

PS3

**VS**

Wii™



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The image shows the Sony logo in a bold, blue, sans-serif font. The word "SONY" is written in all caps, with a registered trademark symbol (®) at the end of the "Y".

## **What is SONY?**

**Japanese multinational conglomerate corporation founded in 1946, Tokyo, Japan to produce tape recorder.**

**Sony Computer Entertainment America established in 1994.**

# Key Facts about SONY

## Products:

Consumers electronics ( audio visual & gaming),  
Professional audio/video equipment, Semiconductors,  
Computer hardware, Financial service, Film, Television,  
Music and Game software.

**Revenue- \$70,303 billion USD. (2007)**

**Total Net Income - \$ 1.071 billion USD (2007)**

**Play Station 1 in 1994 (299 USD)**

**Play Station 2 in 2000 (299 USD)**



# What is PS3?

**Type-** the third home video game console

**Sale-** 11/11/2006 in Japan,  
11/16/2006 in the U.S,  
11/17/2006 in Asia,  
3/13/2007 in EU,

**Media –** Blu-ray, DVD, CD, Super Audio CD

**Online service-** Play station Network

**Units sold –** 13million USD worldwide (April 21, 2008)

**Best-selling game**

**Motorstorm, 3 million USD worldwide (Feb/18/2008)**



# The Differences of Models

Model	<u>20GB</u>	<u>40GB</u>	<u>60GB</u>	<u>80GB</u>
Official Price (USD)	499	399	599	599
Network compatibility	Ethernet only	Ethernet WiFi	Ethernet WiFi	Ethernet WiFi
Super Audio CD	Yes	No	Yes	Yes
Play Station 2?	Yes	No	Yes	Yes
In production	No	Yes	No	Yes



What is the Nintendo company?

Nintendo Company Ltd. is a Japanese multinational corporation founded in 1889, Kyoto, Japan to produce handmade hanfuda cards.

# Key facts about Nintendo

- **Headquarters**

- Kyoto

International Offices:



Redmond, Washington



Richmond, British Columbia



Grossostheim, Germany



Scoresby, Victoria



Suzhou, China



Seoul, Korea



Costa del Este (as Latamel Inc.)



Monrovia, Liberia

- **Products**

Game Boy line, Color TV Game, NES, SNES, Nintendo 64, Nintendo Game Cube, Nintendo DS, Wii, and various video game titles.

- **Revenue**

USD\$ 16.2 billion (2008)

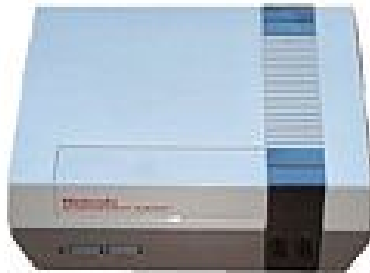
- **Net Income**

USD\$ 2.5 billion (2008)

- **Website**

Nintendo Japan  
Nintendo of America  
Nintendo Europe  
Nintendo Australia

# Nintendo before Wii



- Famicom, Nintendo Entertainment System (NES), Game Boy, and Super Mario Bros.

The Famicom was released in Japan on July 15, 1983. Bolstered by its success in Japan, Nintendo soon turned its attention to the larger North American market. Nintendo released NES in the United States on October 18, 1985. For the remainder of the 1980s, Nintendo was the undisputed king of the home video game market. NES game packs were similarly smashing sales records: Super Mario Bros. 3, released in 1988 in Japan, would gross well over US\$500 million, selling over 7 million copies in America and 4 million copies in Japan, making it the most successful standalone home video game in history. The Game Boy is was released in 1989, and as of March 31, 2006, the Game Boy and Game Boy Color combined has sold 118.7 million units worldwide .

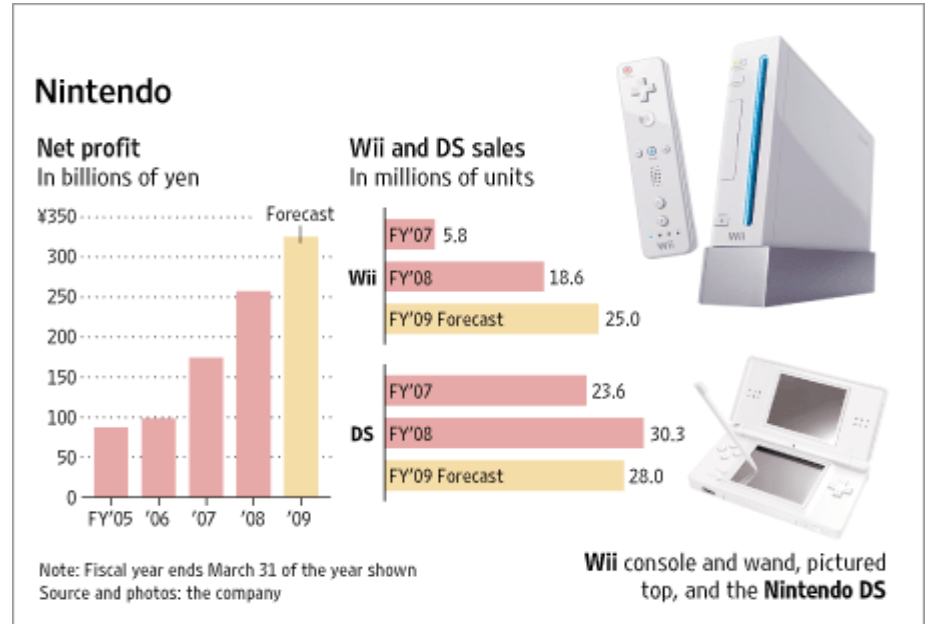
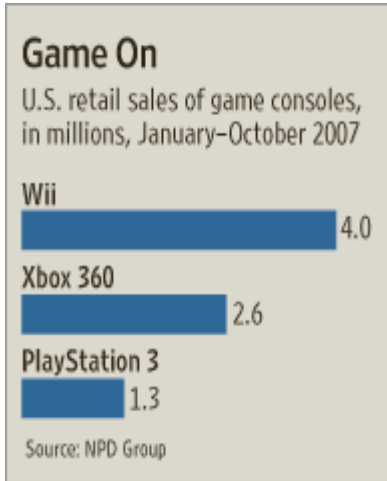


# Wii era<sub>(2007~)</sub>



- Nintendo had struggled before it released Wii in November 2006 due to the success of rivals like Sony Corp. (Play Station2) and Microsoft Corp. (Xbox)
- Why Wii?  
In contrast to rivals like Sony Corp. and Microsoft Corp., whose consoles mainly target serious game players with realistic graphics and advanced technology, Nintendo has succeeded by attracting nontraditional users like women and seniors with easy-to-play games.

