

# Global marketing strategy of nintendo wii assignment

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## GLOBAL MARKETING STRATEGY OF NINTENDO WII GLOBAL SEGMENTATION, TARGETING AND POSITIONING AND PROMOTIONAL ADAPTATION Introduction

1. This essay focuses on the global marketing strategy of the Nintendo Wii, in particular the segmentation, targeting and positioning strategies and the communication adaptation adopted for the promotion of Nintendo Wii in the three key markets of Japan, United Kingdom (UK) and United States of America (US). Background 2.

The gaming industry comprises of three key segments: (i) the platform system or infrastructure segment which includes consoles, mobile devices and online media, (ii) the games publishing segment which includes games distribution, retailing and marketing and (iii) the games development and design segment. The platform segment is considered the most fundamental and important sector as it determines how users interact with console games, and has witnessed the most exciting innovations. 3.

The current key players in the platform segment are Microsoft (with its Xbox 360), Nintendo (with its Wii) and Sony (with its Playstation 3). For Microsoft and Sony, the video game console business is just small part of their large business portfolio, while Nintendo is highly focused on the video game industry and has a hand in all three key segments of the industry. Nintendo is one of the most influential video game companies in the world and Japan's third most valuable listed company, and as of October 2, 2008, has sold over 470 million hardware units and 2. billion software units. While Nintendo had dropped to third in the video-game industry behind Sony and Microsoft in 2006, it had regained its leadership position through the release of Wii by selling the most hardware units amongst the current generation of video

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game consoles. 4. Video game consoles are fairly discretionary items of purchase – developed countries tend to be their main markets due to the higher discretionary incomes of a higher proportion of their population.

Games consoles are expected to enjoy even greater popularity and higher sales in the coming years due to the increasing market size of the BRIC countries and the general increase in purchasing power of consumers throughout the developed and developing world. Global Segmentation, Targeting and Positioning 5. Video consoles are essentially high-tech products with a high degree of product standardization and similarity of preferences amongst consumers. Marketing strategies for video consoles are generally similar across regions/macro-segments but different across micro-segments.

Segmentation for the video game industry is usually based on consumer behavior, user status and/or rate of use. Established segments include serious/heavy gamers/early adopters, normal gamers, casual/light gamers, potential users, non-gamers, lapsed/ex-gamers, first-timers, users of competitors' products etc. Before the launch of Wii, video console makers have conventionally targeted serious/hardcore gamers (usually teenage male gamers). 6. Nintendo's strategy for Wii was to expand the market space by looking outside the conventionally targeted segments and pursue growth through targeting new segments.

Their competitors are then other forms of recreation rather than other game console manufacturers. For Wii, Nintendo focused on creating a simple, fun and intuitive console and eradicated features that were not absolutely

necessary for gameplay such as high performance and multi-media functions. This created a product that was the most value-for-money in its class and allowed Nintendo to regain the lead in the console market and earn significant profits through sales of games and licensing fees. 7.

The segmentation strategy of Nintendo Wii was slightly different from conventional segmentation in that it was based on who their potential targets spend their recreational time with – alone (e. g. practising yoga), family, partner, best buddies/female friends, friends etc. ??? and also their gender, and tailoring games and advertising to cater to the lifestyles and attitudes of these different segments. [This strategy led to the creation of varied games such as Animal Crossing (a female-focused game with activities such as life-planning and shopping), Big Brain Academy (a puzzle game) and WiiFit. This form of segmentation is partly influenced by demographics since each type of lifestyle is typically represented by a particular demographic group ??? the Gen Y youngsters would share fewer activities with their family and more activities with their best buddies and friends while the golden grays will typically spend their time with families and partners. Furthermore, this strategy allowed Nintendo to target the traditionally ignored segments of casual gamers, lapsed gamers and non-gamers. 8.

Based on such segmentation, Nintendo adopted a global targeting strategy of differentiated global targeting (or multi-segment targeting) for Wii, i. e. targeting many distinct market segments with multiple marketing mix offerings in order to achieve wider market coverage and hit virtually

everybody. Most other companies in other industries, e. g. car industry, achieve this by offering various adaptations of the same product. Nintendo does this by offering different types of complementary products, i. e. various types of motion sensors (e. g. Wii Wheel and Balance Board) and games, for its game console.

Such multi-segment targeting is not reflected in the main product (Wii) but is communicated through the advertising campaign and the games launched.

