Angelie Aboujaoude, Makayla Barker, Avenel Brooks, Katelyn Housler, & Taran Rinaldi

MARK 380

November 14, 2019

**The Marketing Plan**

1. ***Product Strategy***

Over the years, Nintendo has managed to outlast many gaming competitors. Their unique and creative innovations have continued to appeal to a large audience. Recently, the Nintendo Switch launched and quickly became the fastest-selling gaming system of the year. However, it does not take long before technology advances and gets replaced. Nintendo fell behind after introducing the Wii, so they took a different approach with the Switch and aimed for making games more portable. In order to remain in popular demand, Nintendo must frequently keep up with the current generation. With huge competition from Sony and Microsoft, Nintendo needs to focus on the modern gaming trends to initiate new innovation for the future. To continue their success, they need to pay close attention to human behavior.

One issue that Nintendo tends to have when it comes to their product strategy is that it does not focus on one product at a time. Competition is a large factor when it comes to products that a company creates. The problem that lies within Nintendo is that they tend to compete with themselves (“Nintendo Is Its Own Biggest Competitor”). For instance, Nintendo is popular for their DS systems, but is also popular for their Switch console. One may think that this would be better for the company, but in reality it defaults the sales of their products. Consumers are buying both products, but the sales of the products compete with each other. It would be in the best interest in terms of *product strategy* if Nintendo were to focus on having large sales from one product, versus split sales from multiple products. Utilizing the seven step new-product development process would help organize and create more successful products for the company (Kerin and Hartley). It seems that the company may lack good idea generation, the second step in the process, for new products. In this step of the process it is important to create a pool of concepts that would serve as candidates for new products. Instead of creating two new products at nearly the same time, this step in the process should be utilized to ideally use many ideas to create a concept for one main product.  This is when the company should reach out to their employees and get feedback and suggestions on new products, do research and start developing a product that may seem to have the best outcome.

The third step in the process Nintendo would enter is the screening and evaluation of the product ideas to help eliminate ideas that will not be successful. The employees of the company will be the internal approach on testing the product, then there will also be an external approach.  This is where consumers will have the chance to test the product, and Nintendo would get feedback to help in the deciding factor of creating the product or not. The fourth step that Nintendo would embark on is the business analysis, which is where they will produce ideas on how to bring this product to the market and make financial projections. Step five is the development, which brings the idea into a physical object to be sure that the product meets standards for protocol.

Market testing is the sixth step in the new-product development process, where actual products are exposed to the prospective consumers. This is an important step in the process, because it’s where Nintendo will have a good idea of whether they should finalize the product. The seventh, and final step in the process is commercialization. This is where the product will finally be launched, and production and sales will begin. This is the most expensive stage of the new-product development process, and the most significant. Companies need to diligently go through all of the other steps before entering into the final step, so they will not fail and lose a lot of customers and money.

Nintendo most likely already follows the seven step process when it comes to deciding on making a new product. The issue lies within how efficiently they follow each step before moving on to the next. Rushing the creation of a new product, or even trying to produce more than one new product at a time can interfere with the success of those products. Nintendo fell from the top of the gaming platform for a little while, and has been putting out product after product to try and make its way back to the top. While they are having some success, they are holding themselves back from being as successful as they can be. We would suggest that Nintendo take their time, and use the seven step process when it comes time to create a new product. It will give them more time to focus and create a better product, and in the end will result in more sales and success. To consumers, it may not seem like such a hard process, because they just get to see the final product and experience all the excitement about it. But to producers, the process is crucial for their success. A company takes falls sometimes, but those are there to help them make their way back up to the top. If Nintendo follows the steps in this process and allow themselves time to make a new product that is the best that it can be, they will make their way back to the top. The two most important components of Nintendo are their customers and their products.

1. ***Price Strategy***

A price strategy refers to the methods companies use to price their products or services (Kerin and Hartley).  When it comes to Nintendo’s price strategy there is a lot of planning and reasoning that goes into the final market price of the Nintendo gaming consoles and game series.  In today’s society, the world is changing, and technology is continually evolving. In the 21st Century, we live in a technologically based society where technology is used nonstop in our everyday lives.  We have a technological market where products get outdated and replaced with new technology, games, and user experience regularly.  This results in products constantly having to be innovated to stay up to date with the current trends.