# official sale values of the Wii



- Region / Units shipped / First available**

Americas / 10.61 million as of March 31, 2008 / November 19, 2006

Japan / 5.9 million sold as of March 31, 2008 / December 2, 2006

Other regions / 7.94 million as of March 31, 2008 / December 7, 2006

Worldwide / 24.5 million as of March 31, 2008 /

- Since launching the Wii console in November 2006, Nintendo has sold 24.5 million Wiis, compared with Sony, which is expected to have sold about 13 million PlayStation 3 consoles in the same period

# Continuing Wii era



Nintendo

- Nintendo is branching out to target women with its new ads for the Wii Fit.
- Nintendo said it expected more modest growth in the current fiscal year. It said it expects a 26% increase in net profit to 325 billion yen and an 8% increase in sales to 1.8 trillion yen.

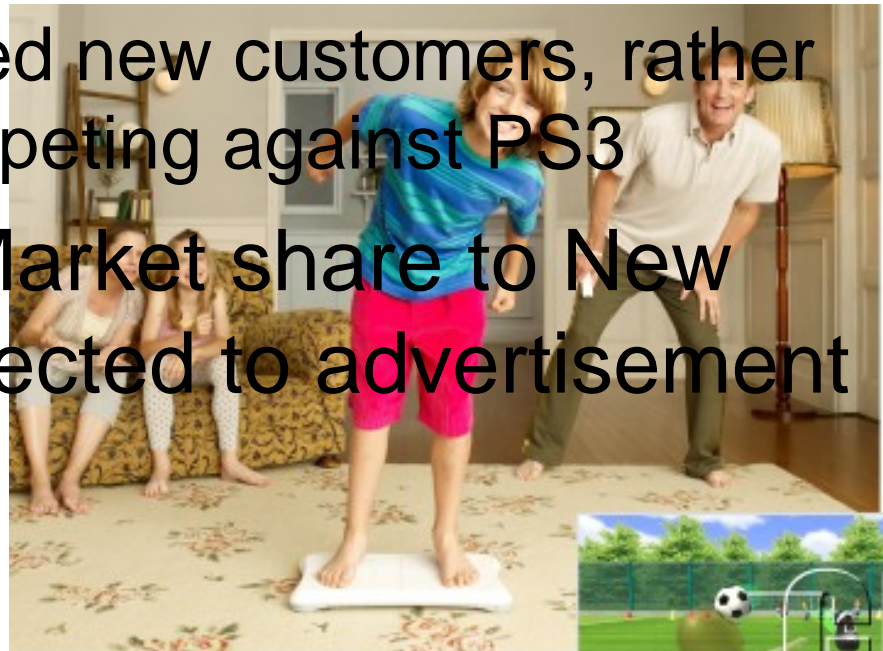
# Target Consumers

- Target consumers- who are they?

## Why was Wii so successful?

Because Wii gained new customers, rather than directly competing against PS3

- Wii : Expanded Market share to New Customers... reflected to advertisement strategy

