

News > Technology

SAVE | EMAIL | PRINT | RSS

Playing for keeps

Microsoft kicks off the holidays in high definition with its \$400 Xbox 360.

November 17, 2005: 4:02 PM EST

By [Peter Lewis](#), FORTUNE senior editor

NEW YORK (FORTUNE) - Microsoft's got game. After plunging an estimated \$4 billion into the development and marketing of its Xbox videogame console, the centerpiece of its strategy to expand from the office to the living room, Microsoft has taken the wraps off its next-generation game box, the Xbox 360. And judging from the features Microsoft has packed into the new box, it's clear the company is playing for keeps.

Despite a relatively steep pricetag of \$400 for the complete hardware package, an initially sparse selection of new games at a typical hit of \$50 each, requirement of a broadband Internet connection, and online fees that can be as much as \$8 a month, we expect the Xbox 360 to be the techie toy of choice for gamers this holiday season.

The \$400 Xbox 360 "premium" bundle includes the completely redesigned game console; a wireless controller; cables for attaching the Xbox 360 to a TV set; a removable 20GB hard disk; a headset; customized face plates; a monster-size AC power adapter; and a free pass for a basic subscription to Xbox Live, the online gaming network that is rapidly setting Xbox apart from its main rival and the market leader, the Sony PlayStation 2.

Microsoft will also offer a basic Xbox 360 system for \$300, consisting of just the console itself, a wired controller, and the basic Xbox Live service. However, the experience of using the full system is so compelling that most consumers are likely to opt for the premium package.



Microsoft's Xbox 360, which hits stores Nov. 22.

Photo
Gallery

[See more photos](#)

Top Stories

7 things to
before the
SoftBank a
want driver
to change 1
Aston Mart
in its Lond
Barnes & N
soars 20%
explores a
Why it's tim
investors to
defense

YOUR E-M
ALERTS

Follow the
matters to
Create you
alert to be
topics you'r
interested i

Or, visit **Po**
Alerts for
suggestion

Manage ale
is th

To recoup its investment -- \$4 billion is a big ante even for a company with \$40 billion in cash -- Microsoft has to sell its Xbox 360 as not just a hard-core gaming machine for testosterone-addled men 18 to 34 years old but also as a family entertainment and communications center for boomers, soccer moms and casual gamers. To broaden the appeal of the 360, Microsoft is going from wild to mild. The first-generation Xbox, introduced four years ago, was big and black and brutish and boxy, just the sort of design that would appeal to boys who like to blow things up. The new Xbox 360 design is more Martha Stewart. That's not to say Ms. Stewart doesn't like to blow things up; perhaps she does.

But the new machine is an upright tower with gentle curves and pale plastic. Microsoft says the design is "more Porsche than Hummer," but I find it more ho-hummer, even with the giant, toxic-green, eyeball-like power button that's one of the few design holdovers from the original.

Microsoft is also boosting the mildness quotient with an emphasis on classic arcade and parlor games, offering alternative amusements to people who don't care to wallow in bone-crunching sports games or screeching, spark-spewing race games. Puzzles, poker and other card games, billiards, and similar family fare will be available either free or for a nominal sum, probably somewhere in the \$10 range.

To appeal to nongamers, the Xbox 360 can also be used as an adjunct to the home entertainment system, playing audio CDs and serving as a progressive-scan DVD player, for those times when separating monsters from their intestines becomes tedious.

Connected to any TV -- ideally a high-definition, widescreen digital set -- the 360 becomes a digital hub for the family room. Three USB 2.0 connection ports allow users to attach digital cameras, portable MP3 music players (including the Apple iPod), or even a Microsoft Windows Media Center PC. Plug in your iPod and use your own favorite music as a soundtrack to an Xbox 360 game instead of the one on the game disc. (Just don't expect to play any songs you've purchased through the Apple iTunes Music Store, because Apple has not given Microsoft a license for Apple's copyright-protection system.)