Nintendo has a pricing technique of its own to provide for various costs of a specific item throughout the product life cycle.   The introduction phase of the product life cycle occurs when a product is introduced to its intended target market (Kerin and Hartley).  In the introduction phase there are new innovations, and new user experience, it also has a premium price range. The growth stage is the rapid increase in sales, competitors appear (Kerin and Hartley).  This stage helps Nintendo’s demands and results in great profits if the product is successful in the market. Later on, in the growth stage, once the product has been adopting well in the market, the prices are made competitive to be up to date with the competitors. The maturity stage is the slowing of total industry sales or product class revenue (Kerin and Hartley). The decline stage occurs when sales drop (Kerin and Hartley).  Once the product moves into the maturity and declining stage, the prices are made promotional, discounts and additional benefits are offered to push the product to reach its bargain point.

The Nintendo Switch sells at a medium to high level.  This product is a significant expense for the average consumer, however, the price range is similar to any other, new gaming devices on the market.  The market cost remains relatively the same as its competitors. The market for the Nintendo company continues to develop with each of its technological innovations.  In the end, the product can be categorized into the nostalgic box or it may be categorized into the success stories for the company. In the future, Nintendo should continue to stay up to date with the new technological advances to maintain its price strategy.  If they fall behind in innovations, competitors will gain a greater demand for their more advanced innovations.

1. ***Promotion Strategy***

 In the future, Nintendo needs to adjust how it is reaching out to its younger demographics and target them more directly. With the launch of products such as the Nintendo Switch, the company needs to do more to position their products as entertainment tools and sell a social experience as traditionally, the games they create are not targeted toward the hardcore gaming community. Though its products have been successful in adapting to ever-changing market demands, Nintendo has not focused this same strategy on the promotions it develops to sell its products.

 During past product launches, most of Nintendo’s promotions on social media have been primarily confined to Twitter, Facebook, and YouTube (Bhasin). Research conducted by the Pew Research Center shows that Instagram is used by 72% of 13-17-year-olds and 64% of 18-29-year-olds (West). These are the main two age groups that Nintendo needs to appeal to further and the company, therefore, should work to extend more of its promotion efforts on that social media platform. One promotion idea that could potentially be successful on the app, would be a contest giving away a free Nintendo Switch as a prize. This is a strategy that has been successful for brands such as Hydroflask who have been able to significantly increase brand engagement through such contests (“How to Do Instagram Giveaway: 10 Ideas to Increase Follower Growth”). To enter, participants would be required to tag a certain amount of users in the giveaway post’s comments, follow the Nintendo Instagram account, and have to post the giveaway post on their Instagram Story. These tactics will ensure that the maximum amount of users are exposed to the post and Nintendo’s social media account.

 Another platform that Nintendo should start placing their promotions on our streaming services. As of 2017, 61% of those age 18 to 29 now say they primarily watch television on streaming services rather than through a cable or satellite subscription (Pew Research Center). More and more people are switching to streaming services such as Netflix and Hulu where they can watch shows and movies whenever they want instead of waiting for shows to come on once a week. According to research conducted by SurveyMonkey, “Cost and convenience [are] cited as the top two reasons people use streaming services” (Korwitts). Nintendo needs to follow its target market and should start running advertisements for its products on these streaming services instead of paying for its traditional satellite or cable advertisement spots.

 Nintendo could further expand the psychographic groups it attracts by selling their newer products, such as the Switch, as a social experience that can be shared with friends. It gives players the ability to take the device anywhere whether they want to use it individually or with a group of friends. Users can take the console over to a friend’s house easily for a fun and competitive game night or bring it to a social event for a student organization. The potential applications for its use are endless, and Nintendo needs to show that in their promotional strategy. The company has to continue creating products that go beyond their traditional gaming purposes in order to continue expanding further.

 Product placement strategies are used all the time with many major companies without consumers realizing they are occuring.  Every form of entertainment we encounter such as movies, TV shows, commercials, and radio has some sort of placement strategy that will help businesses create customers’ desire to buy their product.  An example would be when an actor wears a brand-name product from a sponsoring company in their next TV show or movie which often causes that product to see a boost in sales. Tom Cruise wore Bausch and Lomb’s Ray-Ban sunglasses in *Risky Business* and the company’s Aviator glasses in *Top Gun*  (Kerin and Hartley). This led to sales leaping from 100,000 pairs to 7,000,000 pairs within 5 years (Kerin and Hartley). This is the power of product placement that Nintendo could be implementing to increase its profit.

