

Product lifecycle of the nintendo wii essay

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A production life cycle illustrates the phases that a product goes through during its existence. The graph above shows the growth of the Wii since its introduction in 2006 when it was launched onto the market. The continual upwards sloping line shows no sign of decline as after five years it is still at the top of cutting edge technology. This shows that Nintendo has redefined what was traditionally thought to be the video game console life cycle with the Wii as it can be seen as an industry standard and shows no signs of decline. This means that the Wii can plausibly be seen as the dominant design in this market as “ a single basic architecture that becomes the accepted market standard” (Anderson & Tushman (1991)).

The key behind the success of this console seems to be its affordability and Nintendo's concept of “ play, not graphics”. The results of these simple concepts have led to the Wii jumping into the console life cycle well ahead of where it should be, at the point where mass market acceptance becomes high and barriers to entry are low. For instance, in 2008, Wii was the highest selling gaming console in the world with 24. million units hardware (console) sales and 148. 4 million units software sales. The impact of this innovation is hard to describe as it can be described as both fundamentally radical and incremental due to the fact that it is a new core product but also due the major improvements that have been made on top of this (wireless motion censored gaming).

The results are staggering as Nintendo raised its hardware and software sales expectations four times in 2007 with the number of Nintendo Wii units sold up to December 2009 standing at 67. 5 million. Its widespread appeal has lead to everyone from hardcore gamers to middle aged couples

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becoming early adopters of the Wii opposed to Playstation and Xbox whose target audience comprises mostly of simply hardcore gamers.

The Nintendo Wii represents an innovation which can be found in between the growth and maturity stage of a product lifecycle, strongly maintaining its dominant design status, and therefore its decline cannot be seen in the foreseeable future. This conclusion can be drawn from the fact that the Wii is a console of both technical and price uniqueness and is still achieving increased sales year by year (sales up 73% from 2007-2008). This point is further seen as Nintendo have put back the release of its next console, for the time being, which was due out in 2009. This also shows that the Wii is in the maturity stage of the product life cycle as it is now consolidating its market share. Bibliography: <http://nintendowii.pro.com/microsoft-follows-nintendos-lead-with-product-life-cycle/> - Accessed on 2nd March <http://www.leepygamer.com/2008/09/12/rethinking-the-product-life-cycle/> - Accessed on 2nd March http://uk.gamespot.com/pages/forums/show_msgs.php?topic_id=26183515 - Accessed on 2nd March http://seekingalpha.com/article/33732-nintendo-s-stellar-results-bad-for-video-game-publishers?source=article_lb_author - Accessed on 2nd March <http://www.nintendo.co.jp/ir/pdf/2008/annual0803e.pdf> - Accessed on 9th March <https://assignbuster.com/product-lifecycle-of-the-nintendo-wii-essay/>

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