

Nintendo marketing plan

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



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| We enter mobile gaming | | sector as the mobile gaming industry is booming. People are buying games | |
| and applications on every available device including iOS devices, | | smartphones, tablet PCs and more. | |

Our main competitors, Sony and Microsoft are also jumping into the mobile gaming industry, in order to compete with them, we need to focus on the mobile industry. 23 We should continue to Improve our current consoles. Some of the ways that we can do this is by letting the consumer play DVD and MP3s, giving the Wii remote a rechargeable battery, and allow the consumer to save games on an SD card. 23 Product improvement will enable consumers to play social network games on Wii consoles, 3D games on Wii consoles. 23 7. 3 Pricing Strategy23 8. Objectives23 8. 1 Long Term Goals23

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 Recommendations26 12. References27 13. Appendix28 1. Executive
 Summary At the moment, Nintendo is facing some serious problems
 regarding to its decreasing sales revenue, less productive and less
 innovative.

It is important that in the coming three until five years that the company can
 gain back or even increase its sales and thus to reach higher annual growth
 rate. To overcome those problems mentioned above, Nintendo needs to
 focus on their competitive advantage and also entering new segment in the
 mobile gaming as well associal mediagaming. From the external analysis we
 can see that UK is one of Nintendo's most potential markets since it holds
 12% of market share in video game industry. Furthermore, the increase use
 of mobile devices and internet connections have also been new opportunities
 for the company.

Meanwhile, strong competitors (e. g. Sony and Microsoft)and the existence
 of substitute products (e. g. mobile gaming and social network gaming)have
 also caused serious threats to our company to lose more market share . Our
 company offers various product lines for its Nintendo Wii, namely " Wii Fit"
 which is a fitness game," Wii Balance" Board which enables players to " head"
 virtualsoccerballs and to experience ski jumping on a TV screen.

Besides, handheld console like Nintendo DS is also our second best product. However, all these current product lines are apparently not sufficient in strengthening our sales revenue.

Therefore new strategies formulated, they include improving our current Nintendo Encore consoles, inventing new 3D game consoles, and also switching handheld gaming to mobile devices and social network gaming. In short, we will mainly use line extension in our strategy. In addition to that, higher investment on our Research and Development Department and stronger promotion activities will also be implemented in the coming 3 horizontal years. We will use our current distribution channels including retailers and outlets.

Online selling through company websites and another webshops are also included. Some promotion activities include advertisement through TV commercials, newspapers, posters, billboards, social media pages and special display spaces in retailers and outlets. Finally, the budget highlights some key financial figures such as an 10% decrease in COGS by the end of 2012

2. Problem Statement

For many years Nintendo had been number one console manufacturer in the video games industry. However, the company is losing sales as well as market share to its competitors for some reasons.

First, some competitors have become more innovative because they have improved the technology discovered initially by Nintendo in creating their Wii. It is very important to remain innovative in this highly competitive industry and we could say that the company might stayed too long on their ' comfort zone' with the launch of the Wii which was a massive success. It did not take long before the competitors created imitations of the similar technology and,

even more they developed further making other game consoles (Xbox360 and Play Station) which are more appealing due to the new features.

As a consequence at the moment Nintendo has been a step behind them. Furthermore the needs of the gamers are changing in the day by day basis. Nowadays more and more people do not play video games in front of the TV like they did before since the development technology has made the TV unnecessary. The introduction of smart phones and tablets have change the gamers' way on playing video games. These new gadgets allow people to be 24-7 connected on the internet and the amount of games available online that can be play on a telephone or a tablet is huge.

Therefore, mobile device gaming is a segment with a fast growth rate at the moment, though the world is in a recession. All these developments have created a new type of market. The video games industry has changed dramatically, from a teenage boy playing in front of the TV to a business man or woman playing on a smart phone, blackberry or tablet. Video games are socially accepted as an entertainment tool and has being viewed positively. Finally new online companies are creating new games that do not need a console so they can be played easily, anytime and anywhere.

This factor affects our sales dramatically because our product might be seen as old fashion. Nintendo however is not present in this new market and therefore it is very important to take in consideration to enter this new area because at the moment the company does not have products that satisfy those new needs resulting in the loose of sales and consequently revenues.

