

## Nintendo and the Wii

By 2007 the biggest selling games console in the world was not the one with the best graphics, nor the one with the most powerful processor. It was the family-friendly, power saving Nintendo Wii, a computer games console that shifted the games paradigm rather than compete on computing power with competitors like PlayStation 3. And what is more, whilst PlayStation 3 is expected to be profitable in three years time, Wii is already making profits. So why is Wii so revolutionary and how did Nintendo come to think outside the square and change the nature of computer gaming?



Wii is a console wireless-linked to a hand-held device that can detect and accurately digitise motion and rotation in three dimensions and through 360°. The device can become a sword, a tennis racquet, a golf club or a gun, depending on the game you are playing on screen. Up to four people can participate virtually, in real time and using real movement, depending what is happening on screen.

The Nintendo development team – which included outside design teams - started out thinking about the existing market for computer games. The market had stagnated into one for either young males or old males who had retained their youthful interest in gaming and had time to spend on it. The image of the gamer was that of a solitary male in their bedroom, hunched over a TV screen, grasping a controller with both hands, intensely involved in some game – a lonely, exclusive image. Massive as this market was, sales trends showed there was a limit to how often upgrading the hardware would lead to more sales and it was evident that fewer new gamers were entering the market. Pragmatically Nintendo also doubted whether simply increasing the power of its GameCube (the previous flagship console) would cost-effectively produce anything significantly better. This was bold thinking because the whole industry had become technology, rather than consumer, led. Most manufacturers were led by developments in semiconductors and related technologies and what other consumer electronic manufacturers were doing. And all this led towards simply adding in more and more computing power to enable games to become quicker and graphics more life-like and the demand for this seemed to be insatiable. As soon as one upgrade came out, consumers seemed to want more. Nintendo dared to question whether the gains were now worth the extra investment.



So how is Wii so different? The first thing is that the wireless controller is held in only one hand – like a mouse, a TV remote or a mobile phone. This changed the posture of gaming, making it more open and inclusive and encouraging a degree of physicality. The second is that, instead of using technology to ramp up output, the designers used it

to power the console down, whilst still maintaining gaming specifications. It is a little known fact that a typical game console running a flight simulator game uses 76% more electricity than a washing machine. So the same technology used in the Wii, if applied to the GameCube would use between one-third and one-quarter the electricity. This in turn meant that the Wii could perform other functions. It is designed to be left on continuously as it has several different 'channels' that can, through an integrated web browser, provide a rolling news service and continuous world and local weather reports. It can even be used as a family bulletin board and planner. It can be programmed to switch itself off after a prescribed time and the hard drive features an irreversible memory that catalogues what it has been used for and for how long. Because it is intended for living-room rather than bedroom use, the Wii

console is about the size of three DVD cases and is housed in a box with a not unattractive smooth surface that can easily be found a home alongside the AV equipment usually found alongside a TV.



Wii has been described as ‘a human-centric, business-technology ecosystem, on a par with the iPod-iTunes-iMac’ (Bruce Nussbaum, *Business Week*). It became this icon because, like iPod-iTunes-iMac, its development team dared to think outside the square and to question the status quo. They dared to change the way things were done and the result is a ‘low-tech’ game that can be more fun, has more functionality and consequently outsells its more powerful rivals.

For more information on how Wii was developed and for interviews with the development team conducted by Satoru Iwata, President of Nintendo, visit [www.wii.nintendo.com/iwata](http://www.wii.nintendo.com/iwata).

#### Questions

1. Using Drucker’s seven sources of opportunity, might you have spotted this opportunity?
2. Using the Why? Why? Methodology, might you have spotted this opportunity?
3. What were the key decision points in the development of the Wii that led to it being so different?
4. How easy will it be for competitors to copy Wii?