

Nintendo's Strategic Advantages in Navigating Competitive Gaming Markets

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Abstract:

With the development of information networks, mobile devices, the competition for games has become increasingly fierce, and the research that Nintendo can occupy a more important position is mostly marketing strategies, and research on its own advantages and the promotion of its ideas is also essential. This study examines the factors influencing Nintendo's game itself and its marketing to remain important in the gaming industry through interviews. The study found that Nintendo can occupy a very important position in the current fierce market competition, not only because of the market strategy that keeps pace with the times over time, but also because of the advantages of its games themselves: casual gameplay, carefully built IP, superior art, and the main idea of focusing on the players themselves in the publicity, which differentiates it from ordinary games and embodies them. Nintendo also differentiates itself from other consoles in the design of the Switch, eschewing the more competitive aspects and blazing a new trail. Nintendo's care for players and observation of the situation gave Nintendo an advantage in market share.

Keywords: Nintendo, Game Advantages, Propaganda ideas.

1. Introduction

With the advancement of information networks, mobile devices and computers, games are also developing rapidly, and the competition in the game market is becoming more and fiercer, with mobile games, console games, PC games, and virtual reality games all developing rapidly. Game companies analyze existing games on the market, learn from successful games, and create new games based on experience. Games are useful for studying how people think and interact socially. They show changes in individual

and group activities over time and how self and society influence each other [1].

In this era when material needs are more satisfied, the spiritual world has become the pursuit of many people, and games are what many people pursue spiritual satisfaction. Video games, which are a major gaming giant, have also developed rapidly in recent years. Microsoft, Sony, and Nintendo control the video game market. Through cost control, technological innovation, and other methods, under the guidance of their own competitive strategies, each company

has promoted changes in the structure of the game market through fierce competition [2]. Nintendo's NGC (game console) sales were dismal in 2005, with Nintendo's market share falling from its peak of 95% to less than 15%, and the stock also suffered a major plunge [2]. Over the next three years, Nintendo redefined its strategic goals, opened up markets that had previously been few of its own, and used its superior differentiation and advertising strategies to sell its products, with great success [2].

Nintendo has released its financial results for fiscal year 2024. As of March 2024, the company's total revenue reached 1.67 trillion yen, an increase of 4.4% from the previous year; Operating profit was 528.9 billion yen, up 4.9% year-on-year. In addition, the Nintendo Switch's total global sales have reached 141.3 million units, with 1.96 million units sold in the last three months, while the total number of game software sold was 35.72 million units [3]. As for the reason for Nintendo's success, it is nothing more than seizing the opportunity of the market, skillfully using its own shortcomings to carry out reforms, turning it from a flaw into an advantage. Nintendo's marketing strategy is mainly divided into product diversity, branding, social media marketing, pricing strategy, globalization strategy, user experience focus, and long-term support strategy [4]. These studies elaborate on Nintendo's enduring experience, but the research on Nintendo is mostly an analysis and exploration of marketing strategies, and there

is little research on the characteristics of its own games and promotional connotations, and whether Nintendo's success stems from its marketing strategy advantages. Nintendo's games and marketing have a significant impact on its place in the gaming world. The discussion of these questions is of some significance for games to stand out in the fierce competition, or to increase their market share.

2. Research Methods and Data

In order to collect research data, this study conducted extensive literature and data review on the Internet, and collected netizens' opinions and evaluations on Nintendo's games and the company in the comment section of social media such as Bilibili and Xiaohongshu. By systematically collating these reviews, the key data and results needed for the study are distilled. The design of the questionnaire is relatively basic to obtain a wide range of data support. The interviews used more specific questions to explore the respondents' specific views on Nintendo games. The interviews covered the interviewees' favorite games, why they were impressed, and why they continue to choose Nintendo games. In the course of the interviews, based on the respondents' responses, the study further delved into the relevant details to obtain more comprehensive information.

Table 1. Interviewer

Member	Age	Reason for interview	Willingness
A	18	Spending a lot of time recently	Yes
B	23	Playing for a long time	Yes
C	32	Older player among respondents	Yes

As shown in table 1, during the study, three gamers were interviewed, and each interview lasted about half an hour. Interviews were conducted by telephone and information exchange. Since the interviewees in the telephone interview did not agree to the recording, the authors organized and recorded the key conversations in detail after the interview. Preliminary findings suggest that the majority of respondents were exposed to Nintendo's products during their childhood. However, this does not necessarily lead to their continued love for Nintendo games. Some respondents lacked a deep interest in the game itself, or were not interested in the casual gameplay that Nintendo focuses on, so they were unable to follow up or learn more about Nintendo's games. Comparatively speaking, those who have a deeper understanding of Nintendo games tend to have a genuine passion for games. As they grew older, these gamers developed a deeper understanding of the

game and its industry, and became loyal Nintendo supporters by purchasing Nintendo's handheld consoles and game cartridges. These advantages will be analyzed and discussed in depth in subsequent research to fully understand the success factors of Nintendo's games in the market.