3. External Analysis 3. 1 Macro Analysis 3. 1. 1 Demographic The current population in the United Kingdom (UK) has reached 62. 3 million based on

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mid-2010 estimation and this puts UK on the 22nd position worldwide based on total population point of view.

This number has increased by an average of 0. 6 percent each year since 2001. Furthermore, natural change which is the difference between births and deaths has accounted for an increasing proportion of the total population change in this country. In 2011 there are 17. 9 million families in the UK and of these 12 million consisted of a married couple with or without children. There are also 26. 3 million households of which 29% consisted of only one person while almost 20% consisted of four or more people. The density in this country is around 255. 6/km². 3. 1. 2 Economic

UK's economy has been the sixth-largest national economy measured by nominal GDP and seventh-largest measured by purchasing power parity (PPP). The total GDP has accumulated to \$2. 253 trillion in 2011 and \$35, 646 per capita with 0. 8% of annual growth and 1. 2% projected for 2012. The main sectors include agriculture, manufacturing, construction and services industries. The number of real GDP fell slightly in the last few years due to the recession that hits EU region. Meanwhile the current unemployment rate in UK is 8. 4% compared to its employment rate of 70. %. According to the report from the Office for National Statistics, the inflation (CPI) in UK stands around 4. 2% in December 2011 with the largest downward pressures of change in CPI came from petrol, gas and clothing 3. 1. 3 Social-Cultural British people show high appreciation on certain cultural issue for example literature, education, sports and another sociological aspects. Over 75% of UK citizens consider themselves to belong to a religion

while only 27% of them who regularly attend religious services according to a report from Gallup International.

Weekends are considered important occasion for families in the British society because parents are free after working for five days during the week and therefore the chance when families can spend time together. An Euro statistic survey showed that UK citizens spend about 45% of their free time watching television, 24% on socializing, 22% on sport and hobbies and 10% on other activities. Some popular sports in UK are rugby, tennis, cricket and football. Meanwhile, average of only 15 minutes a day are spent on doing sports by the either young or old British people.

3. 1. 4 Technological

The technology sector has shown big changes through the years. The use of mobile phones as well as internet services has increased dramatically in the last ten years. For example in the UK there is a significant growth in the use of mobile internet in the previous 12 months with an extra 6 million people using their mobile phone to access the internet from 44% to 71% in one year. The graph below shows us some information about the use of internet from 2009 until 2011 divided in 6 groups of age categories. Graph 1. Mobile Phone Internet Connections 2009-2011 Source: Office for National Statistics, 2011

We can see that the most active internet browsing are the first 3 groups which range from 16 until 44. Moreover, the usage of mobile internet has doubled from 2009 to 2011. This will be a perfect chance for companies that are related or engaged to this field to strengthen their position in the market.

3. 2 Meso Analysis

3. 2. 1 Global Video Game Industry Sales

The gaming industry is one of the most dynamic growing sectors in the last century. The

projected total sales of video game industry in 2011 was around \$65 billion compared to the revenue in 2007 which was \$41. billion as shown in the next graph. This number will keep growing in the future. According to the Price WaterhouseCooper's report " Global Entertainment and Media Outlook: 2008-2012", the console games category is growing by 6. 9 per cent annually. Meanwhile the global video game industry is growing at the annual rate of 10. 3 per cent. By looking at the graph we might conclude that this particular industry is currently still growing at relative high speed. This means great opportunity for companies whose main focus are on this field.

Graph 3. Global Video Game Revenue Source: PriceWaterhouseCooper

Furthermore, the table below shows us the top ten markets for global video game business. It reveals the average amount of moneyspent on game consoles, revenues and percentage of market share of each country. The USA has the biggest market share about 40% with the revenue around \$22 billion, while the UK is on the second position with 12. 57% of market share and total revenue \$6. 825 billion. After that Japan follows with 11. 87% of market share and revenue of \$6. 443 billion. Table 4. Major Markets of Video Game Industry Source: VGsales 3. 2. 2 New Trend in Video Game Industry

As stated in the introduction part, the video gaming on mobile devices is the current trend worldwide. People feel the need of playing game everywhere and anytime when they are not at home. Another supporting factor is the availability of internet access to mobile devices. By referring to the Graph 1. Mobile Phone Internet Connections 2009-2011, the numbers of people who use the internet connection through their mobile devices has doubled in the last three years. It has created more options for the consumers on the video

games they wish to play and how or when they want to play. 3. 2. 3 Porter's Five Forces . 2. 3. 1 Threat of New Competition In UK video game industry, the threat of new competitors will be unlikely occurred due to many barriers in this sector. These barriers prevent new entrance to the industry and this means that company like Nintendo do not need to worry about the possible new competitors in a certain length of period. 3. 2. 3. 2 Threat of Substitute Products Nowadays people travel more often that includes longer time and distance than few decades ago. The needs of having mobile devices or portable electronic devices such as tablets during their travel time become significant.