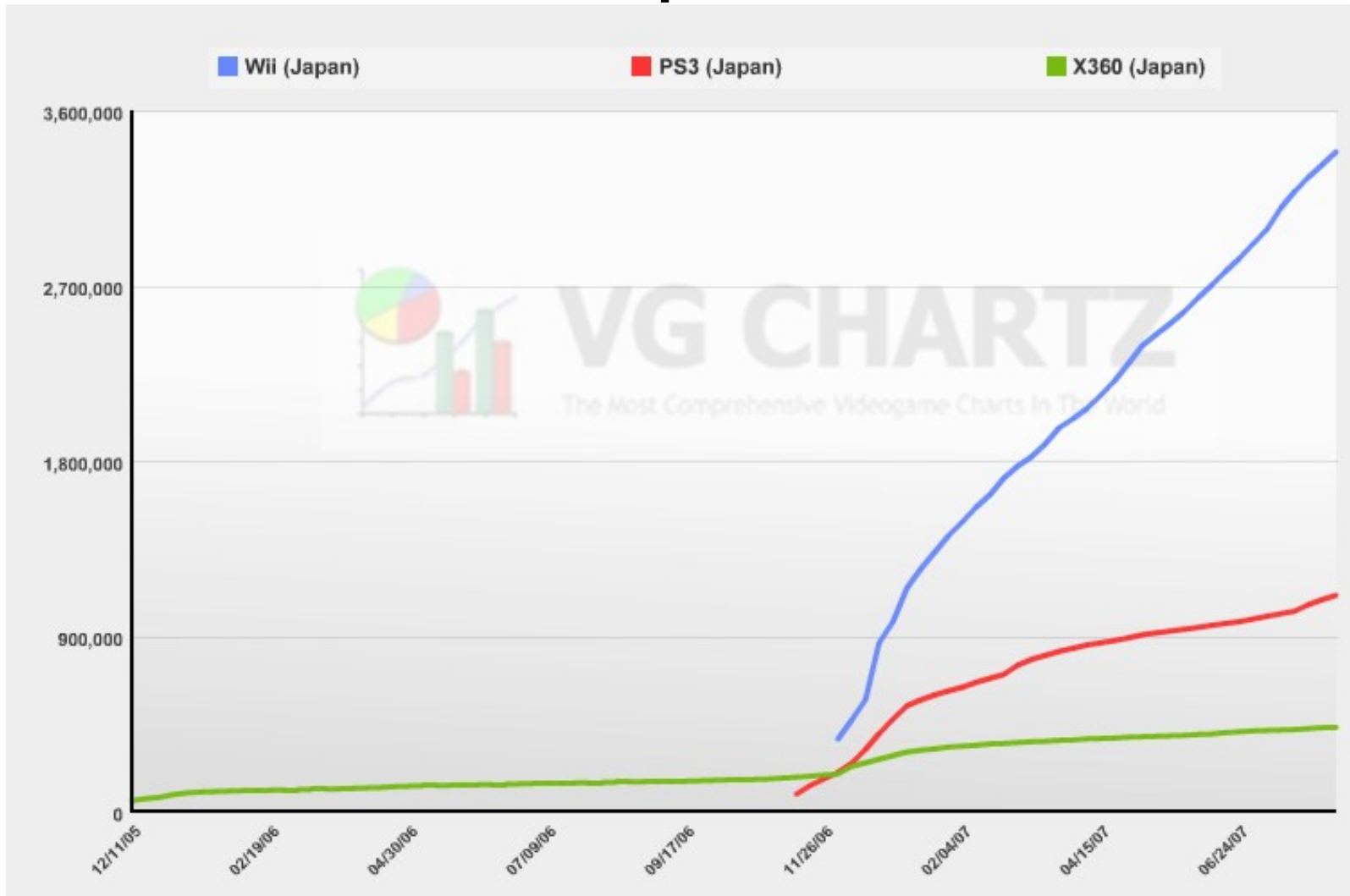


# Price and Demand

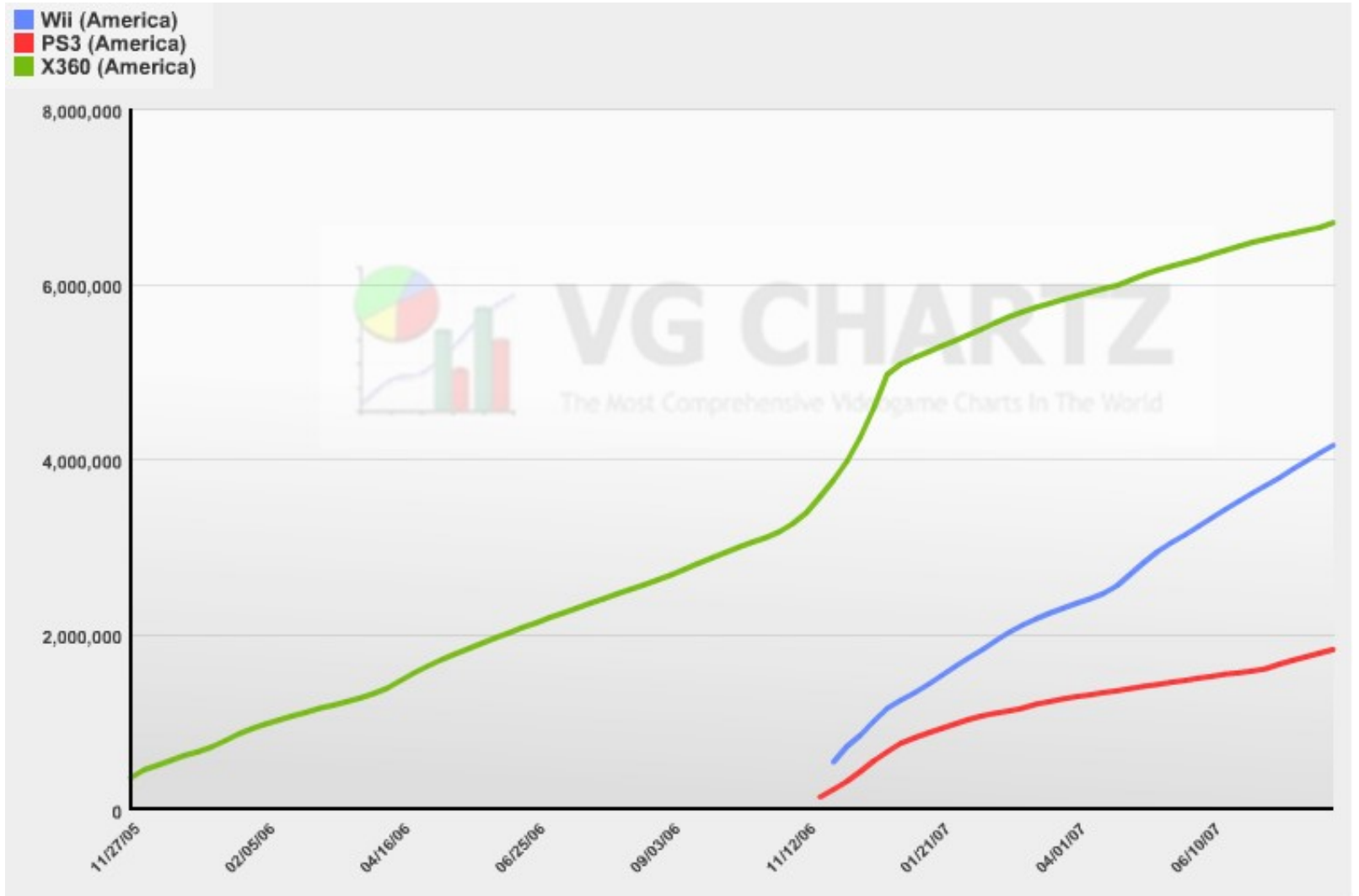
- Price Discrimination-
- Wii: \$249.99
- PS3: 80GB \$499.99, 40GB \$399.99
- Other Pricing Strategies: Scalping, Bundling  
{(Wii console + Fitness board) or (console + DDR) or (console + CD), etc.}



