Liljaskolan

Vännäs gymnasium

Nintendo Corporation

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1. Introduction

Nintendo corporation is today one of the most successful companies in the gaming industry. They were among the first to develop video game consoles and has created some of the best ever. Nintendo has also created some of the most familiar and famous video game characters of all time. Today they are in the front of developing console that can be played in a whole new way.

1.1   Purpose

My essay is focused on these questions about Nintendo.

1) Why did some consoles become so successful while others didn't?
2) What important games and revolutionizing accessories have they done?
3) What will come next?

1.2   Methods and Material

I've mostly used the Internet to gather facts but I've also used Gamereactor gaming magazine. Some Internet pages I used are Wikipedia.org, Nintendo.com and n-sider.com. Some of the old games of Nintendo have also been played on my computer.

2.   The beginning

Nintendo was founded by Fusajiro Yamauchi in Japan the year 1889. In the beginning the company sold playing cards called Hanafuda or Flower cards which it means in English. Those cards were made of mulberry tree bark and used in gambling houses. At this point card games had started to become popular in Japan and Nintendo turned immediately into a very wealthy company.

The company grew very fast and started to introduce many new games that were more influenced by the west. 1929 no other card game companies could match Nintendo in Japan and the success within the card business would continue until the mid 90's.[1]

2.1   From cards to toys

1963 was the year when Nintendo wanted to expand their business empire and introduced their own taxi companies, hotels, food stores but they were all failures. These times were very hard for Nintendo, for example the stock fell from a value of 900 yen to 60 yen during a couple of years. They had also stopped being the dominant playing card manufacturer on the Japanese market and started to focus more on the toy market.

Nintendo was a newcomer to this market and heavily indebted they had to come up with new ideas to survive. One revolutionizing toy was the ultra hand that became their first success on the toy market. The next step was to add electronic functions to toys and like the ultra hand it turned out to be a big success as well.[2]

2.2   A living legend arrives

During the 1970's Nintendo had established itself as a competitive company once again. A new type of entertainment was born during this decade, arcade video games. One of the earliest games was released by Atari and called Pong. Using a controller stick you could move your block up and down to protect yourself against a ball bouncing towards you. This game was a total blockbuster and a new market was born.

Nintendo became very interested in this market but needed new minds to succeed. 1977 Shiguru Miyamoto was one of the new minds Nintendo hired. After big investments in the gaming division at Nintendo the company was in need of a big success. Shigeru was assigned the mission to create the blockbuster Nintendo needed and 1981 Donkey Kong was released. It was a platform game in which the player took on the roll of a carpenter who was supposed to save a girl from a big ape who threw barrels towards the player. The carpenter was later known as Mario and would become one of the most famous video game characters of all time. The game was exactly what Nintendo needed and became a big success in both Japan and North-America.

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[1] http://www.n-sider.com/articleview.php?articleid=45

[2] See appendix

2.3   Behold the NES!

After the success with Donkey Kong Nintendo started to develop its own video game console and 1983 the Famicom[3] was released in Japan. It didn't sell very well in the beginning because of bad components and after only one year they had to replace all motherboards in the Famicom. After that the interest in Nintendo's new console increased and it sold over 2.5 million units during the year 1984.

During the 1980's the Japanese market was very important but there was one bigger and more important market, the North-American. During the years 1983-84 America experienced a video game crash. The common reason why the crash happened was that many companies tried to introduce their own gaming console and a lot of low quality games surfed the market. Consumers had lost interest in games and it resulted in bankruptcy for many companies.

When Nintendo was planning to release their Famicom system in America they did not want to make the same mistakes as all the American companies had done. They used a lot of safety measures like: Testing selling only a few units in big cities and promising all retailers to buy back any consoles they did not sell. To keep the quality of the games on a high level Nintendo only allowed developers to create five games each year. The console also got a new look and a new name to attract the customers in America. The look changed into a big grey box with rectangular gamepads and it was now called the "Nintendo Entertainment System" or simply the NES. It was released in 1985 in USA and was a big success with over 60 million units sold.