This segment creates the threat of substitute product to Nintendo with their mobile video gaming. Another substitute product for Nintendo is social network gaming, in which consumer can play games through their social network pages or account. 3. 2. 3. 3 Bargaining Power of Customers Heavy gamers might have formed strong attitude towards their favorite game consoles. However, for majority of casual gamers, most video game consoles deliver more or less the same value that is to entertain during their leisure time.

Therefore, choosing another video game consoles when the first choice is not available can be easily done and this means that our consumers have high bargaining power 3. 2. 3. 4 Bargaining Power of Suppliers In manufacturing video game consoles, Nintendo's suppliers might have high bargaining power since the company depends highly on suppliers in producing specific custom-made computer chips which are used in the consoles. Moreover, our

suppliers might also decide to enter the same market where Nintendo is currently serving by producing their own consoles.

Therefore, the possibility of our suppliers becoming our competitors is always a concern in this business. Moreover, the decision of switching from one supplier to another can also be very difficult due to time, costs and energy consumption.

3. 2. 3. 5 Intensity of Competitive Rivalry Big market players in UK video game industry are always at the edge of inventing and producing the newest innovation in the shortest period as possible. When one company starts to introduce a new product in the market, then the competitors will also do the same or even develop a higher level product. This means that in video game industry Nintendo is facing a high intensity of competitive rivalry.

3. 3 Competitors Analysis 3. 3. 1 Sony Profile of competitor: "Sony is committed to developing a wide range of innovative products and multimedia services that challenge the way consumers access and enjoy digital entertainment. By ensuring synergy between businesses within the organization, Sony is constantly striving to create exciting new worlds of entertainment that can be experienced on a variety of different products", says Sony about their company.

The 8 major product categories Sony is active in are: Audio, Video, Photography, Home Cinema, Computers, Communication, Semiconductors, Electronic components . Threats they can pose: Sony has recently registered for a patent on incorporating real-life with video-games in the form of a "depth sensing device"; " a three-dimensional camera" that uses " controlled infrared lighting" to scan an area. This is proof that they are thinking ahead

to a new console already, which means we need to make haste in our development. Objectives of competitor:

Sony's areas which they are focusing on to expand can be divided into four parts: Networked Products and Services, 3D World, Competitive advantages through differentiated technologies and Emerging markets. Strategies they are pursuing and how successful are they: They are introducing the Sony tablets S1 and S2 to enter the media entertainment on tablets market, and while this could very well be successful it is not a market we are currently aspiring to enter so the effect on our sales needs to be researched further.

Another broad strategy they are incorporating is to lower their prices since sales of certain products have been low due to high prices. They have consistently been cutting the prices of their products, including their games and game consoles, so meeting these prices is imperative. Strengths and weaknesses: An example of Sony's strengths is the fact that they have a strong brand image, as people who have had their most successful console, the PlayStation 2, will have positioned them favorably in their minds as 'the company who produced the PlayStation 2'.

This means that they do have mainly loyal consumers. One of Sony's weaknesses is that while they are present in many markets (ex. Gaming, photography, home cinema's, computers, etc.), they are not the leading company in any of them. Their product lines are too broad and they have to focus on too much to be able to be the market leader in specific markets, where Nintendo focuses on the gaming industry alone and Apple mainly focuses on its own software on computers, cellphones and iPods. This gives them an advantage and Sony a disadvantage.

Another weakness is that the pricing of their latest PlayStation 3 has been relatively high compared to the other newer consoles on the market, and many consumers found this price to be too steep. Sales of the PlayStation 3 have therefore been slow, and Sony was not able to make the PlayStation 3 the success it should have been. Their new product pricing strategy is something for us to focus on and to use to our advantage by pricing our products lower than theirs if possible and using market penetration as a pricing strategy.

