

The Future of the Home Game Console

By John Vanderhoef

4 minutes

On June 19 Microsoft [reversed](#) its stance on two key features that were going to define its next home video game console, the Xbox One. When released in the fall of 2013, Xbox One consoles will no longer feature digital rights management (DRM) for physical retail games or require a connection to Microsoft servers once every 24 hours in order to play games.

This reversal comes only two weeks after a [controversial](#) announcement at the [Electronic Entertainment Expo](#) when Microsoft announced that all physical games sold at retail would be linked to individual consoles via DRM, that all second-hand sales would have to go through approved retailers, and that its next Xbox would be “always-on,” meaning the console would require an Internet connection at least once a day in order to continue playing games.

Sony was quick to [contrast](#) its policies with those of Microsoft, assuring players that on PlayStation 4 they will be able to play used games without a license transfer, buy and trade games as they see fit, and will not be required to communicate with Sony

servers in order to play games that do not already require an online connection.

Microsoft's change of heart was jokingly referred to as Xbox 180, implying a change of direction for the company but also riffing on its current home console, the Xbox 360. Many explain this about-face by pointing to consumer backlash and criticism, but not everybody is happy with the decision. Specifically, publishers and developers worry that the same financial problems they faced this generation, which they blame on [used games](#), will only continue and worsen, as games will still [retail for \\$60](#), while the cost of development is [expected](#) to rise.

Here are some of the highlights from the ongoing debate about the future of the home console ecosystem:

- Most players were pleased by the news, [claiming](#) it was public outcry that led to the decision, while others [suggest](#) Sony forced Microsoft to change its stance, with many citing [uneven](#) pre-order [sales](#) between the two consoles. Microsoft [contends](#) they have been listening to players since the Xbox One's unveiling in May 2013 and recognized the mood of the market after its E3 presentation.
- Some [players opposed](#) Microsoft's decision to drop its DRM policies, noting they were looking forward to some of the features, such as [family sharing](#), the ability to play without discs, and the promise that games would eventually get cheaper without used sales that cannibalize sales of new games. Did Microsoft [throw out](#) the baby with the bathwater?
- Adrian Chmielarz, co-founder of The Astronauts and former

[People Can Fly](#) creative director, [explains](#) the ramifications of Microsoft's turnaround. He argues that Microsoft's decision merely prolongs the [inevitable](#) death of boxed retail game copies.

- The Market for Computer and Video Games [believes](#) this is not a U-turn for Microsoft, but just a new hybrid strategy that will keep the current model going while also incubating and growing the long-term digital strategy Microsoft originally wanted to implement on day-one.
- Microsoft's policy changes pleased brick-and-mortar game stores and rental services, like [Gamestop](#), [Gamefly](#), and [GAME](#), that rely on used game sales and DRM-free physical copies for their central business models.
- For those interested, [here](#) is a current comparison between the two upcoming consoles, Xbox One and PlayStation 4.