

Consumer Relations Practices of Nintendo and PlayStation

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Abstract

When looking at any organization, what pushes and drives organizational success is a strong consumer relations program. Nintendo and PlayStation are two video game companies that have two of the best-selling consoles of all time (Statista, 2017). Nintendo has seen a lot of success throughout the years because the organization has products that consumers like and Nintendo markets products in a way that is specific to these consumers. When dealing with any issue created by these organizations, both PlayStation and Nintendo have solved problems in unique ways.

This paper analyzes some of the consumer relations problems that both Nintendo and PlayStation have had to go through. Specifically, this paper will focus on Nintendo. Each organization dealt with these issues in a different way, and PlayStation did not have the best practices in certain situations. Even though PlayStation was able to regain consumer trust, the organization is not as successful as Nintendo when it comes to fixing issues. Nintendo is a model of consumer relations for any organization, and the organization continues to strive to be one of the most successful organizations within the industry. This research will aid any who are interested in consumer relations pertaining to the video game industry, and will act as a comparison between two successful companies.

Introduction

The purpose of this research paper is to identify the methods and practices that both Nintendo and PlayStation have adopted throughout each company's lifespan. Nintendo and PlayStation are two gaming companies that have come from unique and long journeys to become two of the most well-known companies in the industry. Nintendo and PlayStation currently hold the two best sold gaming consoles of all time, and the way that these companies have been so successful is due to marketing efforts and strong consumer relations policies that trickle down to each facet of both organizations (Statista, 2017). These organizations realize that the most important aspect within any gaming company is the consumers. If each organization is successfully able to reach these consumers, there will be great success in terms of public opinion and overall sales. Also, this paper will talk about some specific examples of consumer relations crises that each company went through and how each organization dealt with them.

In addition to talking about company consumer relations programs, this paper will go in depth to how these practices relate to the PRSA Code of Ethics. The PRSA Code of Ethics is the standard to how each organization should deal with consumers and how all forms of communication should be between publics. Specifically, this paper will go in depth on how Nintendo has followed the guidelines of the PRSA Code of Ethics and how it has benefitted from a set of rules to follow. Afterwards, this paper will explain how PlayStation has followed the PRSA Code of Ethics and how the organization has utilized the guidelines set by PRSA in positive and negative ways.

Also, this paper will include an assessment of each organization and the consumer relations practices that are in place. This paper will focus on how each organization has changed because of the issues that have occurred. This paper will focus mostly on Nintendo, and a determination will be made on why Nintendo's consumer relations practices are stronger than PlayStation's. Recommendations will be made on how Nintendo can be better in the future and how each situation could have been better. Nintendo and PlayStation are both very successful in different ways, but each organization accomplishes strong consumer relations practices in ways unique to each company.

An important point to note in this paper is that Sony is not being referenced as a whole, and that this paper is specifically focusing on PlayStation. Sony is a company that works on many types of electronic products, and PlayStation is just a branch of a bigger organization. Nevertheless, PlayStation is a large company, but the organization is directly associated with Sony. Nintendo differs in this factor because Nintendo is one main company, and the organization focuses directly on video games and the products associated with them.

Analyzing the consumer relations practices of these two companies is a service to consumers and those who will look to implement successful consumer relations practices. Looking at the vicissitudes of each company can directly impact and lead organizations in the right direction. In the end, consumers are the most important aspect of any organization. Finding what people like and dislike is a process, and being successful in the entertainment industry without much criticism is one of the most difficult fields to break out in. Even though each of these organizations have been very successful, each company has had some problems that have halted organizational success. After learning how to fix problems and working with

consumers, Nintendo and PlayStation have become two of the giants in the gaming industry.

Each organization has become successful mostly because of the consumers and the experiences the organizations have had with them.

Nintendo

History of Nintendo

Founded September 23, 1889 in Kyoto, Japan, Nintendo was originally created as a hanafuda playing card company. Nintendo has gone through multiple organizational changes due to the demand of consumers, and the organization truly did not get into the video game industry until 1979. Originally working to create handheld gaming consoles, Nintendo developed the organization's first consoles known as the Game and Watch systems. Each system had one unique game that could be played. These consoles were created in an effort to be sold to consumers who were on the go and had a long commute to work (Todayifoundout, 2013).

Nintendo became a lot more successful in 1983 with the introduction of Donkey Kong, and the organization has thrived ever since. Nintendo has released a large amount of home console and handheld consoles that are played by consumers all across the world. Nintendo has been one of the top three best selling video game console companies since the introduction of the Nintendo Entertainment System in 1985. Even though the organization has had difficulties, Nintendo has strived to implement innovation and creativity into each new console and game.

