

Sony aibo case study

Education



Sony AIBO case analysis AIBO, a robotic dog doesn't do anything useful at all, but provides "entertainment" by stimulating some of the personality characteristics of a pet without the inconvenience of a real animal. According to Toshitada Doi, Sony's leading computer engineer, AIBO is a computer that provides love and healing for people. The first generation ERS-110 can imitate dog's behaviors, "see", show "emotions", "learn" and evolve "personality". The second generation ERS-210 has voice recognition and more dexterous.

The new AIBO came with new software options as well. After adding wireless LAN technology, Sony has unveiled its new "entertainment architecture", dubbed OPEN-R, which provided third-party developers with the ability to create any number of software applications as well as hardware modules. Though priced at whopping \$2,500, \$1,500 the second generation, Sony's profit margin on the AIBO was close to zero. It is the software applications and hardware modules developed by Sony and third-party developers that makes money for the company.

AIBO has created such a stir that only two products had in the history of Sony: the original Walkman and the Playstation game console, far exceeding the developers' expectations. It is such a success in Japan; the American market is not that hot. Part of the reasons were the cultural differences between these two countries. In Japan, many people live in small apartments where real pets are not allowed. And Japan has a large elderly population, to whom a companion without any inconvenience is perfect.

Besides, robots in Japanese culture are heroes and Japanese are so fascinated about high-technology while to older Americans, too lifelike

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technology is dangerous and threatening. Apart from the culture elements, most customers were confused of what Sony was selling. The confusion was compounded by the release of a number of low-end knock-offs. The performance of five years', six prototypes', and millions of yen's outcome, AIBO, is so obviously superior to those cheap imitations, it is difficult to consider these knock-offs "competition".

At the other end of the competitive spectrum are robots that can "do something"--- perform "serious" household tasks. Admitting that these types of "functional" robots were much easier for Americans to understand, Sony has provided new software applications so that AIBOs can read emails and pre-selected websites and owners can remotely control their AIBOs' movements. With more and more software applications and hardware modules being built on the base of OPEN-R technology, the possibilities are really limitless.

As to broaden the American market, I think several questions should be considered before making the decision of whether Sony should begin mass advertising. What is the popularity of AIBO in America? What are the main concerns that stop Americans to reach into their pocket to pay for an AIBO? Standing in the Americans' shoes, what do they want from a robot dog? Will sales of AIBO be stimulated by the mass advertising? Is the return going to be enough to cover the cost of mass advertising? Which medium might be the best way to touch the audiences?

Further analysis of American market and culture should be done before making the decision. Since Sony has created AIBO Town, a magazine for AIBO devotees, and Cartoon industry is very mature in Japan, AIBO cartoon, <https://assignbuster.com/sony-aibo-case-study/>

AIBO comic books, AIBO video games and a series of AIBO related products can create infatuation with the robotic dogs, and the popularization of robotic dogs, vice versa, will promote the sales of the derivatives. The possibilities of AIBO are limitless. With more and more applications developed, AIBO can be a functional companion.

For instance, AIBO could be used to guide blind people, the sensor can get information of the owner's health condition when he/she touches an AIBO's head, AIBO can play music, the owner can monitor his/her house when traveling, AIBO can work as a projector, etc. The price of the AIBO can not be much lower than the cost of manufacturing cost, or the margin profit. As AIBOs are equipped with more and more functions, people have a clearer understanding of what Sony is selling and are more willing to pay for them.