If the Media Center PC is in the other room, an optional Wi-Fi adapter or an Ethernet cable can pull music, photos, home movies, and other Windows Media files from the computer to the Xbox for display on the big-screen TV. Setting up such a networked system is always tricky, however, even for experienced techies, and rigging this one up may cause them to want to blow something up.

Good, but not great.

For another viewpoint, read CNN/Money's Chris Morris on the Xbox 360. ([See column](#))

- [Want an Xbox 360? Good luck.](#)

Photo
Gallery

 [See more photos](#)

Video game guide 2005

Xbox? PlayStation? Nintendo? CNN/Money tells you the best choices for all the systems. ([full story](#))

Turning bytes into bling

There's real money to be made selling goods in the imaginary worlds created by online games. ([Full story](#))

And that, of course, is where the Xbox 360 really shines. In the process of giving me thumb calluses while I tested new games like Perfect Dark Zero, Call of Duty 2 and Project Gotham Racing 3, the Xbox 360 revealed itself to be the most powerful and immersing gaming console available today.

All new Xbox 360 games are high-definition, showing individual blades of grass rippling in the wind, beads of sweat on an athlete's face, and blood spatters in exquisite detail, accompanied by 5.1-channel surround-sound audio. The enhanced realism comes from the Xbox 360's custom-designed IBM PowerPC processor and ATI graphics chip, which together deliver near-cinematic quality. Microsoft chose to support the 720p (720 lines scanned progressively) high-definition video standard instead of the more advanced 1,080p level announced by Sony for its PS3. All I can say is that 720p looks pretty darned good.

Microsoft also chose a standard-definition DVD player for the Xbox 360, a conservative move, given that high-definition DVD players are expected to start arriving soon. (The PS3 will feature a high-definition DVD drive.) But Microsoft reserved the option to add a high-def DVD player once a technical standard for those next-generation DVDs has been resolved.

The Xbox 360 carries interaction among players to new levels. There's a tiered pricing system for Xbox Live, with online subscriptions ranging from free for the basic Silver level to \$50 or more per year for Gold and Premium Gold levels, which include multiplayer online gaming and the ability to buy virtual gear for virtual characters using real money. Players can enter tournaments, compete for prizes, challenge other players in ranking ladders, and build a global reputation. Only a few of the most popular first-generation Xbox games will be playable on the new console, which means either keeping an older Xbox attached to the TV along with the new one or buying new versions of your favorites. The Xbox 360 also falls short, ironically, in integration with other Microsoft products and services like MSN's music store and Hotmail e-mail. Perhaps that's not bad. The first time an Excel spreadsheet or PowerPoint presentation tries to sneak onto my TV screen, I'm ripping out the wires. Let's not forget that the Xbox 360 was built primarily for fun and games. And with its powerful new hardware and endless expansion possibilities through Xbox Live, it's the only game in town this holiday season. ■

More Technology

[Honda teams up with GM on self-driving cars](#)

[The internet industry is suing California over its net neutrality law](#)
[Bumble to expand to India with the help of actress Priyanka Chopra](#)



Contact Us

Closed Captioning

Site Map



Most stock quote data provided by BATS. Market indices are shown in real time, except for the DJIA, which is delayed by two minutes. All times are ET. Disclaimer: Morningstar: © 2018 Morningstar, Inc. All Rights Reserved. Factset: FactSet Research Systems Inc. 2018. All rights reserved. Chicago Mercantile Association: Certain market data is the property of Chicago Mercantile Exchange Inc. and its licensors. All rights reserved. Dow Jones: The Dow Jones branded Indices are proprietary to and are calculated, distributed and marketed by DJI Opco, a subsidiary of S&P Dow Jones Indices LLC and have been licensed for use to S&P Opco, LLC and CNN. Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC. All content of the Dow Jones branded Indices © S&P Dow Jones Indices LLC 2018 and/or its affiliates.

© 2021 Cable News Network. A WarnerMedia Company. All Rights Reserved. **Terms** under which this service is provided to you. **Privacy Policy**.