



Stanford eCorner

Flexibility: Recognizing Growth Sectors

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Earl explains that EA was previously focused mainly on sports games, but they found that they could not grow fast enough without expanding into other areas, namely entertainment. Games are continually becoming more mainstream and a lot of people can relate to movies making them a popular choice a game topic, he says. EA is now divided into three brands, EA Big (sports), EA Games, and EA Online.



Transcript

We have basically grown. The fact that we couldn't grow fast enough purely on a sports diet. So sports, which used to be about 70% or 75% of our revenue is now about 35% and the EA games the entertainment side of this has really taken over as the growth sector and we just had to figure out how to be successful outside of sports to be able to go from a, when Tom started working with the company in '92, we were \$150 million company to what will be a \$3 billion company this year. The only way we're going to do that was to grow out into other areas so we've bought the big franchise or the big label, which is for, you know, sports games and extreme sports and entertainment game and those are two carriers of growth in the company, which is not why we've been, the size of that we are right now and the trajectory we are right now if we had stuck in sports exclusively. Also, I would answer that that games are becoming more mainstream and a lot of people are who we can relate to in movie title, it's easy for them to cross over into playing the game. So you have, you know, larger installs for people with consoles and you have, you know, the fact that it's not just perceived as something that that kicks you, right? So the growth in Egypt EA games such as you know, there's three grounds. EA Big, EA Games, and ea.com, which is now EA Online. There was a lot of different things happening but part of it is the combination's average of growth and season like I have the opportunity with more and more people interested in playing games.