3. Data Analysis and Research Ddiscussions

3.1 Features of the Game Itself

First, focus on leisure and user experience. Nintendo's marketing strategy focuses on the casual experience of the play mode, and there are few PVP games that are mainly competitive. Players can enjoy a rare relaxing time in its

game. This strategy is conducive to product differentiation and strengthens the brand's competitive advantage in the market. "After a day of work during the day and being forced to socialize a lot, I would rush into my room and turn on my handheld as soon as I got off work, and my cute animal companions would say hello to me, or come back after I had not logged in for a long time, still there to greet me and wait for me to come back. Opening the Pokémon and seeing my pets saying hello to me and putting on a lot of cute movements and expressions made me extremely warm. I feel that the fatigue of the day is emptied at this moment, and I can face the next day's struggle with energy again. "Many of Nintendo's games stand in stark contrast to gacha games and MMORPGs (massively multiplayer online role-playing games) on the market today. The latter often requires players to invest a lot of money to buy equipment or in-game currency to increase their combat power and earn more money, and players usually need to spend a lot of time accumulating these resources to reduce the need for kryptonite. This mode often makes players feel stressed and burdened, affecting the enjoyment of the game. In contrast, most of Nintendo's games use a buyout system, that is, players do not need to continuously invest money to acquire new items or improve their character's abilities after purchasing the game once. The core experience of the game relies more on the player's own exploration and time investment than on the investment of money. In this way, players can fully experience the fun of the game without too much financial pressure. Many of Nintendo's games generally minimize mechanics that rely heavily on sensory stimulation and time consumption, instead focusing on providing a healing experience that helps players feel less tired socially and at work. For example, many of Nintendo's games are dominated by a relaxed PVE (Player vs. Player Arena) environment, where players can challenge NPC monsters and bosses controlled by the game's program without having to face fierce competition and difficult battles. Such a design avoids the extra stress that players feel while playing the game, making the game a light-hearted way to decompress rather than another form of burden. Overall, Nintendo, with this design philosophy, has made its games ideal for players looking for relaxation and pleasure in their busy lives, rather than an additional stressor. This game design strategy, which puts the player experience at its core, has helped Nintendo maintain its unique appeal and long-term player loyalty in a highly competitive gaming market.

Second, focusing on feelings and IP creation. The game IP does not forget nostalgia. The old IP was not abandoned. Nintendo uses old IPs to create new games, such as the "Zelda" series, which has been updated, the new 3D "Ma-

rio", and Smash Bros., which integrates many IPs. These new games created by old IPs have awakened the memories of countless people. All things about Nintendo were connected to Mario [5]. He was everywhere: in sports games, fighting games, role-playing games, puzzlegames, racing games, and every bit of branding imaginable [5]. He had become an oneword shortcut for Nintendo, for gaming itself, and for the concept of fun [5]. Streets were named after him. There was even a unofficial holiday for him, on March 10 [5]. That childhood summer vacation, nesting on the sofa with the memory of playing games with the red and white machine, "Nintendo's games are full of children's feelings, and only Lao Ren will see you as an innocent child who secretly plays red and white machines during the summer vacation." Nintendo's philosophy of treating players as children is deeply ingrained in its product design and brand strategy. This design philosophy is not only reflected in the creation of game content, but also in the development and marketing of its related products. Nintendo's rich plot and cartoon-style characters evoke nostalgia for childhood in players. This creates a deep emotional connection between players and the game, which keeps them loyal to Nintendo for a long time. Nintendo's merchandise, such as The Legend of Zelda's Master Sword metal pendant and Link-related merchandise, have become an important part of players' collections and cultural expressions. Whether in specialty stores, merchandise stores, or online platforms, these products are widely welcomed. There are many types of Pokémon peripheral products, because of its wide influence around the world, these peripheral products are not only popular in Nintendo's specialty stores, but also frequently appear in major anime peripheral stores and cultural and creative stores. The merchandise of the Kirby of the Stars and Mario series is also widely recognized in the market. Not only are these characters famous in the game, but their related figures, accessories, and other cultural and creative merchandise are also commonly found in various stores. With these merchandise, Nintendo has further strengthened its brand image and extended its influence to the wider cultural and entertainment sectors. While some may not be familiar with the direct connection between these IPs and Nintendo, almost everyone has heard of these well-known game characters. Through careful management and marketing of its IP, Nintendo has made these characters and brands become part of the global culture beyond the games themselves. This shaping and marketing of IP has enabled Nintendo to not only achieve success in the field of games, but also create a profound impact on cultural products and consumer experience.

