Develop a strategy for the wii's next product life cycle phase

A strategy for the Wii's next product life cycle phase. The Nintendo Wii is currently at the maturity stage of its product life cycle. This phase often lasts longer than the other phases of the product life cycle and some products such as Quaker Oats have been in this phase for over a hundred years. The Wii should aim to match the likes of Quaker Oats in maintaining its consumer appeal and market share for the next couple of decades. To enable us draw out a strategy for Wii in this maturity stage we must first understand the strategies that it has currently been using that have seen it gain global image and increased market share. The Wii was launched into a gaming market dominated by two major players, Sony’s PlayStation 3 and Microsoft’s Xbox 360. With two bid incumbents, Wii would have found it difficult to penetrate their market directly, thus it adopted a new strategy called “ competing against non-consumption” (Scott Para 1). By doing this the Wii effectively positioned its product where the competitive forces were weakest (Porter 2). Scott (para 2) elaborates that whereas Sony and Microsoft were concentrated on differentiating their products in terms of providing cutting-edge game play to demanding customers, Wii focused on reaching new customers segments. Wii’s success and entry into the maturity phase can be supported by its global sales. A look at video games sales charts such as VGChartz. com shows the Wii taking the top 5 slots in weekly sales worldwide on the week ending June 25, 2011 (“ Worldwide Weekly Chart, Week Ending 25th Jun 2011”). So is the Wii now a BCG model cash cow? According to the BCG model, a cash cow is a product that is in a position of high market share in a mature market. However, from our analysis the Wii’s market growth strategy of competing against non-consumption manifested that the gaming market is yet to reach its maturity given that there are new consumer segments that can be developed. Before the Wii we would not have pictured mothers to be an attractive market to gaming industries. This means that even though the Wii now generates the cash flows and profit margins typical of a cash cow it could still be considered as a BCG star because it has market leadership in the non-traditional, growing video game market. The Wii effectively is the dominant player in this non-traditional market segment. With the effectiveness of its competing against non-consumption strategy we would propose using a combination of any of the following 12 strategies that Aaker (3) states have been used by the firms that have enjoyed decades of life to ensure that their competitors remain weak: (1) proprietary technology; (2) ongoing innovation; (3) scale; (4) investment; (5) execution; (6) brand networks; (7) customer involvement; (8) self-expressive benefits; (9) brand equity; (10) brand loyalty; (11) branded differentiators; and (12) exemplar status. Strategies 6 to 10 involve the brand and therefore we would advise Nintendo Wii to first concentrate on implementing a combination of the first five strategies before moving on to any of the last seven (from numbers 6 to 12). For example from its continuous innovation to reach new non-traditional video game consumers, the Wii has many opportunities of creating strong competitive advantages from proprietary technologies. Finally, in today's markets brands have increasingly got bigger roles to play as consumers get to develop intimate, human-like relationships with their brands. The Wii has effectively broken prior held definitions of who is a typical video game consumer and as such is continuing to develop itself into a household product. For this reason, the management of Nintendo Wii must cautiously guard and promote this brand.

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