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Case Study

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To the End of the Ocean: The Wii and Wii U

I, We, Waluigi: a Post-Modern analysis of Waluigi

Waluigi is the ultimate example of the individual shaped by the signifier. Waluigi is a man seen only in mirror images; lost in a hall of mirrors he is a reflection of a reflection of a reflection. You start with Mario – the wholesome all Italian plumbing superman, you reflect him to create Luigi – the same thing but slightly less. You invert Mario to create Wario – Mario turned septic and libertarian – then you reflect the inversion in the reflection: you create a being who can only exist in reference to others. Waluigi is the true nowhere man, without the other characters he reflects, inverts and parodies he has no reason to exist. Waluigi's identity only comes from what and who he isn't – without a wider frame of reference he is nothing. He is not his own man. In a world where our identities are shaped by our warped relationships to brands and commerce we are all Waluigi.

-Franck Ribery, May 30, 2013



The Wii U was supposed to be everything. The system promised to play all games, old and new, and act as an entertainment hub for streaming and live TV. Its wide range of controllers worked for the simplest of family games and the most intimate of single-player experiences. The screen in the middle of the Gamepad controller promised unique gameplay and console graphics in the palm of your hand.

It flopped.

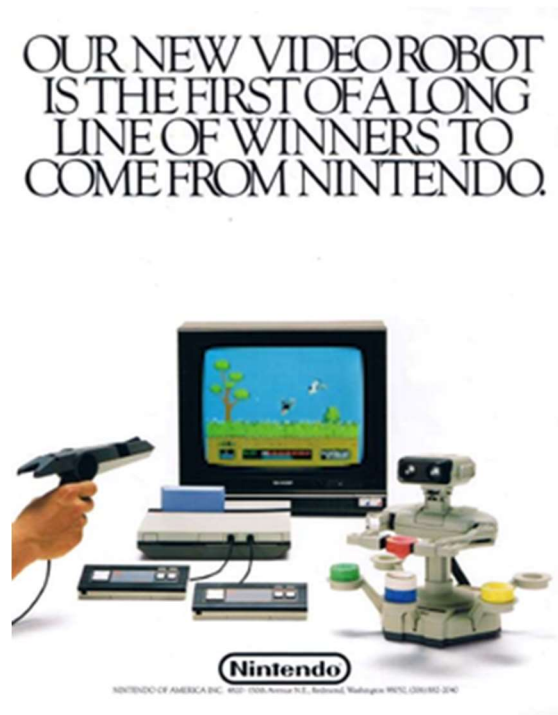
After Nintendo's success with the Wii, follow-up console Wii U was a confident, bold step, but the public had little interest. Instead of the simple focus of its predecessor, the Wii U was a reaction to competitors on all sides. It tried to be everything to everyone, but in doing so, was left with no identity of its own.

The King of Games

Nintendo began in the late 1800's as a playing card company based in Kyoto, Japan. The company tried its hand at a variety of industries before finding success as a novelty toy maker in the 1960s. As a natural extension of these toys, Nintendo played with the new "video game" industry, creating a few plug-and-play TV games and arcade cabinets in the 70s. Nintendo hired Shigeru Miyamoto to work on these arcade games. His directorial debut, Donkey Kong, was a global smash hit that finally broke Nintendo into the North American market.

In 1983, the burgeoning home console market came to a screeching halt. The most cited cause was Atari's low-quality E.T game, but it was just a single example of high-profile failures in the industry. Games lacked quality control and carried high price tags, burning through

consumer trust. For two years, video games seemed like a dead industry, but toymaker Nintendo found a sneaky back door.



1 The Nintendo Entertainment System and R.O.B.'s announcement flyer from CES 1985, from https://en.wikipedia.org/wiki/R.O.B./#media/File:Video_robot_page_of_Nintendo_CES_1985_brochure.png

R.O.B., the Robotic Operating Buddy, launched in toy sections in 1985. R.O.B. sneakily included the Nintendo Entertainment System (NES), a North American refresh of Japan's 1983 Famicom, short for Family Computer. The system design evoked popular VCRs of the time instead of the failed game consoles of years past.

Through the NES, R.O.B. would spin and move around in time with the games on screen. It was not very good, but the NES's other titles carried a mark of quality unseen in the industry at that point. Nintendo titles like Super Mario Bros.

led the way, and third-party titles were subjected to rigorous quality assurance by Nintendo itself.

Nintendo's quality control extended beyond just technical proficiency, though. Inappropriate content, such as blood and religion, were routinely scrubbed from games. Through this, Nintendo cultivated a family-friendly image that gave parents confidence in the company's offerings. Competitor Sega saw the opportunity for edgier games, spearheaded by the fast and cool Sonic the Hedgehog. Sega marketed its games to kids who had "outgrown"

Nintendo, including games like Mortal Kombat and Night Trap. While the new Super Nintendo also played a version of Mortal Kombat, it had the bloody attacks and gruesome finishing moves of the arcade and Sega versions removed. These actions shielded Nintendo from Congressional Satanic Panic hearings in the early 90s.