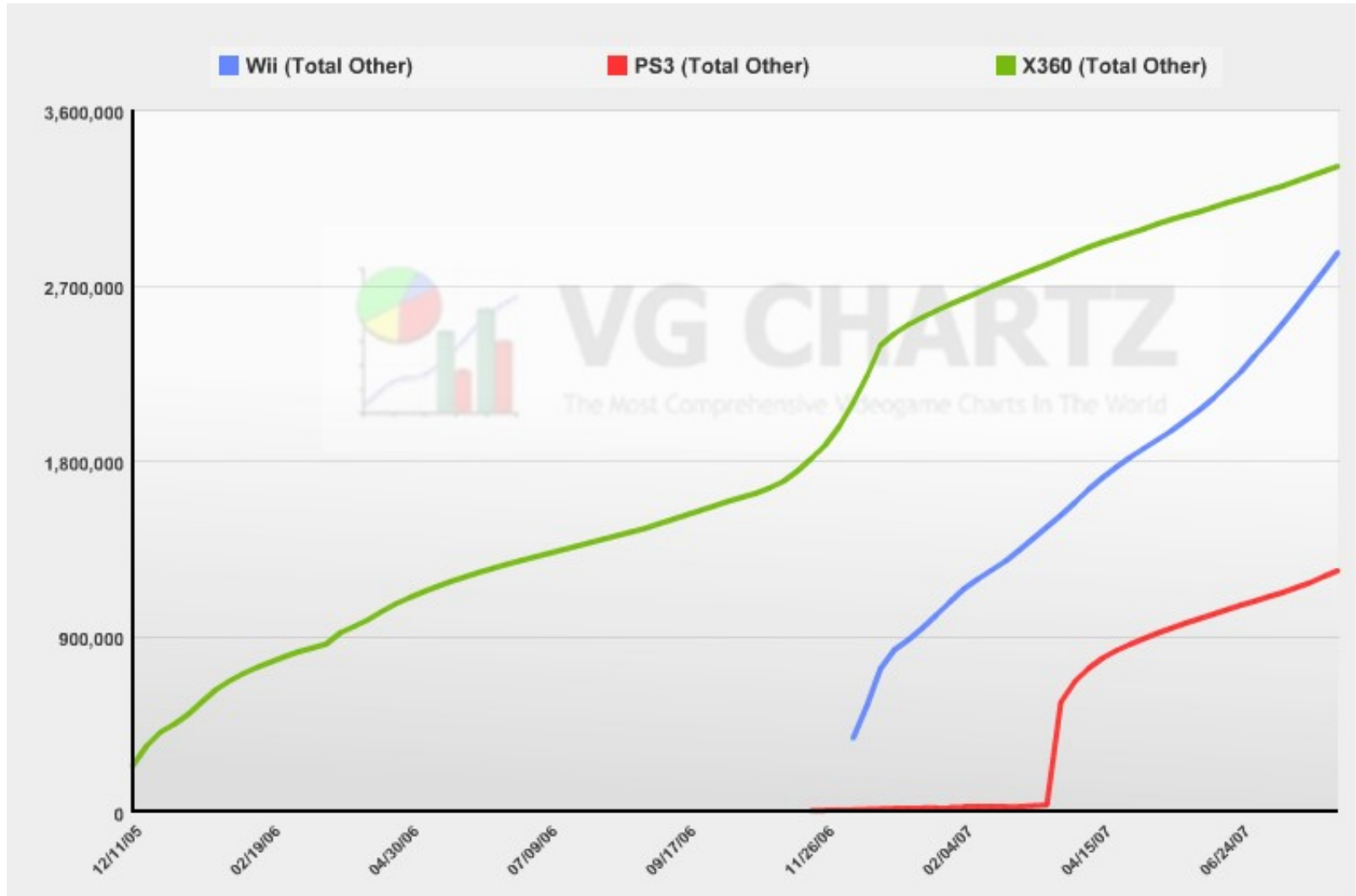
# How was demand affected? Japan



# US



# Europe





# Price Change Analysis

**PS3**... Price went down.



Sony's strategy in order to boost up demand

- **Wii**... Why didn't wii prices go up even though Wii was so popular?

Many explanations are possible.

- Nintendo assumed demand is price elastic
- Due to new customers' income elasticity?
- Nintendo's branding strategy: cheap, able-to-have-fun, party console



# Tracking supply of game consoles online



**Wii vs. PS3**



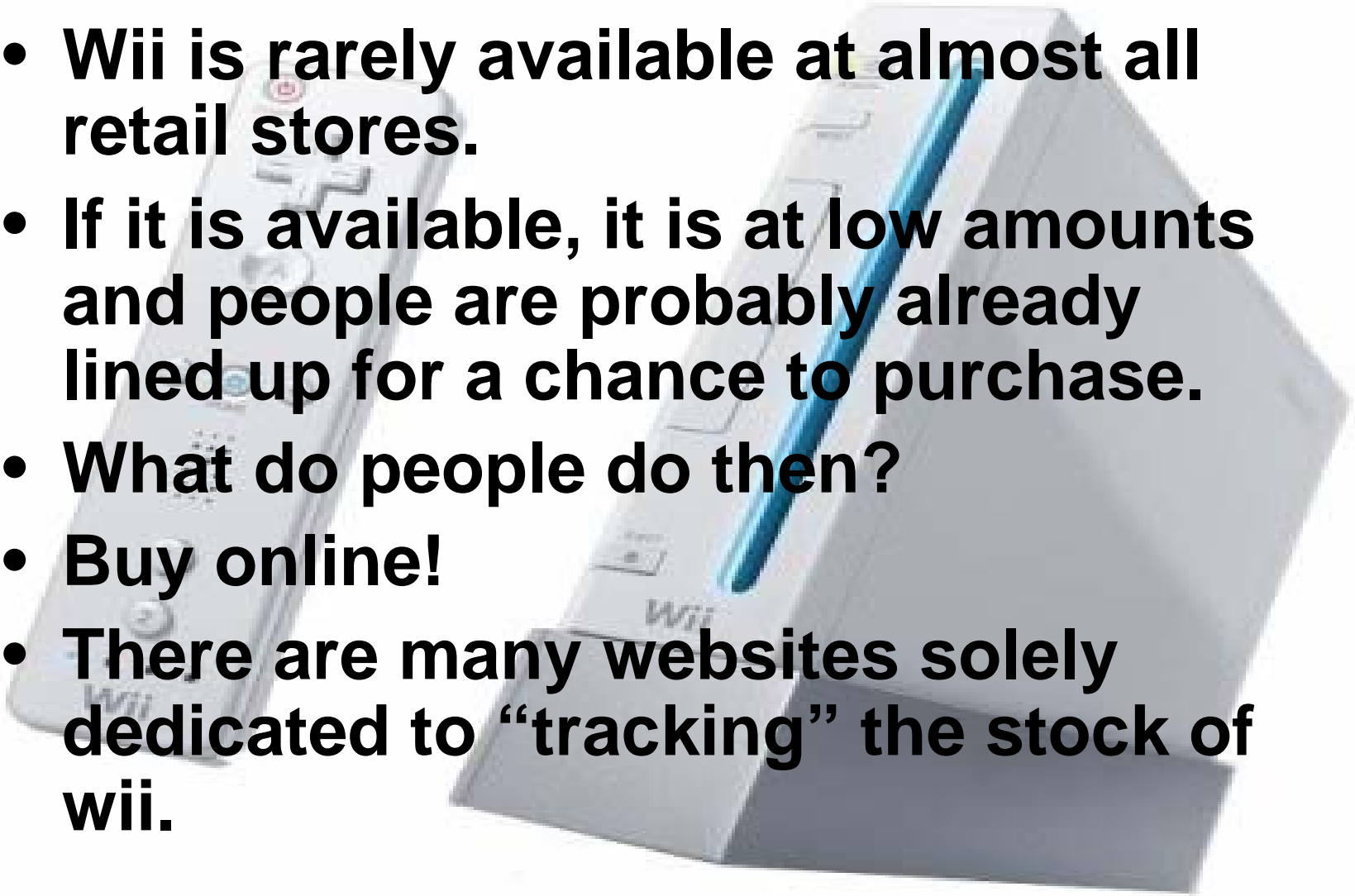
# Wii TRACKER

- **Wii is rarely available at almost all retail stores.**
- **If it is available, it is at low amounts and people are probably already lined up for a chance to purchase.**
- **What do people do then?**
- **Buy online!**
- **There are many websites solely dedicated to “tracking” the stock of wii.**



