





GLOBAL STRATEGIC MARKETING ANALYSIS  
REPORT Harvard Case Solution & Analysis

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# The dominant strategy

## Global Strategy

- For a strategy to work, it must be first understood by people inside of the organization and the partners fully.
- Then, we can work out each tactic after sharing the common strategy.
- “If we would take different strategies in each territory, we could not go ahead with the unified path and development resources would be dispersed.”
- So, we are globally sharing one strategy. **"Expanding the gaming population"** is our globally common strategy.

Satoru Iwata (President of Nintendo)



# Global Strategy (continued)

- Our attitude can be taken as heretical in today's game industry, doing something different from the others means that we have the chance to offer commodities which will not have any immediate competitions, so we would like to take this strategy globally.
- If we should need to instruct each different tactic from Japan headquarters, it wouldn't be a desirable corporate situation because each territory has its own culture, circumstance and different level of acceptance of our offers.

# Nintendo Strategy

## Product

- Nintendo operates in the manufacturing and distribution of innovative, interactive entertainment products. For example the business markets home entertainment, handheld devices and also provide the hardware and software which is necessary for the use of electrical products.

## Price

- The pricing of games is quite interesting. Nintendo will use a series of pricing strategies throughout the life of the product. Prior to launch the business will take orders for new games and consoles, which will all be premium priced and the business will apply a price skimming strategy.
- This allows Nintendo to recover their sunk costs quickly before competition arises and lowers the market price.
- As the product becomes adopted they will begin to reduce price to competitive parity, and as they reach the end of their life-cycle games will be priced with promotional until they hit the bargain bucket.

## Promotion

- Nintendo will launch its new products. For example, when the company launched the Nintendo 3DS there were a series of special launch days, and even some midnight launch events.

The launch campaign demonstrates a huge effort on the part of Nintendo.

- More than 85% of the UK audience saw the Nintendo 3DS campaign called Believe Your Eyes.
- The campaign itself was to emphasise the benefits of the 3D experience.
- The campaign was a mash up of consumers experiencing the product and innovative advertising

## People

- Being a manufacturer, Nintendo don't really have public facing employees, certainly not facing the public in the retail environment. This is done by their distributors.
- However in 2010 Nintendo rewarded employees with an £11,000 bonus per employee which is very generous for Japanese workers, comparing with a meagre £8000 for Honda workers.
- According to Euro gamer.net the average salary for a Nintendo worker aged 35 to 39 years old was about £38,000 per annum including bonuses.

# Applying Global Strategy

- Global market participation (building positions in strategic and not only in profitable countries)  
**3 Major Headquarters in central control locations.**  
**Smaller subsidiaries distributed throughout**
- Global product standardization  
**Hardware the same worldwide**