3. 3. 2 Microsoft Profile of competitor: 'We are committed long term to the mission of helping our customers realize their full potential. Just as we constantly update and improve our products, we want to continually evolve our company to be in the best position to accelerate new technologies as they emerge and to better serve our customers'' says Microsoft about their own company. They have 8 business divisions they focus on, namely: Interactive Entertainment Business, Windows Phone, Windows & Windows Live, Online Services, Server and Tools, Microsoft Business Solutions, Microsoft Office and Skype.

Threats they can pose: The fact that they already have new products planned for release is a disadvantage as they will hit the market before our new product will, and they could benefit from that with their sales.

Objectives of competitors: The objectives of Microsoft or 2012 are; to make the Windows Phone weather the strong competition they expect to get from other mobile companies, to engage in media partnerships to make the Xbox a connected TV and media device and to make their PC Windows 8 program work on every platform (tablets, PC, etc.).

Strategies they are pursuing and how successful are they: One strategy of Microsoft to compete with the Nintendo Wii is the Xbox Kinect System, which allows users to play controller free (a feature the Nintendo Wii does not have) and has a similar motion detection play which Nintendo used for the Wii. This has enabled them to fiercely compete with the Wii and gave them an advantage that made many consumers consider buying the Xbox Kinect System over the Wii. Another thing they are focusing on is the incorporation of Xbox Live into the Windows phone platform. ' Mobile phones as handheld gaming consoles are very challenging markets as phones have got better design and technology, and we've chosen to make our bet around the phone instead and add Xbox Live services to Windows Phone 7 instead'', stated by Microsoft in their press release . The big hit for the future will be the release of the Xbox 720 late in 2013, and it is said that it will have 6 times the graphic capability of the current Xbox 360. This new Xbox will also be accompanied by a new version of the Kinect system which will have an on-board processor to be able to detect user motion better.

Strengths and weaknesses: A major advantageous factor of Microsoft is that they already have some new developments and products coming out in the future. They are already one step ahead of us, both in terms of the phone as a handheld gaming-device as the new version of their Xbox 360 (with an even better version of their very competitive Kinect system)^{23/24}. The sales of the Xbox 360 and Kinect have been good since they introduced the products, as they sold 66 million consoles and 18 million Kinect systems so far. A newer version of the Xbox would have many followers who were satisfied with the Xbox 360.

A weakness is that, compared to Nintendo's prices, the Xbox series has been priced relatively high. Even the games themselves rate \$20 to \$40 dollar more per game compared to Nintendo Wii games. 3. 3. 3 Apple Although Apple is not aiming for a top spot in the gaming industry, the convenience of the Iphone as a handheld gaming device has risen through the roof as many consumers download apps and games on their mobile to entertain them during their day. Why should consumers buy a separate Nintendo DS or other handheld device when they always carry around their mobile phone?

This is a threat to us on the mobile phone platform, yet is it also a threat to our competitors who also have plans of integrating mobiles with handheld gaming. 4. Internal analysis 4. 1 The Company Nintendo is a company that manufactures and distributes interactive entertainment products. It was founded and located in Japan with its main focus on the home entertainment and portable game devices. Nintendo also provides hardware and software for its video consoles. The company operates primarily in Japan, however its business has expanded globally.

The main factory is located in Japan with subsidiaries in the UK, Spain, Germany, France, Italy, and Australia. Moreover this firm is also involved in the manufacturing and distribution of poker cards (Pokemon). 4. 2 Current Marketing Strategy Nintendo's products include home video game consoles and handheld video game systems, such as Game Boy and Nintendo DS. The company also offers various product lines for its Nintendo Wii, namely "Wii Fit" which is a fitness game," Wii Balance" Board which enables players to "head" virtual soccer balls and to experience ski jumping on a TV screen.

The basic strategy that Nintendo has been using is the expansion of the world wide gaming population. The company is encouraging people from all over the world, regardless of age, gender, language, cultural background or gaming experience, to embrace and enjoy video games as a way of entertainment. The firm wants to expand his market, by creating Nintendo DS which is a portable game system that has the goal of attracting the new gamers that demand a portable gaming device and, with a Wii console that targets the families because it put smiles in the people around the gamer.