# How to track a Wii

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# Wii Tracking Websites

- **These tracking websites are updated several times throughout the day.**
- **It gives information on whether the Wii is in stock at specific retail websites (i.e. Amazon.com or Bestbuy.com)**
- **Also lists various types of bundles available and the prices of these different choices.**
- **A certain website used to exist that would track the stock of the Wii at a nearby Target location.**



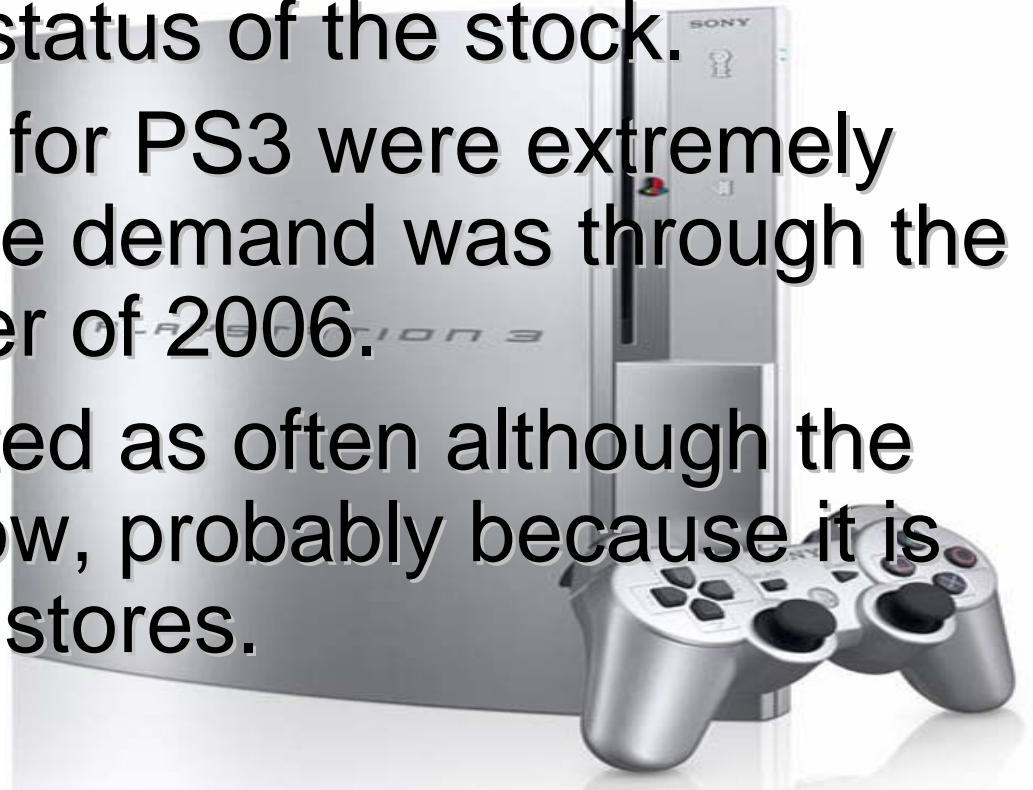
# Wii Tracking Websites



- **Wiitrack.com-** \$9.95 to register. It gives “full access to the Wii tracking service and in most cases will be able to locate a Wii in your area the same day.”
- **Wiitracker.com-** No charge. Updates several times a day on whether the Wii is in stock in certain retail websites which include **Walmart.com** and **EBGames.com**. Includes different bundle options and its prices.
- **Wiihunter.com-** No charge. It is a “real time inventory tracker” (updates every 5 minutes).

# Tracking the PS3

- Very similar to the websites that track the Wii.
- Lists the different bundles available, the prices, and the status of the stock.
- These websites for PS3 were extremely popular when the demand was through the roof, in the winter of 2006.
- Now, it isn't visited as often although the stock remains low, probably because it is in stock in most stores.



# PS3 Tracking Websites



- **Ps3finder.com-** Similar format as **wiitracker.com** but the difference of demand is obvious. It shows that the Wii is hardly in stock anywhere and the PS3 is more in stock compared to the Wii.
- **Ps3locator.com-** Lists a variety of suppliers (Ebay.com, Amazon.com, etc), the bundle choices, mode of shipping, stock status, and prices.



# **What results have been found?**

- 1) There are more Wii tracking websites compared to PS3 tracking websites.**
- 2) Currently, there are more PS3 available than Wii. Wii is still low in stock.**
- 3) Price range of Wii bundles: \$250-\$700  
Price range of PS3 bundles: \$395-\$780**  
**(There is a very large difference between the prices of just the consoles. However, the bundle prices don't distinguish the two game consoles apart too much. Still, the wii has more demand)**
- 4) The list of bundle choices and stores is MUCH longer for Wii (~110) than PS3 (~29).**

# Scalping Wii and PS3



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**Can I put a link in my for sale posting pointing to an auction site like ebay?**

No - craigslist is not an auction site. If you have something to offer, please post a set price. Please do not scalp or solicit bidding contests on craigslist, and do not link to offsite auctions on eBay or elsewhere.