9. The positioning for the Nintendo Wii naturally followed – a fun, simple and intuitive game console for everyone. The US advertising slogan at launch ??? "Wii would like to play" ??? emphasized the inclusiveness of Wii. Nintendo Wii had cleverly occupied the space of being both a high-tech and high-touch product – a technological product which is an elegant design classic and which provides some of life's simple pleasures through playing with family and friends.

Its global identity and positioning became linked to universal aspirations of sharing activities with dear ones and the need for entertainment in any part of the world. Furthermore, the combination branding of Nintendo and Wii leveraged on Nintendo's reputation as a gaming company while developing a distinctive brand identity for Wii. Communication Adaptation 10. In order to examine more closely the communication adaptation for Nintendo Wii's promotional campaign, we examine more closely the television commercials to launch the Wii in Japan, UK and US .

The productions are Nintendo's first broad-based advertising strategy. In general, the Wii campaign chose not to embrace an obvious strategy of

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targeting the teenage male gamer. Instead, it targeted his mom, dad, grandmother and anybody else who was not so obviously a gamer. While the competition catered to a narrow audience, Wii invited everyone to play. As a result, the Wii was virtually sold-out worldwide at launch and ignited a cultural phenomenon in how people experience video games.

Despite adhering to a unified theme in order to build a distinctive global brand identity, there were significant variations in how Nintendo's commercials were executed in the three different countries. Nintendo had adopted product extension-communication adaptation in their global marketing strategy in part to cater to the different cultural values of their different target markets and in part to cater to varying perceptions of quality and fun across Japan, UK and US. Japan Launch Commercials 11. Wii's key advertising message in Japan was " Experience a new way to play".

The launch commercials consisted of an initial image of a hand holding the Wii mote with a voiceover asking what Wii could do, then a series of images showing the hand using the Wii mote to simulate a variety of activities such as throwing out a fishing line, hitting drums, hitting a tennis ball etc. with the accompanying sounds of the activities. The viewer was then left to imagine the various types of games that one could play with the Wii given the varied activities the Wii mote could simulate.

The commercial then ended with a voiceover saying the name of the product " Nintendo Wii" and positioned the Wii mote as a brand symbol of beauty and simplicity and a global product. (This is consistent with how most high-tech and high-touch products are positioned in the global market based on a

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universal language of technological sophistication, performance and high-quality features for high-tech products and emotional satisfaction or fulfilment of self-image for high-touch products. 12. The advertisements basically elevated the status of the Wii mote to that of a venerated item of desire which could "do anything". There was minimal dialogue or narration, with high emphasis on the product name. The potential of the Wii was expressed using symbolism and indirect (even abstract) expressions and messages, which is typical of advertisements in a high-context culture such as that of a Japanese society.

The commercial here seemed almost reflective in the Zen-like white background employed, using visual cues and stressing depth rather than breadth, with the operative word being "soft-sell". UK Launch Commercials 13. UK has been described at various times as being both a high and a low-context society. In many ways, it resembles both. Curiously, the UK launch commercials basically followed the Japanese templates, except that the advertisement started a voiceover asking the question "What can Wii do?" and ended with the statement "Wii can do anything".

Again, the viewer was left to picture the varied games and entertainment that the Wii system could provide based on the more abstract messages and visuals, with soft-selling a global product being the *modus operandus* again. It is significant the pitch was not made directly since the British culture seems to avoid such direct pitches. Also, there was no country-of-origin effect at work in the UK commercials as Japanese products might not be

seen as being technologically superior to US or German products. US Launch Commercials 14.

Wii's central "Wii would like to play" advertising campaign in the US followed two friendly Japanese men who brought Wii to people's homes to demonstrate how easy and fun it was for everyone to play. Stephen Gaghan, who wrote the screenplay for and directed *Syriana* and won a best screenplay Oscar for writing *Traffic*, directed the four spots while Leo Burnett, who produced the campaign, won the Grand Effie at the 40th Annual Effie Awards in June 2008 for the campaign. This was the most acclaimed series of commercials amongst all Wii launch commercials in Nintendo's various target markets. 15.