Third, highlight the details and artwork Nintendo's art design strategy has always been able to meet the expecta-

tions of players. Whether it is through a comfortable and soft visual style that gives players a sense of relaxation or a bright and bold style that stimulates the senses, this design flexibility and uniqueness are the key to its competitive advantage. Non-verbal symbols are widespread in video games [6]. Video games are mainly composed of symbols such as screens, characters, music, which are all part of non-verbal symbols [6]. Nintendo's refined art style reflects its ability to play the role of non-verbal symbols in video games, transcending the cultural barriers of language. The Legend of Zelda artwork, heavy oil painting texture, delicate details, rich and fiery colors, strong chiaroscuro, soft and blurred light and shadow, very suitable for the theme of adventure. The art of the Animal Crossing: New Horizons, each piece of furniture is designed in the ultimate realism with a bit of cartoon cuteness, the color matching is comfortable and soft, the same style of furniture, only change the color and texture, the style is also very different, the design of the animals also shows the artist's care, in the abstraction and realism to take a compromise point, there will be cartoon abstract cuteness, but also at a glance corresponding to the real animal prototype. The colors of the squirt warrior are bright and eye-catching, all of which are solid colors with high saturation, but the light and shade and shadows ease the visual impact of contrasting colors, enhance the texture and solve the problem of too strong visual impact, at the same time, the squid is nicknamed the squid warm Splatoon 3, the design on the clothes is also very careful, combined with the popular and cost-effective trendy brand style among young people, and also adds personalized collocation such as prints, grasping the aesthetics of young people. Nintendo's game art style is varied, such as Kirby's Dream Land, Animal Crossing: New Horizons, Pikmin and other cute art styles, Xenoblade Chronicles, Fire Emblem and other ACGN style, Metroid's cosmic mecha art style, and the simple but extremely advanced 3D interstellar Star Fox that appeared thirty years ago. Each game has a unique art style, and many of them have a representative art style, mixing it up with a bunch of characters that makes it instantly recognizable as a Nintendo game. Nintendo's shaping in the fine arts is quite successful.

One interviewee has a deep affection and bond for Nintendo's moving forest, "During the epidemic, I went to school alone in Canada and did not go out for a few days, and I felt very lonely. During a cleaning, I found a Switch that I had not used for a long time. After charging, I reopened the game and saw the "Animal Crossing: New Horizons" I had played earlier. The NPCs said they had not seen me for a long time, blamed me for disappearing without a trace, and said they were glad I was back and

welcomed home. At that moment, I was very touched and felt that they were not just virtual data, but real friends. "Video games, popular with younger generations, have a strong cultural impact. They foster community, passion, and provide an escape from stress, and the industry continues to grow [7]. Many people do not understand why someone will regard a virtual screen as a time and space travel door, the other end of the screen as another world, indulged in it and cannot extricate themselves, these false things can never compare to the real world, the data is fabricated by people, the characters are drawn by people, and the plot is also written by people. But it is precisely because of the countless unreal worlds, these countless beautiful worlds created because of people's good wishes and obsessions, that the lives of gamers are colorful, and those who have been frustrated in life can regain confidence through the success of the game and have the courage to continue walking, and Nintendo is more about seeking a vague tipping point in the super-magical world and reality, which combines a part of the real world and also shows the surreal imagination, this is not an ordinary game, this is a journey. These are worlds created by a group of makers who really love games.

