

# Sony eyetoy case



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In the face of substandard EyeToy Groove sales, Executive VP Phil Harrison of Sony Computer Entertainment Europe has to make the decision as to whether SCEE should continue to market the EyeToy, and if so in what manner and with what resources. Despite the seemingly disappointing sales of EyeToy Groove, SCEE should carry on efforts to sell the EyeToy: marketing specifically towards children and families, offering hardware bundling options for all titles and collaborating with 3rd party software companies. Criticisms that EyeToy will not appeal to traditional gamers may be true, but the market demand for non-mature gamers is strong.

The majority of Consumer Responses to EyeToy Play praise the child, family and group oriented gameplay. Similarly child-focused games comprise 4 of the Top 10 Video-Game Console Titles in 2003 in the U. S. , which demonstrates a preexisting market for games of an “ E-rated” nature. Sony should capitalize on this existing market segment and emphasize the active and movement based nature that differentiates EyeToy from traditional video games found on this Top 10 list. In measuring the success of Groove, Sony made the mistake of comparing it to the sales of the EyeToy hardware.

Of the 2. million EyeToy owners who purchased the Play package, 4% purchased the Groove software. This metric is comparable to the 6% of all PS2 owners who purchased the mainstream Getaway game, which was considered success. SCEE should aim to increase sales of an EyeToy hardware-game package, in order to create a future market for EyeToy software rather than prematurely market just software to an audience without the hardware. The major risk associated with this recommendation is

that SCEE will be unable to supply consumers with enough games in the long run to keep up interest in the EyeToy.

To combat such a risk Sony should collaborate with 3rd party software companies such as Electronic Arts. By increasing the number of games that have EyeToy capability, consumers will be more likely to make the investment in purchasing an EyeToy. Sony is only ranked 6th in terms of software-game production so once it loses its first mover advantage, it should turn to 3rd party developers in order to ensure long term sales of the EyeToy hardware. Sony should focus on quickly releasing titles in order to recapture interest in the EyeToy.

A quick licensing agreement with popular children's shows such as Dora the Explorer and SpongeBob will endear the mini-game EyeToy concept to a younger audience and capitalize on preexisting character brand recognition. To increase product awareness, and reach exactly its target audience, SCEE should run television advertisements during these very children shows. Sony should also re-release the Groove software in a bundled package with pricing similar to that of Play in order entice people who want to dance, but don't already have an EyeToy.