**Can I scalp my ticket or other gift item (e.g. PS3, TMX Elmo, Wii, iPhone) on craigslist?**

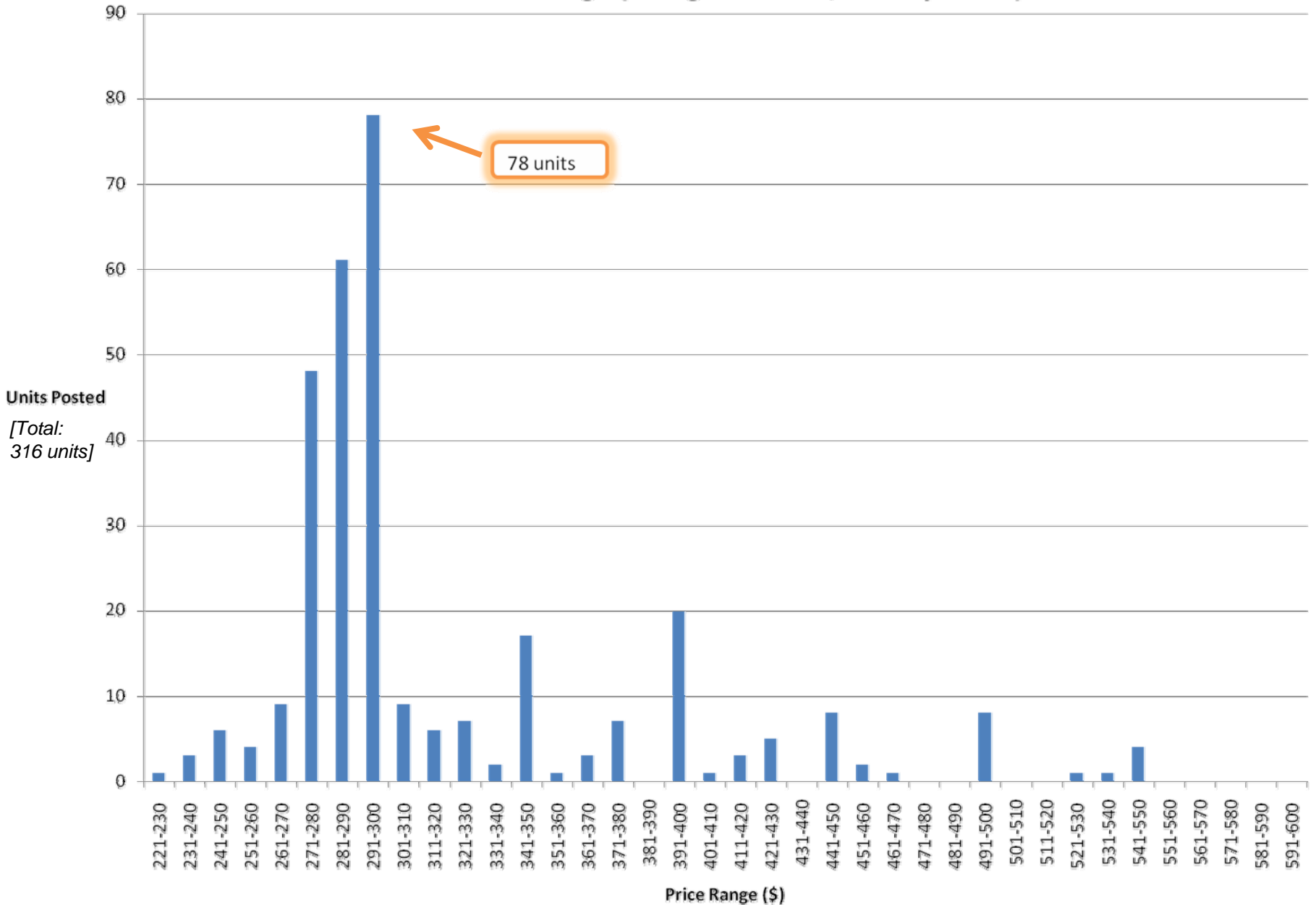
Many craigslist users dislike, and will [remove by flagging](#) ads which appear to be scalping tickets or hot gift items for way over face value.

**Do you have any special requirements for movers/haulers?**

The State of California Public Utilities Commission (CPUC) requires firms moving household goods to show a T-number in their ad. For information or to check a T-number, call the CPUC at (800) 366-4782, or go to <http://www.CPUC.ca.gov>

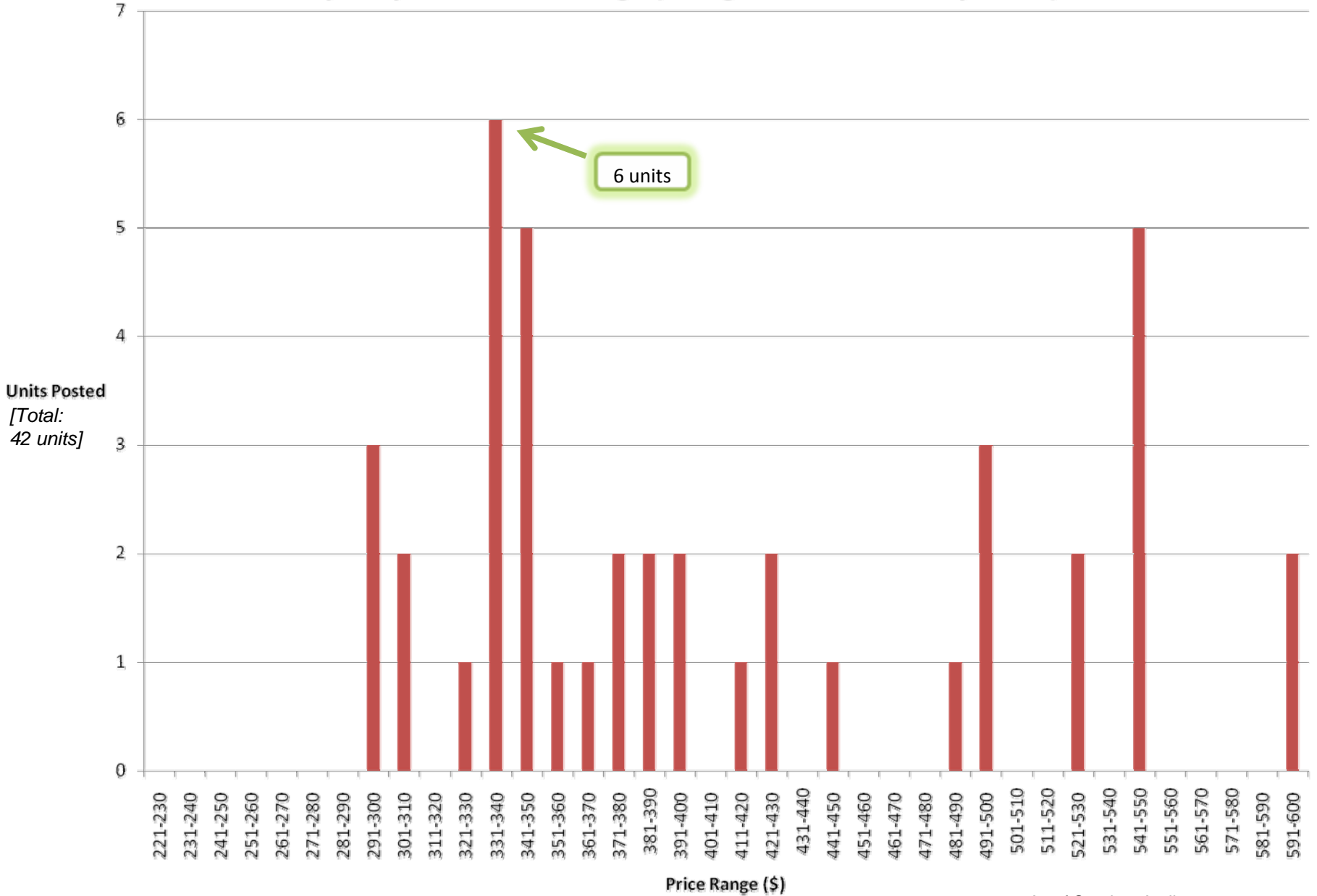
Other states may have similar licensing and disclosure requirements, which any mover/hauler in that state likewise must abide