Nintendo's Challenges in Consumer Relations

Within each successful organization, there are times where problems have occurred and the company has had to find a solution. Nintendo has had a fair share of problems throughout the years, and many of these problems directly affected consumers. One of the more recent problems that Nintendo had was during the launch of the Nintendo Wii. The Nintendo Wii was Nintendo's first motion controlled system where the player would control many of the games by moving two controllers around wirelessly. Included with each Nintendo Wii remote was a strap that the player would attach to their hand while playing. The user was expected to tie the strap to each controller as a safety hazard so that players would not injure themselves or any surroundings (Takahashi, 2007).

Unfortunately, Nintendo did not do a very good job developing and testing these straps, and there were many documented injuries as well as broken televisions and controllers because of the faulty straps. Included with every Nintendo Wii was a copy of Wii Sports. Players would be prompted to hold the remote in motions that resembled sports such as tennis, baseball, bowling and golf. Players would get into the game and would do as the game told them to do, but the straps could not handle basic motions that were necessary to play the games. Nintendo addressed the problem, and within six weeks, the faulty wrist straps were replaced. Nintendo had to go through some legal proceedings due to the faulty wrist straps, but the organization tried to quiet down these legal issues so that the organization could move forward with consumers (Takahashi, 2007).

In 1999, Mario Party for the Nintendo 64 was released. The controller for the Nintendo 64 has a joystick near the bottom that is used in every single game. Players who played Mario

party were told to turn the joystick as fast as possible, and many players injured themselves while playing Mario Party. Nintendo offered gloves to anyone who purchased Mario Party in an effort to limit the damages done from these controllers. The offer of free gloves to consumers cost Nintendo around \$80 million, but Nintendo wanted to make the problem right with consumers by any means necessary (Becker, 2002).

Another example of Nintendo dealing with a consumer relations crisis is when the organization released the Nintendo Virtual Boy in 1995. Nintendo tried to do something that no other gaming company had done before by releasing the Virtual Boy, which was Nintendo's first attempt at implementing 3-D into gaming. Coming off the release of the Nintendo and Super Nintendo, the organization was expected to make another hit console that would be the next big thing. Unfortunately, the console was a complete failure, and there was strong backlash from consumers that resulted in the console only selling for a little over a year and releasing about 20 games (Boyer, 2009).

Consumers who played the Virtual Boy reported motion sickness and that the console was not built well at all. Most people who bought the console reported that it broke very quickly and expressed frustrations with Nintendo's product. Nintendo had never had such an utter failure of a console, and the organization had to rethink the entire strategy that had been developed. Nintendo moved away from 3-D gaming for a while, and the organization listened to the consumers by releasing a new console known as the Nintendo 64 which went back to traditional Nintendo gaming. In 2011, Nintendo went back to 3-D gaming with the introduction of the Nintendo 3DS. The Nintendo 3DS is currently the tenth best-selling gaming console of all

time, so this shows that Nintendo truly listens to the concerns of the fans and works to improve on past mistakes (Statista, 2017).

Nintendo's Dedication to the PRSA Code of Ethics

The PRSA Code of Ethics is a way to successfully measure the ethical standings and viewpoints of an organization and any professional. An organization can only be successful in the long term if it is ethical, and without even knowing it, Nintendo has followed many of the guidelines set in place by PRSA. Nintendo follows the principle of advocacy by working with multiple business partners and charities in an ethical and honest way. Nintendo follows the principle of honesty by being true in any mistakes and problems within the company. Nintendo admits when there are issues and works quickly to remedy any problems (Code of Ethics, 2017).

Nintendo follows the principles of expertise and independence by acting as a leader to smaller developers who are looking to become more involved in the industry. Nintendo lets these small companies produce games on Nintendo consoles as a way to build a strong relationship. Lastly, Nintendo shows fairness to all employees and consumers. A trickle-down effect helps Nintendo be an honest organization that accomplishes every goal that the company has (Putting Smiles, 2017).

PlayStation

History of PlayStation

Headquartered in Tokyo, Japan, Sony began an interest in video games in 1988, and the company created PlayStation in 1994. As long as Nintendo has been popular, Sony has always attempted to match or even work with Nintendo in video game efforts. In 1991, Sony worked with Nintendo to create a Nintendo PlayStation hybrid console that would have been an

attachment to Nintendo's Super Nintendo console. The deal failed at the last minute, and Nintendo chose to work with Phillips instead to create a disc-based console. This failed business deal did not stop PlayStation from emerging, and in 1994, the first PlayStation console was released in Japan and saw such success that the console made it to the United States in 1995 (IGN, 2017).