2.4   Mario is born

In America customers were offered not only a grey console but also the game Super Mario Bros. The main character is Mario who is in love with princess Toadstool. The princess is then kidnapped by the evil King Koppa and it is up to Mario to save the princess. The game was developed by Shiguru Miyamoto who borrowed the main character from his early masterpiece Donkey Kong. Super Mario Bros revolutionized the platform genre forever and sat the standards about how platform games should be designed in the future. The game sold over 40 million units and is the bestselling video game of all time.

2.5   Snes and Game boy

The 1980's was soon at an end and Nintendo had become the dominant manufacture of video game consoles in the world. Nintendo's next step was to put the console in the hands of the player literally and 1989 the Game boy was released. The handheld gaming system was shipped with the popular Tetris and was an instant success among customers all around the world. What makes the Game boy unique is that it has continued to sell well for more than a decade and is the best selling gaming console Nintendo has ever made with a total sale of 118 million units.

The same day as the Game boy[4] was released another corporation, SEGA, released their own gaming console the Genesis[5] in the USA. NES was now a 6 years old console with an 8 bits processor and

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[3] http://en.wikipedia.org/wiki/Nintendo_Entertainment_System

[4] http://en.wikipedia.org/wiki/Gameboy

[5] http://en.wikipedia.org/wiki/Sega_genisis

graphics that started to feel really old. The Genesis on the other hand was a console with a 16 bits processor and graphics greatly superior to the NES. To compete with this new console Nintendo started to develop what would become the "Super Nintendo Entertainment System" or simply the Snes[6].

1990 Snes was released in Japan and every available unit were sold within days. The notable biggest difference between the NES and the Snes was (except of the better hardware components) the gamepads which now had rounded edges and two buttons on the top side. Most of Nintendo's efforts in advertising the console were made on the American market. The Genesis had been the dominant console in America but the Snes had no problems to win the "console war" with over 49 million units sold worldwide. Many great games were released to the console, especially follow-ups from the NES era.

2.6   Nintendo enters the 3D age

At the end of the Genesis life span Sega made a desperate move to try to compete with the Snes. They built a CD add-on which meant that the size of a game could in theory be increased from 2 kb to 500 000 kb and allowing developers to create better games. Nintendo feared that the Genesis would outsell the Snes and contacted Sony to create their own CD add-on. The CD add-on was a big failure for Sega and the death for the Genesis. When Nintendo realized that the Genesis no longer was a threat they cancelled their cooperation with Sony and started to develop their new 64 bits console codenamed "Project reality". Sony continued the developing of their CD based console and released it in 1994 with the name Playstation[7]. Project reality was later named simply Nintendo 64 and was the first console Nintendo had made that could create fully 3D environments. In 1996 the N64 was released and as all other Nintendo consoles it sold very well in the beginning.[8]

One of the launch titles of the N64 was Mario 64, a Mario game developed once again by Shiguru Miyamoto. The game was all 3D and all the characters from the original Super Mario Bros existed in this game too, but with new names. The plot: Princess Peach invites Mario to taste her cake but when Mario arrives he noticed that the princess has been captured by Bowser. The game wasn't the revolution that SMB was but it refined the platform game and is still today considered as one of the best video game s ever made. Another important game to the N64 was "007 Goldeneye" which was a Bond game based on the movie. The game was a fps game or "First Person Shooter" and for the first time console gamers could play a shooting game with total control.

The controller of the N64 introduced two details that would become "must haves" on future controls. The first thing was the rumble pack that made the controller shake in some situations. The other one and most important detail was the analog stick which gave the player better precision and especially necessary in fps games like 007 Goldeneye.

The console war between Sony and Nintendo ended with a superior win for Sony who sold over a 100 million Playstation while Nintendo only managed to sell 33 million N64's.