# Nintendo Wii Listings (Craigslist.com, SF Bay Area)



As of Sunday, April 27, 2008

# Sony Playstation 3 Listings (Craigslist.com, SF Bay Area)



As of Sunday, April 27, 2008

# Price Listing (eBay.com)

## PlayStation 3 (all models)

Period of:

Apr 18, 2008 - Apr 24, 2008

Price Search Filter:

Start Price \$200 - \$2,500

End Price \$200 - \$2,500

Average Price: \$449.97

Start Price: \$355.01

Listings: 683

Sell-Through: 82.14%

The **PLAYSTATION®3 80GB**

**MSRP \$499.99**

The **PLAYSTATION®3 40GB**

**MSRP \$399.99**

## Wii

Period of:

Apr 18, 2008 - Apr 24, 2008

Price Search Filter:

Start Price \$200 - \$2,500

End Price \$200 - \$2,500

Average Price: \$321.23

Start Price: \$302.33

Listings: 2,288

Sell-Through: 57.12%




**Wii**

**MSRP \$249.99**

Source:

[Terapeak.com](http://Terapeak.com)

# Highest priced sold items - Wii

Listings							
Item Title	Sold	Format	Start Price	End Price	Bids	End Date	
 <a href="#">6 NEW Nintendo Wii game systems with 5 sports games</a>	Yes	BN	\$1,674.00	\$1,674.00	1	2008-04-22	
 <a href="#">NINTENDO WII - LOT OF 4 CONSOLES</a>	Yes	BN	\$1,600.00	\$1,400.00	1	2008-04-24	
 <a href="#">Nintendo Wii, OVER 60+ games, extras, Guitar Hero &amp; DDR</a>	Yes	BN	\$999.95	\$999.95	1	2008-04-20	
 <a href="#">Nintendo Wii Ultimate Bundle+32 Accessories+60 Games</a>	Yes	BN	\$795.00	\$772.50	2	2008-04-19	
 <a href="#">NINTENDO WII SYSTEM CONSOLE W/ WII SPORTS &amp; 54 VC GAMES</a>	Yes	BN	\$674.99	\$649.99	1	2008-04-24	
 <a href="#">Nintendo Wii ~HOTEST~ Bundle w/17 Top Selling Games</a>	Yes	BN	\$615.00	\$615.00	1	2008-04-21	
 <a href="#">Nintendo Wii with 11 GAMES and 6 CONTOLLERS!!!</a>	Yes	Bid	\$500.00	\$600.00	1	2008-04-18	
 <a href="#">Nintendo Wii Console Bundle w/ 53 games &amp; 4 controllers</a>	Yes	BN	\$535.00	\$535.00	1	2008-04-23	
 <a href="#">New Nintendo Wii System Console 16 Games 4 Controllers</a>	Yes	BN	\$529.99	\$529.99	1	2008-04-19	

Source:  
[Terapeak.com](http://Terapeak.com)

# Highest priced sold items – PlayStation 3

Listings							
	Item Title	Sold	Format	Start Price	End Price	Bids	End Date
	<a href="#">80GB Playstation 3 Package--GREAT DEAL!!!</a>	Yes	Bid	\$2,000.00	\$2,000.00	1	2008-04-20
	<a href="#">BRAND NEW SONY 80GB PS3 PLAYSTATION 3 W/20 GAMES 2 CTRL</a>	Yes	Bid	\$800.00	\$1,050.00	10	2008-04-24
	<a href="#">Sony PlayStation 3 80GB 8 Games 12 Blu Rays Warranty..</a>	Yes	Bid	\$300.00	\$910.00	27	2008-04-21
	<a href="#">playstation 3 40qb Blu-Ray *brand new in box*</a>	Yes	Bid	\$250.00	\$900.00	11	2008-04-22
	<a href="#">Brand New Playstation 3 80GB w/Games and Movies</a>	Yes	Bid	\$599.99	\$850.00	1	2008-04-23
	<a href="#">Sony PlayStation 3 - Game console - black 80g</a>	Yes	<del>FBN</del>	\$850.00	\$650.00	1	2008-04-21
	<a href="#">Sony PlayStation 3 - Game console - black 80g</a>	Yes	<del>FBN</del>	\$850.00	\$575.00	1	2008-04-22
	<a href="#">80GB Playstation 3 Bundle 17 Games!!</a>	Yes	Bid	\$300.00	\$813.98	33	2008-04-18

Source:  
[Terapeak.com](http://Terapeak.com)