Throughout the years, PlayStation has gone against Nintendo as the most successful console brand of each generation. The two organizations have taken blows at one another for years, and to this day, Nintendo and PlayStation are rivals. PlayStation has released four different consoles and even a few hand held gaming systems. The PlayStation 2 is currently the best-selling console in video game history, and many say that it is the best console of all time (Statista, 2017).

PlayStation's Challenges in Consumer Relations

In an interview with Josiah Renaudin, an editor and community manager at Tangentlemen, Renaudin said that reaching the right publics is all about establishing interesting content and reaching those who are not normal consumers (Renaudin, 2017). PlayStation is an organization that has rivaled Nintendo for close to twenty years. Even though PlayStation has been so successful, there have been many challenges that the organization has faced. In each of these problems, the main concern for PlayStation is how these issues effect consumers and how the organization can remedy the problem created.

PlayStation Network is the service that PlayStation offers to consumers to participate in online gaming and purchase digital downloads such as movies, games and music. Users are prompted to enter credit card information that is stored in the PlayStation database. In 2011,

PlayStation faced one of the most difficult network outages in video game history. PlayStation Network was hacked by a group known as Anonymous, and the organization faced strong backlash for having servers be hacked so easily. Consumers who had credit cards or any other personal details listed now had all information compromised (Phillips, 2016).

PlayStation did not offer an exact cause for a week, and eventually the organization let consumers know what was going on. After a month of having the network down, PlayStation brought all of the servers back up. PlayStation console owners were offered free games and a month of PlayStation network services. Many game developers who worked with PlayStation were frustrated that some games had to be pushed to release later. PlayStation has come a long way since this problem, but it did take a while for the organization to regain the trust of consumers.

PlayStation's Dedication to the PRSA Code of Ethics

PlayStation has followed many of the guidelines set in place by PRSA. PlayStation follows the principle of advocacy by working with many different developers and video game companies. PlayStation follows the principle of honest in most situations, but the organization did falter a bit during the PlayStation Network crisis. However, PlayStation eventually admits when there are problems and the organization works to remedy any issues that bother consumers.

PlayStation follows the principles of expertise and independence by creating games and consoles that are only up to specific standards created by the organization. Finally, PlayStation shows fairness by always coming out in the end and being open on any situation. PlayStation strives to fix any issues that the organization may have created for consumers. PlayStation

strives to be a leader in the gaming industry, and the company uses all of these methods to be one of the most successful organizations in the industry (Code of Ethics, 2017).

Comparisons

Nintendo and PlayStation have many similar practices that have propelled both organizations to be successful. Both of these organizations truly do care about consumers, but each company reaches consumers in a different way. PlayStation is not as open as Nintendo is, and PlayStation tries to remedy problems by offering forms of compensation such as games or online services. Nintendo works to remedy the actual problem by offering a specific solution. Both of these organizations are open on social media, but PlayStation now offers specifics on what is going on with the PlayStation Network. After the 2011 outage, PlayStation has kept consumers up to date with everything that is going on. Nintendo offers a lot of information on social media that interests and entertains consumers, and the organization rarely talks about problems on social media.

Recommendations

Nintendo's consumer relations methods do not need many recommendations. Nintendo has had a lot of success while working with consumers, and the organization truly understands how to remedy any issues and revitalize the organization. The only recommendation that could be made for Nintendo is to stick with consumers who purchased products when that are failing. If the organization offered a way to trade in old consoles and upgrade to newer ones, consumers would feel valued and have no fear when buying any Nintendo consoles.

Even though PlayStation is a very successful company, the organization has not dealt with issues related to consumers very well. If the organization would have come out and been a

lot more honest during the 2011 PlayStation network crises, consumers would have felt a lot more at ease. Instead, consumers were concerned and worried about the safety of their information. Consumers lost trust in the organization, and many felt unsecure giving PlayStation personal information without it being compromised.

Conclusion

Overall, Nintendo has a stronger consumer relations program than PlayStation does because of quick response times, strong communication with consumers and honesty during any crisis. After a lot of research and speaking to people within the industry, this paper has given solid information on why Nintendo is superior in consumer relations practices. This research shows that within each great company, there must be strong relationships created with consumers. In the end, a company is all about the people the organization is marketing towards. If an organization does not have a strong relationship with the people the company is marketing to, an organization cannot lead an industry and act as a model that consumers will be driven to purchase from.

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