

---

**From:** Kareem Choudhry </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MICROSOFT.ONMICROSOFT.COM-55760-KAREEM CHOUDHRY>  
**To:** Phil Spencer; Satya Nadella; Sarah Bond (SHE/HER)  
**CC:** Jason Zander; Scott Guthrie; Chris Young; Amy Hood; Panos Panay; Rajesh Jha; Sarah Bond (SHE/HER)  
**Sent:** 7/29/2021 8:54:45 PM  
**Subject:** RE: Stadia as a Cloud Service

Phil is correct. Sarah and I in partnership with Jason's team are driving a suitable Azure sku [REDACTED] as part of a series that will serve the customer demand we see externally for IAAS and to run our xCloud PC streaming stack. [REDACTED]

Thanx,  
Kareem

**From:** Phil Spencer <philsp@microsoft.com>  
**Sent:** Thursday, July 29, 2021 1:30 PM  
**To:** Satya Nadella <satyan@microsoft.com>; Kareem Choudhry <kareemc@microsoft.com>; Sarah Bond (SHE/HER) <Sarah.Bond@microsoft.com>  
**Cc:** Jason Zander <jasonz@microsoft.com>; Scott Guthrie <scottgu@microsoft.com>; Chris Young <chrisyoung@microsoft.com>; Amy Hood <amyhood@microsoft.com>; Panos Panay <panosp@microsoft.com>; Rajesh Jha <rajeshj@microsoft.com>; Sarah Bond (SHE/HER) <Sarah.Bond@microsoft.com>  
**Subject:** RE: Stadia as a Cloud Service

From a developer/creator standpoint the Stadia solution is less generic today. For a creator, in this context, their platform choices are really based on liquidity and tools/support/port cost.

For liquidity, there is really none for Linux today. On Steam, Linux is sub 1% user share (this will change with Valve's Steam Deck device). And consequently every decision to go to Linux/Stadia for a creator is a port. The tools with Linux/Vulkan are decent for game devs but the process is still a port that can take months. In addition Stadia has it's own multiplayer stack so it means porting not only the runtime but all of the community features to a new ecosystem with very few players. Two examples to draw from are Bungie who ported Destiny 2 to Stadia and would estimate that it took 6 months and Doom Eternal (now our game) which took a couple of months given it was already Vulkan based. Any AAA game in development today that isn't funded by Sony is targeting Xbox so we have that on the cloud.

From a cost to serve the generic point is right, Google has the ability to reuse their Linux cloud hardware and yes as we stream PC native games from an Azure GPU SKU we would have more re-use scenarios to recoup costs. Kareem can give more detail here. Today the Stadia cloud SKU is an expensive blade so I would doubt their cost to serve is favorable to ours but the reuse scenarios will help. Amortizing their fixed cost based on usage Stadia is clearly more expensive.

For Stadia all up I honestly think Google is in the process of just trying to turn Stadia into a Google Cloud SKU and do away with their 1P consumer service. They've cut all of their 1P game investment. They recently pivoted away from any upfront payment to devs to be on Stadia and went to a pure usage share model (didn't go over well as it's really a developer taking all the risk to help Google grow their service) and the 1P Stadia team has mostly disbanded.

[REDACTED]

Google is a massive and aggressive competitor but honestly I've been surprised by their lack of progress with Stadia. To date our #1 competitor here is really nVidia with GeForce Now. But we keep our eye on both Google and Amazon with Luna (also struggling).

Phil

**From:** Satya Nadella <[satyan@microsoft.com](mailto:satyan@microsoft.com)>

**Sent:** Thursday, July 29, 2021 12:14 PM

**To:** Kareem Choudhry <[kareemc@microsoft.com](mailto:kareemc@microsoft.com)>; Sarah Bond (SHE/HER) <[Sarah.Bond@microsoft.com](mailto:Sarah.Bond@microsoft.com)>; Phil Spencer <[philsp@microsoft.com](mailto:philsp@microsoft.com)>

**Cc:** Jason Zander <[jasonz@microsoft.com](mailto:jasonz@microsoft.com)>; Scott Guthrie <[scottgu@microsoft.com](mailto:scottgu@microsoft.com)>; Chris Young <[chrisyoung@microsoft.com](mailto:chrisyoung@microsoft.com)>; Amy Hood <[amyhood@microsoft.com](mailto:amyhood@microsoft.com)>; Panos Panay <[panosp@microsoft.com](mailto:panosp@microsoft.com)>; Rajesh Jha <[rajeshj@microsoft.com](mailto:rajeshj@microsoft.com)>

**Subject:** Stadia as a Cloud Service

[Stadia white label future hinted at in new job listing - 9to5Google](#)

Interesting..... I wonder what this means? Seems like they will have a leg up because their stuff is more generic Linux VMs + Network.... But I am assuming we will do the same for Game Pass PC – right? And if so we can have the same flexibility in terms of offering Cloud Gaming as a PaaS backend as well.

Thx

Sent from [Mail](#) for Windows