If we look at video games we can see that nowadays they are more accepted in society than before. Video games are used as a learning and entertaining tool for the youngest, a way of staying fit for the house wife and finally and more importantly playing a video game is something that the wholefamilycan do together in the living room of the house so the family can have some quality time together. At the moment Nintendo wants to further the penetration of Wii by encouraging communication in the living room of each user through continuous software launches which will positively surprise consumers with brand new game play.

In addition, Nintendo will release Nintendo 3DS that allows people to play video games in 3-D without the need for any special glasses, and will strive to satisfy more people by offering innovative game-play with Nintendo 3DS. The brand Nintendo is one of the most recognized brands in the video games industry. The company has been operating since 1977 with color television games, and is consider being the oldest in firm in the market. It is one of the largest console manufactures in the world, and is a leader in the handheld console market.

The company has released four generations of gaming console devices in the past 20 years; (Nintendo Entertainment System, ; Super Nintendo Entertainment System; Nintendo 64; GameCube; Nintendo DS, Nintendo DSi and Wii). In the handheld device segment, Nintendo DS hardware sold 27.11 million units in 2010, Nintendo DSi which was launched in 2008 sold more than 100 million units, faster than any console in the history of video games. In the console area Wii hardware achieved world sales of 70.93 million units and Wii software achieved 16.4 million units, Wii Fit Plus used to help people to be fit, sold 12.65 million units globally, The new Super Mario Bros which allows four players to interact at the same time sold 14.7 million units in 2010. Due to all the previously mentioned Nintendo is a well-established brand name in the video game industry with 47.2 percent of the market. Graph 5 & 6 Console Sales Market Share by Company & Positioning Key Consoles Source: The Video Gaming Industry Outlook, Business Insight, May 2011 The company can be found in countries such as in Japan, US, South and North America and Europe.

The manufacturing premises are located in Japan and it operates throughout subsidiaries in US, Canada, the UK, Spain, Germany, France, Italy, and Australia. Moreover, its global presence allows Nintendo to sell its products to most of the world. The company gets its revenues as follows: 44% from America, 33% from Europe, 16.1% from Japan and the rest from other countries. However, not everything is good news for Nintendo, the company has been experiencing a decline of sales in 2010, The earthquake in Japan affected sales in that country. The operating profit in 2009 was 30.9% going down to 24.85% by 2010. Moreover, declining operating profits affected the

making profit capacity of the company affecting the confidence of the shareholders of the firm. In 2011 sales are declining as well falling below predictions. Heavy completion and the appreciation to the Yen against the Dollar, and the low price of the Wii consoles are affecting the profit were affecting the operating profits of the company Nintendo have only one source of income which is selling video consoles and video games. However, Sony and Microsoft have more sources or income.

For instance Sony is a leader in the production of electro domestics, phones, computers, smart phones, tablets, audio systems among others. This gives to this company more resources that can be invest in R&D without taking a big risk. Microsoft is the world lieder computer manufacturer and this products are known globally. These two competitors improved the technology created by Nintendo with the Wii. Play Station and Xbox 360 have lunched better game consoles base on the revolutionary technology of the Nintendo Wii. Graph 7 Comparison between key video game consoles

Source: The Video Gaming Industry Outlook, Business Insight, May 2011 The company depends heavily on outside manufactures for some of the parts of his products, moreover most of this suppliers are located in other countries. This could become a problem if any of the suppliers interrupt production, this could have a devastating effect in the company business performance. Also de possibility of any disagreement with these producers can create a problem for Nintendo

5. SWOT Analysis

5. 1 Strengths * Nintendo's well-known brand * Existence in global market * Specialized in-house R&D department

5. Weaknesses * Limited source of income * Declining profit margins * Dependency on suppliers * Low investment in R&D compared to

main competitors Sony and Microsoft * Low brandloyalty

5. 3 Opportunities *

Dynamic growth of video game industry * The increasing use of mobile devices (iPhones, iPads, Smartphones, etc.) * The easy access to internet connections * UK as the second biggest country holding video games market share * The high amount of average money spent on video consoles by UK consumers

5. 4 Threats *

Strong competitive markets * Cheaper by-products (softwares) from competitors High varieties of competitors' softwares (types of games) * Competitors' better technological improvements