3.2 Propaganda for the Game's Unique Ideas

In the advertisement for The Legend of Zelda: Tears of the Kingdom, Nintendo chose a middle-aged man as the main character instead of a teenager or young adult. In everyone's cognition, it seems that the people who like to play games are generally young people, and few middle-aged and elderly people play games. Because in everyone's image, middle-aged people seem to have been smoothed out by society and work, and they feel that they will deal with bosses and customers in their spare time, and they have almost no time for themselves. Even if they did, they lost interest in games, lost memories of childhood fun, or just hid them deep in their hearts. The middle-aged man in the ad reveals a sense of exhaustion, but when exposed to the game he once loved, he is rejuvenated with youthfulness. This is very contagious, and it is a contrast and effect that cannot be expressed by a young person and a young person. This change of eyes touched the hearts of many people, and it also made the propaganda play an unexpected role. "Every day after a day's work, lying down at 10 o'clock and playing games for a while is the most anticipated time of the day." (interview A) This plot expresses that Nintendo's games have lit up people's dull and boring lives, pulled people out of their tired work, and allowed people to at least think hard about life during that period of gaming time, and only enjoy the purest games. Pikmin 4 version of the Switch2023 advertisement is also

very discussed, the protagonist chooses a young female employee, this time using a different way of expression, the advertisement uses a realistic and illusory lens switch, the heroine in every new scene, the background of the handheld and mobile phone is changed once, consistent with the new scene she has visited, the heroine will often look up to observe the scenery outside the window, and use this form to skillfully combine the reality outside the window and the game on the screen, which make players find the beauty and fun of the game in reality, and also let players get a glimpse of the beauty of reality in the game. There are a lot of ads for Animal Crossing: New Horizons, and one of the main characters is an ordinary family. The advertisement starts with the father going out, the mother and daughter playing games together at home, the father coming home at night and seeing the daughter's message, and finally the family playing together in front of the screen. This is not only to show the family nature of the game, but also to express the warmth of the family, and the game is suitable for all ages. Unlike Sony's PlayStation and Microsoft's Xbox, Nintendo's system and games are known for their family-friendly nature and are marketed primarily to families rather than just gamers [8]. Nintendo's games do not just promote the game's highlights, emphasize their special technology or release highlight clips, but skillfully blend life and games. No matter what the proportion of the game is in the plot, the final close-up always stays in reality, or the sky or scenery outside the window, or the happy crowd. At the end of the day, Nintendo's reminder is telling people never to forget to love the world, love themselves, take care of themselves in their busy life, and live every day happily and happily in ordinary days. This is what Nintendo's advertising really wants to express, let the game enrich people's life, let the game embellish people's life, and let the game soothe people's life.

3.3 For the Technical Development of the Game

In 2019, Nintendo released the game Fitness Ring Adventure, which was marked with an exciting innovation - the Fitness Ring. The fitness ring is not only a somatosensory controller, but also a creative design that combines sports and gaming experience. Players insert the controller part of the Switch into the fitness ring and interact with the game by holding and squeezing the fitness ring. This design makes the gaming experience more immersive and fun, while achieving the goal of physical exercise while playing the game. In addition, the Fitness Ring also supports multi-person interaction, so players can enjoy fitness games with family or friends, enhancing social and cooperative behavior. Overall, Ring Fitness is not only

an innovative game, but also encourages more people to incorporate fitness into their daily lives. Early research has shown that using electronic games for higher education intervention has achieved positive results [9]. Sports video games, such as simulated basketball, soccer, and tennis, allow players to participate in sports in virtual environments and are widely popular among young people [9]. The launch of the game also responds to questions that video games can lead to a decline in physical health. Traditionally, video games have been criticized for causing a sedentary lifestyle, a lack of physical activity, and thus a negative impact on health. However, Ring Adventures shows how video games can be a positive health-promoting tool by combining physical exercise with a gaming experience. It is worth mentioning that when discussing Nintendo's technological innovation, the two interviewees also boldly envisioned an interesting idea. They asked if it was possible to mount a chip inside the physical Poké Ball so that the player could hold the Poké Ball in their hands and capture the Pokémon on the screen. This design not only greatly improves the interactivity of the game, but also increases the playability and immersion of the game. The Switch is a competitor to Sony's PS series and xbox, but it has taken a different path from PS and xbox. Instead of competing for the quality of performance in the same functional modules as the rest of the consoles, the Switch avoids the highly competitive sectors of the market and develops and advances in more niche but equally important modules. SONY and Microsoft have launched products such as the Xbox and Play Station, The price range is from \$349 \$499 to \$299 for the Switch's starter pack, and this pricing difference has played a huge role in shifting the customer base to Nintendo and away from the competition (Business Strategy Hub 2020y19, Gameplay on the Nintendo Switch is more diverse and practical than competing products allowing players to enjoy a wide variety of Nintendo games in their hands while also exercising on the Switch based on their skill level [10]. PS series and Xbox game consoles usually need to be connected to an external display to use, which makes them highly homogeneous and difficult to carry around. The Nintendo Switch, on the other hand, uses a handheld mode, which does not require an external display, and the device itself integrates a display and a controller, and the controller can be removed. This design has a significant advantage in terms of portability, as the Switch can be easily taken anywhere. In Switch commercials, people can often see players using handheld phones on bullet trains, subways, and other means of transportation, which further highlights its portability. In addition, many Nintendo games can only be played on the Switch platform, which gives the Switch a unique advantage in terms of game application scenar-

