# The sony playstation 2

Game is one of the biggest markets in the world; most of people like to play game for relaxing, or at the spare time with friends. People of all ages are players. Report has pointed out the global spending on video games-games console hardware and associated games-exceeds that spent at cinema box offices and is double the video rental market. Many firm such like Microsoft, Nintendo and Sony seize this opportunity and plan to enter this biggest market. The competition has been intensified among the game market, who will be the winner?

The market leader for hand-held, portable consoles is Nintendo-its Game Boy, launched in 1990, has sold well and consistently. Games console which are coupled up to a domestic television screen comprise a larger section of the market , and this is where Sony has become dominate. In 1994, Sony was a 'non-entity' in the video games market, however by 1996, it was the world leader of its fast growth market. At the end of 2003 Sony's accumulated sales of 12 million games consoles was well in excess of rivals Sega and Nintendo. The stronger financial support is definitely the reason of successful for Sony. However, those just one small part of reason for the success of the Playstation, the mainly reasons for the success of the Playstation are below:

* Adequate knowledge formtechnology, which had been developed over many years. It was able to derive synergy from its competencies in both hardware and software.

* Suitable timing to entered the market, to avoid some unnecessary competition with rivals. Sony timed the launch carefully and entered the

market just one month after Sega launched its new Saturn console, the first 32-bit machine. This suggested that the real competition in this sector of the industry lay between Sony and Sega, rather than with Nintendo as well, although in 1997 Nintendo launched its 64-bit N64.

* Its pricing strategy for consoles. Sony knew the real profits came from subsequent software sales and happy to cross-subsidize a relatively low-priced console. They also enjoying cost saving through the experience curve effect and happy to pass these on to consumers.

* A number of attractive licensing deals, which helped it, build up a strong portfolio of games from the outset. A number of key games software companies were persuaded to switch their allegiance to Sony." 1

* Sony's advertising campaign was very specifically planned. Sony worked out exactly what they wanted the adverts to achieve. They also aimed to make people think of the Playstation as powerful and destructive, using the line, " Do not under-estimate the power of Playstation" in many of its adverts.

Those intelligence ideas help Sony become a winner through this competition. So they are the strengths of Sony Playstation, which made Sony's market share grows in creditable rate. And helped Sony corporation build up a good reputation among the consumers that will become advantage for Sony's further competition.

Late in 2000 Sony was unable to satisfy the early demand in both the US and Europe for its new Playstation 2. The problem has come. It was experiencing

internal supply problems of critical components. This is a real fault for Sony in Christmas - the peak sales period. This could affect the profits of Sony Corporation. When Sony was struggling with the launch of Playstation 2, Microsoft and Nintendo realized this is a good opportunity to launch their new game console into the video games market. They believe there was a real chance that some customers would switch to the game console of Microsoft and Nintendo, if their intended first choice Playstation were no available. This is a real threat for Playstation's position in the video game market.

As Nintendo and Microsoft launch their new game console into the video game market, something has been changed. Reports said that sales of Sony's PlayStation 2 console are down but sales of Nintendo's GameCube console seem to be on the rise. The holiday sales of Nintendo's GameCube rose over 70% from a year ago, while Sony's PlayStation 2 sales did not fall as sharply as expected. Nintendo also said that it would easily achieve a global sales target of six million GameCubes for the full business year. Its sales are directly being attributed to GameCube price cuts in Japan, Europe and North America in September and October of 20032.

However, Sony Corporation is keeping finding many opportunities for them to keep their opposition in the video game market. They noticed that entered an established market have to offer some value, something clearly different. So they tried to add the new function, new technology into PlayStation 2. For example: the graphics on Playstation 2 are of 'cinematic quality' and the console has a DVD reader, which can run movies. PlayStation's hard drive

would later be able to accommodate and Internet connection and allow users to buy games over the Internet and download them directly on to their machine, they also could play game online. In addition, PlayStation 2 is a 128-bit machine now, but it was not the first 128-bit machine on the market.

Another mainly opportunity for Playstation 2 is their software (games). They categorized their games into 5 main types: adventure/strategy games, driving/motoring games and simulations, sports, fighting game and platform games. By Sony's good reputation there are more and more software companies available for the Sony Playstation than are available for any of its rivals. In 1999 Sony had 90 companies developing games for Playstation 2 and was determined that 50 news games would be available for the launch.

Playstation 2 also creating a unique opportunity for content providers and third party publishers from their biggest online community. In 2003, the massive Playstation community proved yet again the enviable advantage of strength-in-numbers as games for the number one selling platforms flew off the shelves in record amounts. Playstation 2 software led the industry with close to 3 billion in total video game sales for the year, nearly three times as much as its closest competitor. This is first online console community is also the most popular, with the Playstation 2 online base growing nearly three times as fast as that of Microsoft's Xbox live.

Sony wants to hang on itsleadershipin the computer games industry. That appears to be Sony's thinking as the electronics giant moves ahead with development of the next version of its PlayStation video game console, which is well known as Playstation 3. Japanese media reported on May 6th

that the PS3 console is in development. The goal is to make new processor technology, called " grid" about 200x faster than current console technology. This is almost achieving their original goal of making the PS3 1000 times faster than the PS2. This goal was publicly set by Mr Okamoto, the Senior VP and Chief Technical Officer of Sony Computer Entertainment, at the 2002 Game Developers Conference in San Jose, California.

Playstation 3 may become a major threat to the other company in the game industry. So when Sony look for the future, one of the rivals review recent past, Pete Isensee, lead developer for Microsoft's Xbox Advanced Technology Group, used his GDC talk to deliver a mostly positive critique of the Xbox's journey to the market, lauding a product launch that happened on time and without major bugs, a departure from Microsoft history. " Microsoft has this stigma about not getting it right until version three," he said. " We didn't have a choice with Xbox. If we didn't get it right with version one, Sony and Nintendo would eat us alive." 3 Nowadays, Playstation 2 will be outsold by rivals, but who knows what will be happen in the next. When the new game console-Playstation 3 launch to the market in Christmas 2004, maybe everything will have a big change.