5. 5 Confrontation Matrix

Graph 8 Confrontation Matrix

6. STP

6. 1 Segmentation

Geographic in UK: | | Country | Unite Kingdom – is the largest video games market in Europe with the sales of \$6 billion in 2008, however, the market has been fallen by 13% in 2011. | Major Cities | Birmingham EdinburghGlasgowLeedsLiverpoolLondonManchesterIn the major cities, there is a limited space and choices for children to play outside or adults to interact with each other. Climate| Rainy, cloudy and foggy. People prefer to stay at home rather than going out in such weather. | Density| Urban, suburban, rural | Population| The UK population is 62. 3 million by mid 2010. 16 – 59 year-old people are 43. 3 million; they are the major working people. ? The average gaming age is now 23+. ? 38. 2% of the UK population is an active computer gamer.? 51. 2% of British men and 25. 1% of British women aged 10-35 play games regularly. ? The average computer gamer has been playing for over 10 years. On average, gamers play for 11 hours per week. ? 27. 2% of all active gamers in the UK are women. ? The average age of the UK female gamer is 30-35 years old. | | | | Demographic in UK: | | Age: 6 – 55 year-old| Consumer needs and wants change with ages. As we

offer game players to not only 12-16 years old boys, but also to mature generation. “ Heavy” (At least once a week and up to daily: the younger the gamer, the more likely they are to play daily)48% of UK 6-65 year olds (21. 6m) – 27% male (12m), 21% female (9. m)“ Medium” (1-3 times a month)7% of UK 6-65 year olds (3m) – 3% male (1. 4m), 4% female (1. 6m)“ Light” (Less than once a month) 4% of UK 6-65 year olds (1. 9m) – 2% male (0. 7m), 3% female (1. 2m)Age 6 – 10: Light users. They like to play games with their friends and classmates either by internet or individually. Age 11 – 15: Medium users. Most of people from this group are still at school; they play games via mobile and internet with friends and classmates. Age 16 – 24: Heavy users.

These people are very busy with establishing a career, starting a family, getting started in their home and have a bit of fun as well. Age 25 – 35: Heavy users. Age 36 – 50: Medium users. As for this group, besides males, the females who plays games, most of them are housewives and have several children at home. The purpose they play it because their children are at school or they want to keep fit. They are not heavy users. Age 51 – 65: Light users, most of them are either housewives or retired people.

Some of them are still very active and play Nintendo with their grandchildren. | Gender: male, female| We are offering a game machine to both males and females. As we know, boys like soccer and fighting games better, but girls like sports and dancing games more. To make sure that we will fulfill the wants, we have to develop games, which fit for both genders at the same time. | Family size: 2-4| Most families nowadays have 2-4 people, but we have to say there are some over 20 year-old young adults are living

by themselves. | Income: | Average income is 1200 pounds. Generation: Baby blooming generation, Generation X, generation Y| For the baby blooming generation, we say that most of them are over 40 years old. They could use our product because they are either housewives or have children, in that case they are light users and just want to keep in fit. With the younger generation, we should realize that smart phone are their “ best toy” for people under 18 years old, and for people over 18 years old, mobile phones are their “ best mate” which could help them to find friends, places, read a book and etc.

If we want to develop a new product, we need to relate our games with their so-called “ toys” or “ mate”. | | Behavior: | | Benefits:| Fun, entertaining, keep fit, increase self-esteem, improve social skills, stressrelief, improve eyes and hands coordination and learning. | User status:| We defined a “ gamer” as someone who had played a game on a mobile, handheld, console, PC, Internet or interactive TV at least once in the last 6 months: a broad definition designed to capture any “ light” gamers as well as medium or heavier gamers. Loyalty status:| No brand loyalty, since consumes are easier to switch to a new and better quality and technology game machine. | Usage rate:| - “ Heavy” (At least once a week and up to daily: the younger the gamer, the more likely they are to play daily)48% of UK 6-65 year olds (21. 6m) - 27% male (12m), 21% female (9. 6m)- “ Medium” (1-3 times a month)7% of UK 6-65 year olds (3m) - 3% male (1. 4m), 4% female (1. 6m)- “ Light” (Less than once a month) 4% of UK 6-65 year olds (1. 9m) - 2% male (0. 7m), 3% female (1. m) | Attitude toward product:| 6 - 25 years old: Enthusiastic26 - 36 years old: Positive neutral37 - 65 years old: Neutral

There are certain amount of people in the above groups are Negative about our products. | | | Psychographic in UK Social Class| The Upper ClassOften people with inherited wealth. Includes some of the oldest families, with many of them being titled aristocratsThe Middle ClassThe majority of the population of Britain. They include industrialists, professionals, and business people and shop owners. Lower or Working ClassPeople who are agricultural, factory workers.