 In the future, Nintendo should focus more of its efforts on putting its products in places such as shows or movies that are directed for kids. Some movies they could consider  are Disney movies such as the new Toy Story since it is all about children’s toys and is a huge promotions tool for generating profits. Some of the popular kid’s shows that aren't animated could place the Switch somewhere in scenes that would be relevant. This is a strategy that has already been utilized by competing Xbox and PS4 products.  Even many of the social media influencers that have a huge fan base directed towards kids could be an amazing tool for Nintendo. Social media influencers that play videogames on YouTube for a living can make or break a console or product in that industry with their reviews. There are also toy or product unboxing channels that can give a break down of a product to get their audience to want it. It's a way for potential customers to become interested or informed with all the accessories that a product has to offer. These placements will increase sales because a product is being shown without customers having to do all the research for the product for themselves. Along with some popular gaming streamers that have a powerful influence in the gaming and console platforms, the amount Nintendo would spend on this strategy would be little compared to the pay off that is in store for them.

Commercials are something Nintendo has a good grasp on. When a new products such as the Switch came out there marketing in commercials where everywhere. They spent a lot to make it known that the Nintendo was coming out with the Switch even though they could have gotten more out of it with movies and TV shows. Nintendo is doing a great job because their sales aren't bad in anyway but they could have a different approach which could benefit them more.

1. ***Place Strategy***

Now, more than ever, consumers are moving to a digital platform to purchase their products and are avoiding the traditional brick-and-mortar stores. In just one year, from 2017 to 2018, American consumers spent 15% more online increasing it to a $517.36 billion dollar a year industry (Ali). In the past, Nintendo has relied on big box retailers such as Walmart, Target, and Best Buy to be the primary sellers of their products. While the company should continue to utilize these retailers to sell its products, it needs to focus on doing so online. Walmart especially has become a big player in the online selling industry and working to draw consumers online to its website to purchase items such as the Switch is what Nintendo needs to work to do.

 However, arguably Amazon is the largest and most recognized business when it comes to online retail. As of 2018, “Amazon’s share of the [US ecommerce market hit 49%](https://www.adamenfroy.com/how-to-sell-on-amazon). That’s 5% of all retail spent across the entire country” (“10 Fascinating Amazon Statistics Sellers Need To Know in 2019”). Nintendo needs to work to sell as many products on the site as possible because of this. Amazon has become so appealing to consumers because of the speedy and effortless delivery the company has developed by honing its supply chain systems over the years. They no longer need to go any further than their mailbox or front door to get all the products they need within a day or two. The company has created its own thriving industry that companies like Walmart are fighting to be a part of. Amazon also offers huge promotional events such as “Prime Day” that draw a massive amount of consumers to the platform every year. Nintendo needs to make itself a main features for these types of promotions in order to remain competitive within its market share

**Bibliography**

Ali, Fareeha. “US Ecommerce Sales Grow 15.0% in 2018.” *Digital Commerce 360*, 28 Feb. 2019, <https://www.digitalcommerce360.com/article/us-ecommerce-sales/>.

Bhasin, Hitesh. “Marketing Strategy of Nintendo - Nintendo Marketing Strategy.” *Marketing91*, 29 May 2019, <https://www.marketing91.com/marketing-strategy-of-nintendo/>.

“How to Do Instagram Giveaway: 10 Ideas to Increase Follower Growth.” Digital Marketing Blog, 1 Oct. 2019, <https://www.lyfemarketing.com/blog/instagram-giveaway/>.

Kerin and Hartley. *Marketing*, McGraw Hill, 2017. Print.

Korwitts, Kayte. “How Do Consumers Feel about Streaming Services vs. Cable?” *SurveyMonkey*,<https://www.surveymonkey.com/curiosity/how-do-consumers-feel-about-streaming-services-vs-cable/>.

“Nintendo Is Its Own Biggest Competitor.” *By*, <https://hackernoon.com/nintendo-is-its-own-biggest-competitor-6eea078434e3>.

Pew Research Center. “About 6 in 10 Young Adults in U.S. Primarily Use Online Streaming to Watch TV.” *Pew Research Center*, Pew Research Center, 13 Sept. 2017, <https://www.pewresearch.org/fact-tank/2017/09/13/about-6-in-10-young-adults-in-u-s-primarily-use-online-streaming-to-watch-tv/>.

West, Chloe. “Social Media Demographics to Drive Your Brand's Online Presence.” *Sprout Social*, 26 Sept. 2019, <https://sproutsocial.com/insights/new-social-media-demographics/>.

“10 Fascinating Amazon Statistics Sellers Need To Know in 2019.” *The BigCommerce Blog*, 18 May 2019, <https://www.bigcommerce.com/blog/amazon-statistics/>.