Compared to the Japan and UK commercials, the US commercials adopted a distinct storyline of the two Japanese men going to various homes (including a suburban white family with young children, a Latin American family, a group of young people in their twenties, country ranchers etc. ), ringing doorbells, proffering the Wii mote with bowed heads and a greeting "Wii would like to play". What followed were scenes of various people (of various demographics e. g. ages, genders) enjoying Wii games in their living rooms with the two Japanese men and finally the two Japanese men leaving the homes seemingly satisfied at a job well done.

The music in the advertisements was from the song "Kodo (Inside the Sun Remix)" by the Yoshida Brothers, a pair of musicians (with an international audience) who performed a fusion of the rapid and percussive Tsugaru-jamisen (a North Japanese traditional music style) along with Western and

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other regional musical influences. 16. Among other factors, the combination of the distinct storyline and the pacy Western-influenced music served to (a) Infuse the US advertisements with more complete visual story lines compared to the Japan and UK advertisements. b) Provide a more explicitly expressed and clear message that Wii was here to play and was for everyone in order to attract a wider demographic to the game console. (When Nintendo had officially announced the final name for its next-gen console as 'Wii', it explained on the official Wii website that "Wii sounded like "we," which emphasized the console was for everyone... Wii had a distinctive "ii" spelling that symbolized both the unique controllers and the image of people gathering to play. ) (c) Provide the impression that the US advertisement was faster paced in order to maintain viewers' attention and provide more visual information. These difference were deliberate in order to address the low-context nature of US culture, which results in most information being vested within explicit codes and/or messages such that things are spelled out as concisely and thoroughly as possible. Advertising messages in the US tend to be direct and to-the-point and stress breadth rather than depth.

In such a context, the messages in the Japan and UK launch commercials might have been lost on the US audience, resulting in this need to differentiate the commercials. In addition, the format of these commercials also seems to support the commonly held notions that advertisements in US need to be more in-your-face and hold the short attention spans of US consumers. Also, there seemed to be more care taken to cater to different ethnicities in order to reduce sensitivities and widen Wii's reach to a larger portion of the more diverse US market.

Significantly, the use of the two Japanese men and the Japanese-Western music only in the US commercials seems to imply a positive country-of-origin effect of Japanese products on US consumers in terms of their innovation and reliability (symbolized by the straight-laced and salesperson-like Japanese men). Game-Specific Commercials 17. Following the launch commercials, commercials for the Nintendo Wii tended to be based on new games that were available for the console. Even for such commercials, there was a fair degree of differentiation and adaptation for commercials targeting different countries.

For instance, the commercials for Mario Kart on Wii took very different characteristics in Japan, UK and US. The Japan commercials had 2 series ??? one which glorified the Wii Wheel, an accessory designed for the Mario Kart, and another which showed two celebrities against a white background playing the game as normal folks and conversing with each other. The benefits of the Wii or the game were again not directly communicated, although the commercial does show various types of people (of various demographics) enjoying the Wii.

The UK commercials again were close to the Japan commercials, although the UK commercials generally showed non-celebrities (two or more) in home settings playing the game and again conversing with each other. Here, however, the element of competition and individualism showed up (compared to Japan's collectivism) as one in the group was usually shown winning at the end of the commercial. Curiously, the US commercial used the

direct-address format, where a cowboy spoke directly to the audience about the fun of playing Mario Kart on Wii.

This was a very culturally specific advertisement which again used very catchy western music, fast pacing and direct information dissemination to attract and retain the attention of the audience. The US advertisements were thus designed to inform and persuade consumers in a straightforward manner of Wii's value proposition. 18. In examining the commercials for Wii Sports Resort, we could see more clearly how the commercials in the different countries catered to the fact that consumers in each market perceived fun differently, with the typical recreational activities of choice being slightly different.

There continued to be more use of catchy music in US advertisements and less conversational or everyday situation set-pieces compared to in UK and Japan advertisements. However, the format of advertisements catering to specific segments e. g. Animal Crossing for a small group of female friends were fairly similar across countries ??? basically showing what best female friends do when they are together e. g. talking, having tea or shopping.

Similarly, formats for advertisements catering to sports jocks were also fairly similar ??? in such cases product-communication extension was used. There is generally some flexibility in how the Wii story is told, with the US stories being more "in your face", less enigmatic and requiring less filling in the dots. Conclusion 19. In conclusion, the innovative segmentation, targeting and positioning strategies of Nintendo Wii, and the localized campaigns

focusing on the most important attributes of the product in each country/culture helped to make Wii the success it is today.