The British Class System todayAlthough some people in the UK still refer to themselves as " working-class", " lower-middle" or " upper-middle" (and of course there are those who think of themselves as the " elite" class), to the majority of the British the meanings don't seem to matter much these days. | Lifestyle| Teenagers: They use mobile phones a lot for gaming, communicating and Facebook. (Mobile heavy users)Adults: They use mobile phones also quite often for communication, agendas and few of them use that for on-line gaming.

Retired people: Most of them who have a mobile phone are used as just a phone, to communicate with people for emergency. | Occupation| Kindergarten children Primary school studentsMiddle school studentsHigh school studentsCollege studentsHousewivesWorkers Retired people| 6. 2 Target Market After analyzing the segmentations, we are targeting the groups of people as follow: - All the 7 major cities in UK. | -16 - 59 years old people are 43. 3 million, they are the major working people . (But however we also target the people from 6-16 years old)| - Occupation: Children, teenagers, workers, housewives, retired people. To make these targeting groups, we based our brand image and our products functions. The main

point is to entertain people, it doesn't certainly mean that we have to fulfill only young boys' needs and wants, but we are targeting more variety groups of people. For example, as in one family, if there are 4 members who are a housewife (43 years old), husband- businessman (45 years old) and a son (16 years old), a daughter (10 years old). They just have to buy one gamer to entertain the whole family. For housewife, she could keep herself still in shape by doing some yoga while the kids are at school. * For husband, he could play some games as darts or golf during the weekend. * For the little son, he can play super Mario or online game with his classmates after school. * For the daughter, she can invite her friends over to play the " just dance" game.

6. 3 Positioning Nintendo has been a major contender in the video industry for past several decades, and has faced the challenge of developing and maintaining the competitive advantage over the years.

With the introduction of Nintendo Wii console, the company gained a stronghold as a leader in the video game industry. However, Sony and Microsoft are quickly gaining on Nintendo's competitive advantage, forcing the company to monitor to reevaluate its strategies. To maintain the competitive advantage, Nintendo must looking forward influencing the customers of Sony and Microsoft, continue developing innovative technologies, and also consider the impact of the social networking and mobile devices on the gaming industry.

Nintendo is delivering the fun gaming experience to customers. Since it has a unique advantage to its competitors. They do not providing the violence games as shooting for teenage boys which are the common gamer user in the society. That's the reason Nintendo could target a wide age and

occupation range customers. Strategy 7. 1 Market Share Strategy We focus our area of expertise which is to entertain everyone, especially the household. We do not enter the segment that we don't excel such as hardcore video games (wars, violence, etc.) 7. 2 Product Strategy

We enter mobile gaming sector as the mobile gaming industry is booming. People are buying games and applications on every available device including iOS devices, smartphones, tablet PCs and more. Our main competitors, Sony and Microsoft are also jumping into the mobile gaming industry, in order to compete with them, we need to focus on the mobile industry. We should continue to Improve our current consoles. Some of the ways that we can do this is by letting the consumer play DVD and MP3s, giving the Wii remote a rechargeable battery, and allow the consumer to save games on an SD card.

Product improvement will enable consumers to play social network games on Wii consoles, 3D games on Wii consoles. 7. 3 Pricing Strategy We are focusing on keeping the existing product, however we should be not expanding ; improving current product that we have in order to attract more consumers and keep developing product till it meets consumer's needs. Since there is strong competition in a market from Sony and Microsoft, often customers are faced with a wide choice of who to buy from. They may buy from the cheapest provider or perhaps from the one which offers the best customer service.