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[6] http://en.wikipedia.org/wiki/Snes

[7] http://en.wikipedia.org/wiki/Playstation

[8] http://en.wikipedia.org/wiki/N64

2.7   21ᵗʰ century

After the disappointing sales of the N64 Nintendo started to work on a new disc-based console called GameCube[9] that was released 2001. That same year two other consoles were released: the Playstation 2 and the Xbox. The Xbox was far more superior then Nintendo's and Sony's consoles in raw power but had also a much higher price tag then the other two consoles. This console war turned into an even bigger win for Sony than the last one. Sony's market share was as big as 72 % with a sale of 120 million consoles. The GameCube was a true disaster with only 22 million sold consoles and a market share of only 13 %. Xbox made a successful entrance to the console gamers with a 12 % market share and 24 million sold units.

The first years after the millennium weren't very good for Nintendo and it seemed like Sony had the market in its hand. 2004 Nintendo released its new handheld console the DS (Dual-screen) but Sony now wanted its piece of that market too, and released the PSP (Playstation portable) the same year. The DS had two screens with one that could be used as a touch screen. The PSP was as powerful as a Playstation 2 but a little bit more expensive then the DS. The war between those two consoles is not settled yet but it seems like the DS will win with currently a sale of 65 million units against the PSP that has sold 20 million units.

2.8   The revolution

Nintendo's fifth console was released 2006 and truly revolutionized the gaming world for ever with the launch of the little white box called Wii[10]. While the competitors Xbox 360 and Playstation 3 (HD consoles) focused on putting as much hardware candy as possibly in their consoles Nintendo wanted a revolution. The raw power is hardly any better than the Xbox's but instead it has a motion capturing system. If you play a Tennis game you use the remote as a tennis racket and your swings will be captured and shown in the game. Wii sports is a game that came bundled with the console and truly shows how well the system works. Another example is if you play a shooting game , then you just aim at your TV screen and fire.

The controllers are also something totally new with two separate parts. One part is the Wii remote that you have in your right hand and the other part is the Nunchuck which is placed in your left hand. The two controllers are then linked with a cable.

Today the console war[11] is fought by Nintendo's Wii, Microsoft's Xbox 360 and Sony's Playstation 3. So far the Wii has sold most units (20 million) but the Xbox 360 is not far behind with 18 million units sold. Playstation 3 is currently last with 8 million units sold. What's astonishing is that the Wii has almost sold more than the GameCube in just 1 year.

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[9] http://en.wikipedia.org/wiki/Gamecube

[10] http://en.wikipedia.org/wiki/Wii

[11] http://nexgenwars.com

3.   Conclusion

Nintendo started out as a small card game company but it didn't take long before they had become very successful and dominating the Japanese market. In the 80's they started to be involved with gaming and dominated the market for a decade. The last years they have been outperformed by Sony but still continued to dominate the handheld market. Their latest console the Wii has sold very well its first year outselling all competitors.

4.   Discussion

Nintendo's first console the NES was a big success but it was a great risk they took when launching it especially in America. One thing was that Nintendo was a newcomer to that market so no one had probably heard of that company before and launching it the year after the biggest crash ever wasn't a good initial position. Why people decided to buy the big grey box was mostly because of one man, Shiguru Miyamoto. When he created Super Mario Bros a new genre was born that suited perfectly for console gaming. To bundle SMB with the console was also a perfect move from Nintendo because the game SMB was probably more famous then the console so customers were obviously forced to buy the NES to play SMB. Another reason for the success of the NES was that there were not really any competitive consoles so Nintendo was relatively alone on the market.

Snes was a pretty successful console and I think there are two reasons why it beat its competitor the Sega Genesis. First, after the success with the NES Nintendo must have become a synonym to gaming which meant that customers only needed to see a Nintendo logotype to know that it was a gaming console. Two, Many follow-ups from the NES era were made to the Snes so people could recognise a lot of second games without playing them.

