowledge of their workforce

**Results**

- \$15-20M in incremental revenues due to backing top quality games and optimizing marketing spend
- 31% improvement in game quality and product ship date forecast accuracy
- An enthusiastic, diverse, and engaged employee community

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*“With Crowdcast, our forecast accuracy was consistently within a couple percentage points of the MC [Metacritic] score, far exceeding our wildest expectations”*

- Chris Ko, Senior Director, Global Research and Strategic Planning, EA

**The Challenge:** Increase revenues by more optimally allocating marketing spend for new products

The gaming industry is driven by blockbusters. In fact, revenue grows exponentially with game quality: a 1% increase in game quality equates to about \$3M of incremental revenue per game. Electronic Arts launches some 120 games per year, so the impact of poor forecasts related to new product introductions is considerable.

EA spends some \$600M on marketing every year. The efficient allocation of these funds is crucial. A marketing campaign must be carefully synchronized with product launch to maximize its impact. This represents a considerable challenge, however, as product launch date forecasting has historically been overly optimistic. Furthermore, higher quality games should command more of the overall budget, yet forecasts of game quality have been unreliable.

Other consequences of poor visibility into game performance include about \$300M worth of returns due to an overstocked retail channel, stock-outs – a boon to EA’s competitors – when game quality turns out to be better than expected, and less certain financial forecasts to investors, which leads to higher cost of capital.

Company Background  
Electronic Arts, Inc. develops, markets, publishes, and distributes video game software and content in North America, Europe, and Asia. Last year, EA's revenue was \$5.5Bn.

*“The Crowdcast system proved to be very simple and intuitive for our team, which led to a high participation rate”*

- Crowdcast user at EA

## The Solution: Crowdcast Team Intelligence Platform™

By leveraging the insights of its diverse and knowledgeable employee community via the Crowdcast Team Intelligence Platform™, **EA realized \$15-20M in additional revenues as a result of optimizing marketing spend around top quality games.**

Previously, planning new product introductions was a siloed process. EA relied on studio and marketing heads to deliver game quality forecasts and on product teams to provide release ship dates. These forecasts were infrequently updated and often exhibited biases. While it has long been held that EA employees have invaluable knowledge about key metrics on which product plans are based, EA lacked a way to tap it. EA partnered with Crowdcast to unlock this tacit knowledge and improve information flow.

Crowdcast is a prediction market-powered application that is founded on economic theory of asset valuation. For participants, Crowdcast is a simple, game-like tool that provides a mechanism for sharing information in an anonymous, well-incented, and non-hierarchical fashion. For managers, it is a risk assessment dashboard.

EA deployed Crowdcast to over 400 employees across departments and organizational levels and asked them to forecast critical new product introduction metrics. Since launch, EA employees have collaborated on dozens of forecasts of metrics for their own as well as competing games. On average, the Crowdcast forecasts were 31% more accurate than the corresponding official forecasts†.

High user engagement is essential to the success of a prediction market system. At EA, user participation is high due to a confluence of factors. First, EA is committed to the initiative, as is evidenced by regular communications from management outlining the program's importance and the allocation of funds for prizes. Second, Crowdcast's solution is designed to encourage engagement by providing purpose-built features, such as an intuitive leader board, which enables players to compete against other individuals as well as teams. Lastly, Crowdcast's betting mechanism is simple to understand and easy to use.

† Forecast error calculated using the Root Mean Squared Error method.

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