Nintendo, being the cost leader therefore can offer prices lower than the competitors. 8. Objectives 8. 1 Long TermGoals* To be the biggest video game manufacturer in terms of market share in UK in the coming five years

(2013-2017) * To realize a total 15% of annual growth rate of the UK operation in the first five years starting from January 2013 * To make the Nintendo Encore brand the most preferred video game brand of 6 – 65 years old of family and casual gamers in UK by January 2017

8. 2 Short Term Goals

8. 2. 1 Operational Goals

To realize a total sales of 6 million units Nintendo consoles in UK market by December 2013 * To increase UK customers' brand awareness by December 2012 through intensive advertising programs * To invest 10% of UK's annual revenue in Research ; Development Department starting by beginning of 2012 * To put the Wii encore on the market by July 2012 in the UK market * To train * To maintain good relationship with customers through social media pages by updating newest product information starting from June 2012

8. 2. Financial Goals

* To increase a 3% of growth rate in UK operation by the end of 2012 * To reduce costs of goods sold by 10% in the end of 2012 * To increase profit margin by 5% from UK operation by in the end of 2012 * To invest 5% more on promotional cost by the end of 2012

9. Marketing Mix

9. 1 Product

For the UK market our main focus on the product will be Nintendo Encore consoles. Meanwhile our handheld consoles such as Nintendo DS and its product lines will still be manufactured and sold as they are at the current moment.

However, new improvements will be created to fulfill consumer's needs in mobile gaming sector. This can be in the form of mobile games applications (Apps) and it will allowed consumers to play Nintendo's games through their mobile devices. Below are more options on our product development: *

- * Development of more varieties of new games
- * Concentration on 3D consoles
- * Reintroducing old famous games in new Nintendo consoles and

mobile gaming application with better quality and features.

9. 2 Price * Using the current consoles price as the basic price reference * More for less strategy will be implemented Bundle price(Wii+ Super Mario New Limited Edition, buy 2 get 1 free, Wii Encore+ accessories)

9. 3 Place * Current distribution channels ; outlets (big retailers, smaller digital shops, toy stores) * Online selling through company websites and another online stores such as Amazon, eBay, etc.

9. 4 Promotion * Advertisement through television commercials, posters, billboards, social medias. * Buy some display space in outlets * Training and distributing the specialized sales team in outlets and retailers that sell our consoles

10. Budget

Our budget is based on the 3-year forecast starting from 2012 and can be found in the appendix. Some important points are: * Cost of goods sold is expected to decrease 10% in 2012. * Advertising/ promotional costs are increasing * Income tax is 10%

11. Recommendations If Nintendo want to recover sales and become number one in the video games industry is necessary to take some actions: One way to accomplish this is to extend or expand its video game genres to attract more gamers than the family-friendly games. If we look at our competitor we can see that they focus on intricate fantasy role-playing games (RPGs) for mature audiences. When we develop games for this groups the company will be in better position to compete with Sony and Microsoft, however, this could risk damaging Nintendo's brand and to move from one public to another can have possibly more negative effects than positive. Another option is for Nintendo to continue developing innovative games and technology. As an example we

can mention Nintendo's recent introduction in Japan of the 3DS, a hand-held console that allows users to play games in three-dimension.

Because of this we can say that the company is a leader in handheld consoles, and this new console definitely helps the company maintain its competitive industry in that field, moreover Nintendo could start to develop a similar 3D capability for the Wii to further revolutionize the gaming experience. Lastly Nintendo should consider to expand to social networking and mobile devices, which is growing rapidly. More than one third of mobile phones owners play video games whit their telephone. To enter this market Nintendo could consider develop simple, puzzle-type games for Facebook and mobile devices.

As a consequence the company would align with the current focus on simple and casual gamers and more importantly it can open a brand new market with enormous potential given the popularity of smart phones and tablets at the moment. The company can further develop its capabilities to allow users to play social networking games on the Wii console. As a conclusion Nintendo must continue with the development of innovative technology and new game concepts. It is necessary to be realistic and in to take in consideration that the company has very strong competitors in this market.

Moreover it is necessary to pay attention to the change in needs of our current and not customers so the company can deliver customer satisfaction if we want to remain profitable. 12. References Bob Holt, freelance writer - <http://www.newjerseynewsroom.com/science-updates/xbox-720-release-may-compete-with-nintendo-wii-u> Consumer Price Indices, December 2011.

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