ios. Comparatively, the PS series and Xbox can only be used in front of the display indoors and cannot be carried around, which limits their use scenarios. As a result, the Switch's design makes it more flexible in diverse gaming environments. Although the Switch's frame rate and image quality may be reduced compared to the PS series and Xbox, this effect has not had a significant negative effect on the Nintendo gaming experience. This shows that the software and hardware work together effectively, ensuring that the Switch can find a balance between portability and gaming experience.

Nintendo also faced its fair share of challenges. First of all, many of Nintendo's games can only be experienced through Nintendo's consoles, and cannot be downloaded and played on other platforms such as mobile phones or computers. In addition, these games often require the use of physical game cartridges, which raises the bar for players to a certain extent. In the past, the price of popular old games was usually around 100 yuan, while the price of popular games could fluctuate between 200 and 300 yuan even on the second-hand market. This is not cheap for some players and may make them abandon the purchase due to financial considerations. In contrast, many modern smartphone or computer users can buy a buyout game for forty or fifty yuan and enjoy a longer gaming experience with relative freedom of choice of platforms. Many people would prefer games on mobile devices to Nintendo.

Secondly, Nintendo's game style is usually laid back and casual, which is not to the liking of all players. Many people prefer intense PVP (player versus player) battles, preferring to get thrills from the senses, such as showing off their unbeatable achievements with friends after winning battles, or teasing their opponents. In today's triple-A titles, many genres such as Souls, FPS (first-person shooter) games, and story-based RPGs focus on exciting battles and complex plots, rather than laid-back and pure fun. As players have grown, their gaming preferences have also changed, moving away from choosing Nintendo's mini-games as they did when they were younger, to a more challenging and exciting gaming experience. In fact, one of the reasons many respondents said they no longer supported Nintendo games was that they felt they were "too boring". This shows that while Nintendo games have their own unique charm in terms of a light-hearted and enjoyable experience, they still face certain challenges when it comes to meeting the needs of modern gamers for excitement and challenge.

4. Conclusion

This study found that Nintendo's achievement in occupying a very important position in the current fierce com-

petition in the game market is not only due to its market strategy that has been constantly adjusted and updated over time, but also due to the unique advantages and characteristics of its games themselves. Nintendo not only made the game with care, but also skillfully blended the real and virtual worlds through carefully designed advertisements to finally return to reality. This approach not only motivates players to choose and love their games, but also inspires their passion for the world at large. Nintendo provides players with solace in their minds through casual gameplay, allowing them to find relaxation and pleasure in their busy lives. They awaken the deep childhood memories of players through classic IPs, and at the same time use superb art skills to meet the aesthetic needs of players. Advancing technology has also enhanced the gaming experience for players, making them feel more entertained. Nintendo's success also lies in its insight into market trends and timely improvements. By constantly innovating and adapting to market demands, Nintendo was able to adjust its products and strategies in a timely manner to maintain its leading position in the fierce competition. As a result, Nintendo, with its unique game features, sophisticated design innovations, and excellent advertising campaigns, has successfully disseminated its unique philosophy, making it stand tall in the gaming industry and become an irreplaceable benchmark. This research focuses primarily on the uniqueness of Nintendo's games themselves and how they are promoted, rather than on marketing strategies. The results of the study suggest that other game companies can learn from this and clarify the original purpose and core goal of game development: to provide players with a better gaming experience, rather than simply chasing market share and revenue. This focus on the player experience will help increase the overall value and impact of the game.

This study helps to improve the ability of players to discern the games in the current market. However, there are some limitations to this study, such as the small size of the study and the small age difference in the sample, which limits the representativeness of the findings. In addition, the collection of relevant data and literature in the study is not comprehensive, which may affect the depth and breadth of the study. In future studies, the authors plan to improve existing research methods by expanding the scope of literature reading and delving into research results in more relevant fields. Increase the volume and scope of data collection to ensure comprehensiveness and accuracy of data. The size and diversity of the study sample will be expanded to include players of different ages and backgrounds to increase the generalizability and reliability of the findings. With these improvements, future studies will be able to provide a more comprehensive and

representative analysis.

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