Giving Sony a two years head start with their Playstation turned out to be Nintendo's biggest mistake with the N64. Sony got two years to establish the Playstation as a gaming console and when the N64 finally was released Sony started a very big and aggressive advertisement campaign which meant that Nintendo never got the chance to catch up with Sony. Not using CD's as the primary storage device meant that Nintendo couldn't store as much information on their storage device as a CD. If you have more MB to you disposal it's not strange that game environments on the Playstation were bigger and more beautiful than the ones on the N64.

The GameCube did not sell as much as Nintendo wanted because it did not become a dominant console in any market. The three important markets are the American, European, Japanese and it is also in those markets all the game developers are stationed. Let's say that your console becomes the dominant one in one of those markets. Then all the developers stationed in that specific market will become more interested in developing games for your console. Nintendo failed to be the dominant console in any of the three markets and that's why fewer games were released and poorer hardware sales.

Nintendo has always dominated the handheld market and that is mostly because they have never met any competition.

Consoles is not the only thing Nintendo has been doing, they have also done some of the greatest games ever. The first game I think of is Super Mario Bros which still today is the best selling game ever. I have played the game myself and these are the reasons why I think the game is still today very good: The game control was perfect from the start and with that I mean that I had absolute control of what my character did (Mario). It also had a perfect difficulty curve, starting out pretty easily but

increasingly harder when you're progressing throughout the game. The last and most important aspect is the gameplay which is very simple but still extremely addictive.

Another game that did not sell as much as SMB but still was a big success was 007 Goldeneye. This is also a game I have played because I wanted to know what made this game good. I have come up with two reasons why I still enjoyed a 10 year old game. The first thing is the control which still today is okay and I had no problem playing the game. The second reason and more important is the multiplayer aspect. Two friends of mine and I played against each other and we had a really great time. 007 Goldeneye laid the foundation in how a fps game on console should be played both as a single player and multiplayer game.

What will the future then bring us? If we look at the console generation we are in right now the Wii has sold most and is also having the best sell ratio per month against the rivals Playstation 3 and Xbox 360. I think this console war will be won by Nintendo because they have attracted a new audience. The Playstation 3 and Xbox 360 has more raw power then the Wii and are because of that able to create greater locking games. The problem Sony and Microsoft are dealing with are that they are fighting for the same customers the hardcore gamers. Wii on the other hand are attracting casual gamers who are more interested in the price tag of a console.

If we take a look at the console generations before us they have all been on the market for about five years. Then we could expect a new console from Nintendo around the year 2011. What could we then expect from that upcoming console? First of all this is only speculations but I am pretty sure that HD (high definition) will be the standard for a new Nintendo console. In the future HD TV will be standard for TV and the demands for better looking games will be greater than today. I am also pretty sure that Nintendo will continue to develop its motion capturing system even more because of the big success the Wii probably will become.

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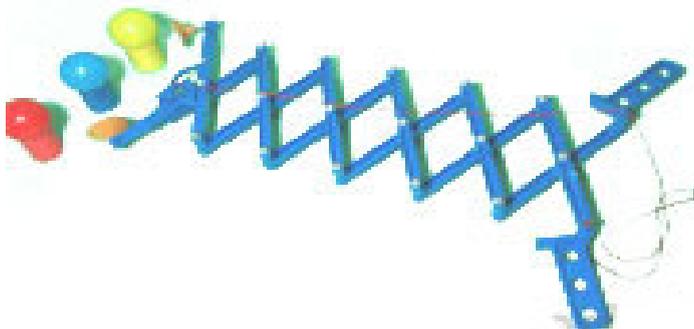
6. Appendix

From top:

Wii,
GameCube,
N64, Snes
and NES

Some famous
Nintendo characters
from left:

Samus Aran
(Metroid), Pikachu
(Pokemon), Wario
(Wario world),
Mario (SMB), Toad
(SMB), Luigi (SMB),
Link (Zelda) and
Donkey Kong
(Donkey Kong).

The ultra
hand, One of
Nintendo's
first toys.