

Marketing plan for x box 360

[Business](#), [Marketing](#)



The market is having so many gaps in between when it comes to the product like X Box, there are many factors that are restraining the company to operate freely. The macro-environmental forces affecting the company are based on Demography, there are people in the society who are not having higher income level or those who are having lesser awareness about the product.

The important thing to consider here is that most of the target audience is younger generation and kids, but most of the younger generation and kids are dependent on their parents so in order to sell a product like X Box, the company has to persuade the parents, which is not an easy task. The increasing rate of unemployment may affect the company in the future. The second force is the Economy, which is although quite stable, yet there are problems such as the restrictions on import and export to and from many countries affecting the company in having an increased sales revenue.

This further includes issues such as import of raw materials being used for the production of X Box, the government is making quotas for doing such imports, so the production gets limited in this way. The third force is competition, which is very common but yet X box has faced limited competition since it is not making a product in which buyers would follow a variety seeking buying behavior[1], the active competitors such as PS, PS2, PS3 and Nintendo have affected the business of X Box and would continue to do so as to retain their market share.

PS3 is a newest threat to the X Box team as there is brand loyalty in customers when it comes to playing games, such as I would keep on buying

newer versions of PS if I have been buying it from the past many years.

There are apparently no social & cultural forces, but in few exceptional cases they may arise such as people may fear buying such games for their children if many of the games have explicit contents.

The technological forces would remain there as the company has improved the X Box to its best and now they need to do extremely special to enhance their portfolio so that more people would buy the new products since X Box 360 has got most of those qualities which further could not be enhanced.

Political & Legal forces are much similar to what we have discussed previously related to the imports of the raw material, there might be quotas which may arise in the future asking the company not to sell more than a specific number of products to particular regions within and outside U. S.

Competitive Analysis

X Box or X Box 360 is not an ordinary video game, its target audience are not limited to a particular age of 12 or 14 like many of the other games such as SEGA, Game Boy, or even PS one. Therefore it has got direct and indirect competition in a very limited way.

Direct Competitors: X Box is facing direct competition from PS 2, 3, Nintendo (as they have launched new system), and PC games are also direct competitors to the X Box as the games sooner appear on the PC and people prefer to buy those instead of buying an expensive system. PS3 is also a much closer competitor to the X Box 360 since the games are DVD games and the games offered are much similar to each other such as a sports game

would be almost same in the two of the products and people would prefer to buy either of them on the loyalty basis or the pricing.

Indirect Competitors: There are no clear indirect competitors to the X Box but yet SEGA and products like game boy can be considered as an indirect competitor to the X Box as they are fulfilling the need of an individual of a virtual entertainment.

There is a lesser chance for any new direct competition since the only products are PS 2, 3, Nintendo and PC, so if any new entrant gets then it would be in loss as the market is tightly controlled by these giants.

The two competitors considered are PS2, 3 and PC. PS is relatively uncomplicated and it goes simple, it is less cheap, it has got considerably fair number of games, it does support CDs, DVDs and other formats of discs. While PS does not usually give wireless support and also it has issues in connecting to the Internet, perhaps it does not give clear guidelines to the customers about getting over the Internet.

PC is having advantage of being a total business and entertainment machine at the same time, it can provide both at the cost of one, no more hassles for those who want to play online. The disadvantages include the use of PC for business purpose may be affected by such entertainment, also it might get a bit slower because of such use. It could not display games on a wider screen of TV.

Estimates show the Xbox's share of the worldwide console market is ahead of the Nintendo GameCube and behind the Playstation 2. Microsoft has sold

24 million consoles as of Q2 2006. Although ahead of the GameCube's 21 million, this is far behind the PlayStation 2's 106. 23 million shipped"(Wikipedia).

Market Segmentation Analysis

The market segmentation would mostly be done on the basis of Demographics, psychographics and behavior. The age, income and educational level do matter. Since the living standard in Canada is considerably high, therefore the product has got fair chances of performing well, the only drawback is the lesser population living in Canada. The lifestyle does matter when a product of entertainment is purchased. It suggests that target audience have an aggressive personality, they might be introverts as they prefer to remain at home and play games or they can also be extroverts.

They are usually having good status or are status seekers. The behavior refers to the loyalty and level of usage, there are many of customers that are retained by the company and who are expected to get back to the company again and again because of their loyalty, the customers are now aware of such products all over the world.

Canada seems to be a good place for such entertainment because of many reasons which are related to the geographical segmentation as well, which means that there is so much of cold in few places and extremely hot in few according to the climate. So people prefer their kids to stay home rather

than moving out, therefore they may buy their kids such products that could entertain them without any problem or issues related to physical injuries.

Recommendations

There are yet many of the problems that are very much visible for the company but perhaps not being properly responded. The recommendations are as follows:

The company should stop producing the older versions of X Box and should promote the new X Box versions through print media, company may also use direct response Television, direct response Radio, internet marketing, which would include not only the product but also the service which is not being provided by PS or PC, once the caller would call, he would get the delivery with a complete setup and installation.

The company may also position itself as an ultimate gaming machine and can portray to the fact that people playing computer games and consoles with wires are not free to get distant from the screens which could affect their eyes, they can be distant by using a wireless console.

Lastly, the company should try to present an augmented product to the customers that when they buy X Box, they are given 10 free DVDs of their choice, and stuff like warranties and installation demos which could differentiate X Box from its competitors.

Appendix

SEGA: Just have positioned itself among kids, who perhaps cannot afford the expensive products, it is positioned on the basis of its image which is related to playing simple games.

Game Boy: It has positioned itself as a portable machine can be taken anywhere.

Nintendo: It has positioned it self as an innovative product which is providing the customers with a uniqueness (every one buys PS/X Box which is so common but not Nintendo).

PS 2, 3: It is the most penetrated product in the game market, they have positioned themselves as an enhanced visualized machine presenting DVD games with a facility of playing all the discs over the same machine.

Basically they have positioned itself on the basis of the product's features.

PS 3 has fairly positioned itself as an online gaming machine.

PC: It has although not positioned itself as a game machine (the old image is changed) but people do consider it as game playing machine at times.

Sources

The X Box 360 Special, ; [http://www.xboxusersgroup.com/content/view/1390/164/;](http://www.xboxusersgroup.com/content/view/1390/164/)

Wikipedia, Market Share, ; <http://en.wikipedia.org/wiki/Xbox;>

[1] A variety seeking buying behavior is the one in which the customer buys a competitors product easily available without any hesitation if he/she does not find the product in his/her first choice.