

Nintendo co., ltd.

Business



NintendoQ4. What conditions now serve as barriers to effective competitive response? 1. Technology development Traditionally, Sony, Nintendo andMicrosoftwill create a new battle every five or six years, so it means that to develop a new and good product takes time. For the cost aspect, as the consoles are expensive, the cost of the video games is increased as well. In order to fulfill the customers' need, company has to make more attractive and complex games and this will cost a lot and take time also.

2. Target market limitationWhen the Wii came out, Nintendo focused on both expert players and occasional gamers. This can extend the market well. But Sony and Microsoft didn't recognize this point, so they fell behind. 3.

Traditional model of development of products Traditional model of development of products are sustaining strategy and revolutionary strategy which are only focusing on the performance and features of the established products. Those kinds of strategies will weaken the company, because there won't be any big changes or critical innovations. The strategies only focused on short-run of the products. So, when Nintendo came up with the idea of disruptive strategy which is focusing on creating new market and finding new customers for future products, the other two big companies can't give the effective competitive response. Q5. Based on the strengths, capabilities, and resources of each competitor, what strategic options are most likely to support a promising competitive strategy? With the introduction of the Nintendo Wii console, the company gained a stronghold as a leader in the video gaming industry.

However, competitors Sony and Microsoft are quickly gaining on Nintendo's competitive advantage, forcing the company to monitor and reevaluate its strategies. To maintain a competitive advantage, Nintendo must look toward influencing the customers of Sony and Microsoft, continue developing innovative technologies, and also consider the impact of social networking and mobile devices on the gaming industry. Nintendo's current strategy focuses on creating consoles and games geared toward non-gamers and families. The company's important resources include its research and development team, marketing team, manufacturing processes, and the company's management. These resources create valuable capabilities.

Nintendo's core competencies lie among these capabilities and it is valuable, rare, and temporarily non-substitutable. To maintain the competitive advantage created by the Wii console, Nintendo must consider many possible courses of action to find new competitive advantages. One way to compete is to broaden its video game genres beyond simple, family-friendly games. A second course of action for Nintendo is to continue developing innovative game technology. Lastly, Nintendo should consider expanding its reach to social networking and mobile devices.

The company could even develop capabilities to allow users to play social networking games on the Wii console. ————— Zhao J. 5055230 Danai P. 5113103 Sec 404