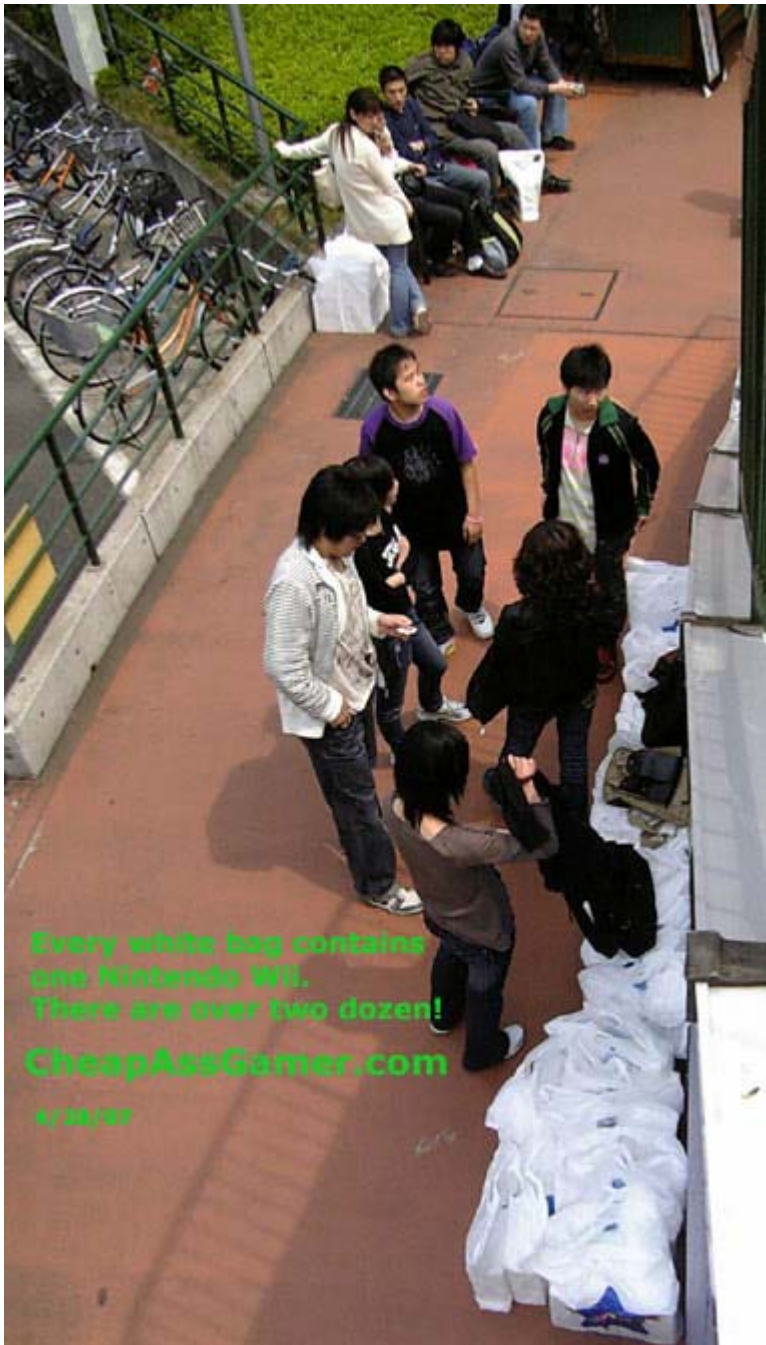


# Average eBay Prices - PS3 VS Wii

Average eBay auction ending prices between October 17th and December 24th, 2006, compiled by Kotaku

— PS3 Price  
— "Wii Price"





## A few personalized comments on perhaps, scalping...

- “When the Wii's went on sale this Saturday morning (4/28/07) at Toys R Us in Kameido, Tokyo, these Chinese students were there to buy up as many as possible. I'm assuming they are going to be resold. I even saw some old Chinese ladies walk out with a few Wiis.”

“Chinese Students Horde Wiis in Tokyo.”

April 28, 2007. CheapyD .

<http://www.cheapassgamer.com/forums/showthread.php?t=13615>

# Wii vs PS3

## Advertisements



# “Next generation consol”-PS3

- Ps3’s first targeted consumers are previous users of PS1 and PS2 known as true gamers.



- The second targeted consumers are the home entertainment users who like to enjoy high graphic quality.



- Sony was competing with Toshiba to dominate the next generation DVD market. -Toshiba had HD DVD and Sony had Blu-ray disk.- So they were more focusing on advertising new high tech of Blu-ray. This means that the gamers were not the only targeted consumers.
- They were even selling this console with negative profit to advertise the Blu-ray.
- From this competition, Toshiba got off from the market and Sony was able to dominate the next generation of DVD market.

- Once they dominated the Blu-ray market, they were able to sell more their TVs and Blu-ray disk player and Movies.
- They say that to enjoy the real quality of Blu-ray, you need to have HD TV and now they are advertising more than before through agent like Best buy with selling HD TV and PS3 in the package.
- On their TV commercial they mostly use their new coming out Game with showing high quality of graphic to attract the original gamers.

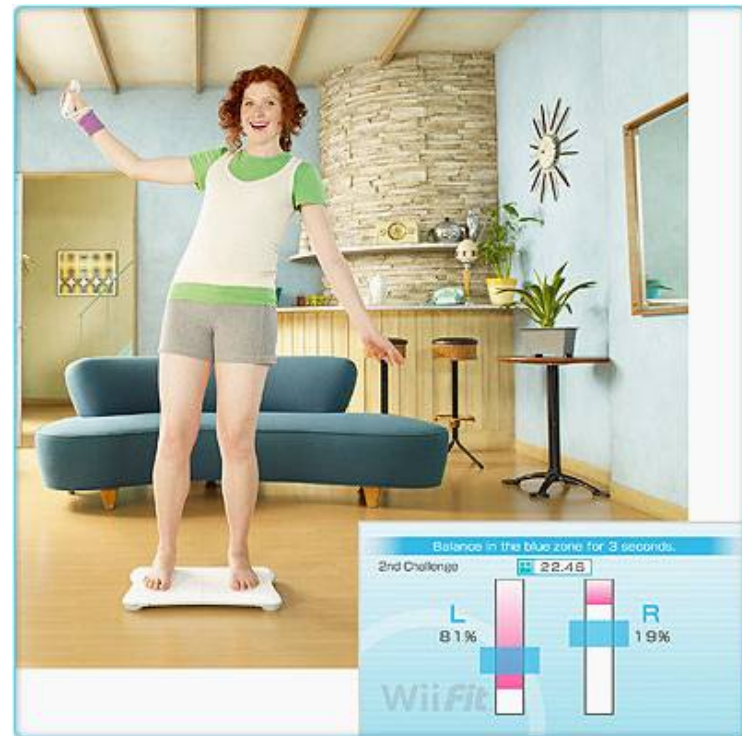
# “We would like to play”-Wii

- Nintendo Wii’s targeted consumers are all the generation.
- Their focus is not the quality of graphic, but the easiness to play with everyone.





- Most of their TV commercials show that anyone can play at anywhere with anybody like friends, all member of family or even company boss.
- They show the scenes that people play the game with Wii having fun time. You can even exercise by playing it.
- They compare Wii to PS3 and says that Wii is funny and enjoyable but cheaper.



# Future Predictions

- Based on the number of consoles sold:
- PS3: 9,262,519
- Wii: 21,152,908
- As of April 29<sup>th</sup>, 3:45 pm.

Wii is leading the game market.

- Although sales figures show that Wii is dominating the market currently, Sony continues to update.
- PS 3 will be releasing a new 80GB bundle which will include new games as well as an updated controller.
- It is too early to forecast because it has only been 2 years.

- Links to youtube for the commercials :

Wii: <http://youtube.com/watch?v=TpowgJ2EZvY>

and <http://youtube.com/watch?v=MFoyp71xw3w>

PS3: <http://youtube.com/watch?v=SgHZ2xaigwk>