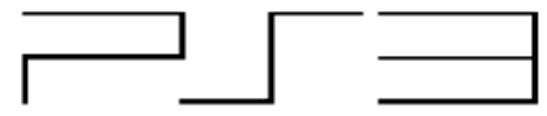




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Case Study: The war of the consoles

The War of the Consoles



Situation Analysis

- 2005: Sony's PS2 - leading video game console with strong competition from Xbox
- Late 2005: Microsoft launches 2nd generation Xbox
- Early 2006: The market is anticipating the launch of the Nintendo Wii
- Nov 2006: PS3 launches

Background

All three manufacturers:

- Changed their platform
- Launched new technology
- Launched new games

Marketing Message Focus

Xbox/Playstation

- Next generation graphics
- More memory
- Technical functionality
- New and more sophisticated games

Nintendo Wii

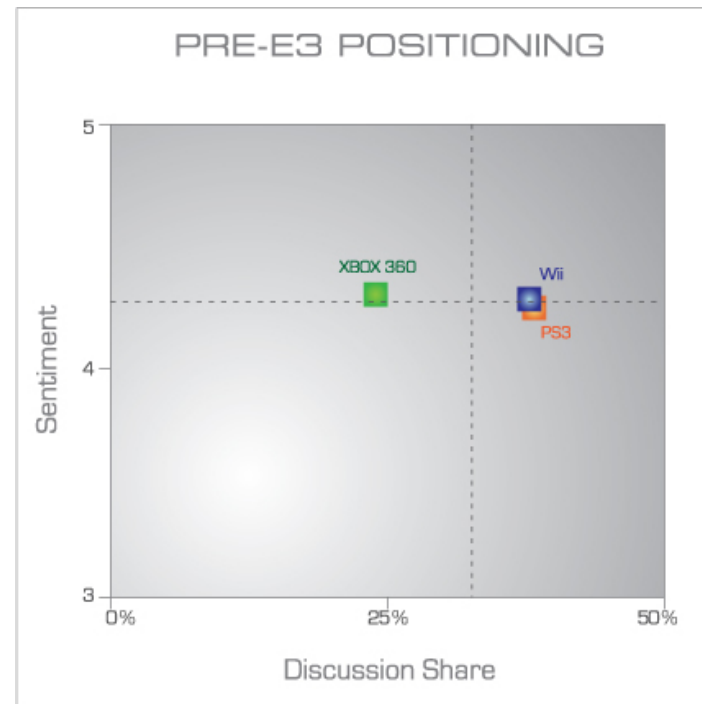
- The user experience, rather than the game
- Party games that are fun and easy to play
- Games that showcase their new controller

Positioning based on discussion share & sentiment

Early 2006

Wii & PS3 neck-and-neck with Xbox 360 trailing ...

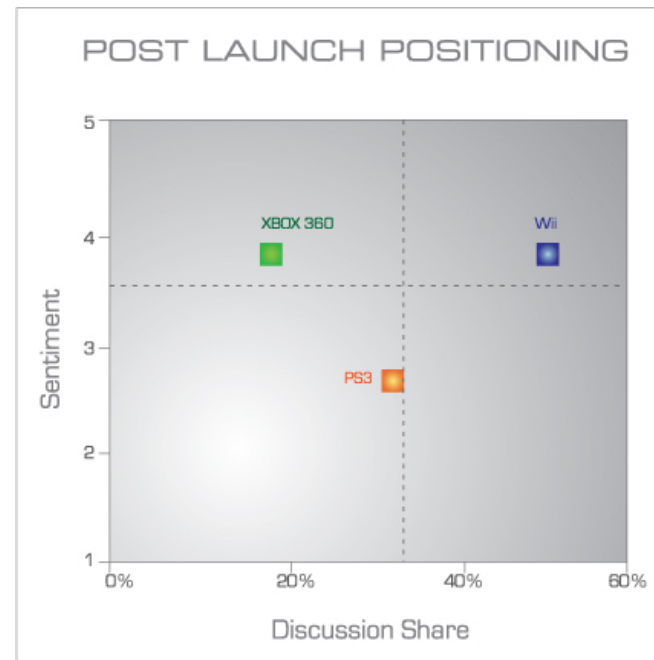
Anticipation is driving the discussion for Wii & PS3; minimal discussion about Xbox as their launch was months ago



Positioning based on discussion share & sentiment

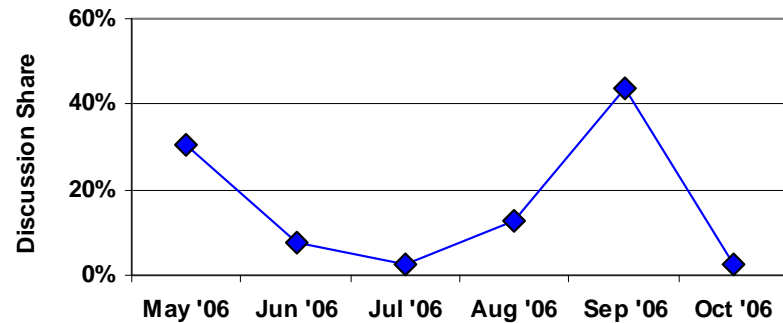
Wii leading Xbox in
“opportunity” quadrant

PS3 in negative “threat”
quadrant

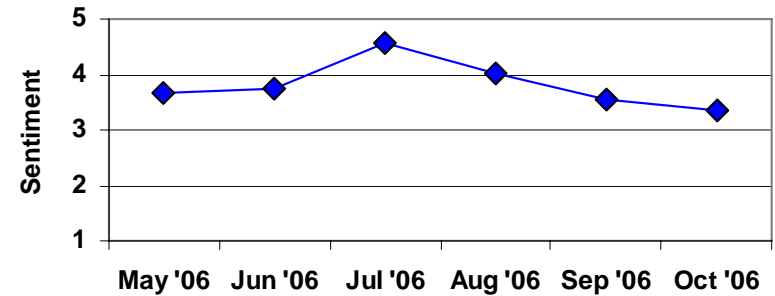


Wii discussion share and sentiment

Wii Discussion Share on Xbox Sites



Wii Sentiment on Xbox Sites



Result: Predictive

BrandIntel announced:

Wii was going to dominate market share and win the console war

Result: Predictive

- From an early horse race in which all three consoles look like solid competitors, Wii emerges as the strongest player
- Xbox suffers simply from a lack of news, but is otherwise robust
- PS3 knocked off course by price considerations; never recovers post-E3
- From an early high, PS3 gets knocked even with their superior graphics and technology

What the media said ...

- “Why Sony will win the next console war”
- “Playstation Shines in pre-launch tests”
- “Playstation will win console war”
- “Nintendo one fierce underdog”

Survey based research says...

Q If you can purchase only one console, what would you buy?

A 62% of single-console buyers chose Sony's PS3

Source: National web panel survey; n > 1,000

And the market said...

- Wii outsold PS3 by more than 2:1 in November 2006
- By April 2007, the margin had grown to more than 4:1
- Sony announced a 45% reduction in manufacturing

Source: The NPD Group



Conclusions

Consumer-generated content:

- Naturally incorporates the emotional momentum of consumer discussion
- Sheds light on the degree of emotional involvement
- Provides a unique perspective that can be used to validate and complement other research
- Identifies topics or latent opportunities for additional research
- Is not suitable for modeling; measures “what is” – not “what might be”



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