As the battle between Nintendo and Sega heated up, Nintendo partnered with Sony to create a new disc-based add-on for the Super Nintendo called the Nintendo Play Station. However, Nintendo feared losing the lucrative licensing fees for its cartridge technologies required to run on its systems and pulled out. Sony, jilted and looking to recoup research costs, used its new knowledge to create the PlayStation, dropping the space in the middle of the name and the Nintendo branding. The PlayStation's disc system lowered production costs for third parties and offered nearly unlimited file sized for swappable, multidisc games. It could also play audio CDs, leveraging Sony's experience in audio engineering to throw in one of the highest quality CD players of all time as a bonus feature.

Nintendo's next system, the Nintendo 64 (N64), launched a year after Sony's 1995 PlayStation. While its 64-bit architecture was technically more powerful than the PlayStation's 32-bit, Sony's disc system allowed for CD-quality audio and pre-rendered video cutscenes. With its year headstart and lower game-printing costs, third parties flocked to PlayStation. While N64's Super Mario 64 and The Legend of Zelda: Ocarina of Time are high up on the list of greatest games of all time, Sony's expansive lineup contained Final Fantasy VII (another oft-cited contender) and the birth of Grand Theft Auto. Sony dominated the market, and the only reason the N64 is not seen as a failure is Sega's lost market share as it struggled to move to 3D game development.

In the early 2000's, Sony once again beat Nintendo to the market by a year. The PlayStation 2 launched in 2000 touting one of the most affordable DVD players on the market. The Nintendo GameCube launched a year later with proprietary mini optical discs and no other multimedia functions the same week as Microsoft's new Xbox game console, which also played DVDs. While the GameCube was once again the graphical winner, PlayStation's early lead and Xbox's introduction of online multiplayer beat the GameCube and pushed Sega completely out of the market. Xbox and PlayStation got the new open-world, fully 3D Grand Theft Auto games we know today, and Nintendo released a The Legend of Zelda sequel meant to mimic a children's cartoon.

The PlayStation 2 went on to become the most successful video game console to date with more than 150 million units sold and more than ten years of production.



2 GameCube's The Legend of Zelda: The Wind Waker, from <https://www.techradar.com/news/zelda-twilight-princess-and-wind-waker-are-rumored-for-nintendo-switch-in-2021>



3 PS2's Grand Theft Auto III, from <https://syltefar.com/game/?id=637>

Lateral Thinking with Withered Technology

While Nintendo's home console strategy had long been to produce the most powerful console possible, its handheld systems utilized an entirely different approach to great success. Nintendo toy designer Gunpei Yokoi saw a bored businessman mindlessly tapping away at a calculator on a train and was inspired to create the Game & Watch, a series of simple games that used calculator parts, and later, the Game Boy. The Game Boy was a massive success, even as competitors like Sega's full-color (and battery hungry) Game Gear hit the market. The Game Boy line always prioritized price and battery life over graphics but won audiences with high-quality, addictive games like Tetris and Pokémon. While competitors tried to emulate the home console experience on the go, Nintendo's handheld games were designed for bite-sized but

engaging experiences on trains or road trips. This success buoyed Nintendo against its shrinking home console market share. It also gave Nintendo a different way to approach the market.

A Console for Moms

Longtime game developer and newly appointed President of Nintendo Satoru Iwata saw the current market as a red ocean, a crowded marketplace full of cut-throat competition and a limited consumer base, like sharks fighting over dinner. He thought a blue ocean market strategy could expand the gaming market and set Nintendo apart. “The blue ocean strategy is to evacuate competition from the existing market space by cutting, reducing, and increasing factors—that existing industries and firms focus on—and by creating new factors (Inoe & Tsujimoto, 2018).” By activating new customers instead of competing for existing ones, Nintendo could create a new market of consumers.

Videogames drive Mom crazy – she has to pick up the controllers once the kids are done playing, they’ve already got multiple consoles plugged into the TV and she doesn’t want another one. They’re a nuisance, as far as she’s concerned. We realized that if we wanted to grow the gaming population, we had to build a console that no one in the family hated. (Satoru Iwata, quoted in Inoue, 2010, p 38)

Instead of a high-definition system like PlayStation and Xbox were developing, Iwata ordered a compact system with a redesigned GameCube processor optimized for heat and energy efficiency. This allowed the console to download daily news and software updates overnight without parents mistaking the system for being on. It also reduced the physical

footprint of the system to better fit in smaller Japanese households. The console used its GameCube architecture to play legacy GameCube discs and an online store to download classic games from every previous Nintendo system, as well as former competitors like Sega's, allowing families to put away their old consoles. (Osamu, 2010)

Controllers had bloated in size with each new generation adding more buttons and sticks. Iwata wondered if controllers were intimidating to new or lapsed players and added a barrier of entry to new players. Game controllers were often put away after play, but another controller was happily left on the coffee table: the TV remote. Nintendo internalized this to eventually create a remote (deliberately not called a controller) with intuitive motion and pointer controls and few buttons. (Osamu, 2010)

But this remote could not succeed alone. "[T]he secret of controller design at Nintendo is that the development of the controller, on the hardware side, is linked with the development of the corresponding software from an early stage. (Iwata, 2019, p 103)" Nintendo's biggest strength has always been its software, as exemplified by early Nintendo of America Vice President Howard Lincoln's quote: "The first-party games are the products that differentiate your hardware (quoted in Palomba, 2018)." Palombo wrote:

User-generated adaptations of Nintendo characters being used to communicate humor, emotions, and feelings on many-to-many communication channels suggests that exposure to a Mario or Zelda game is a cultural experience that a critical mass of society has committed to its collective memory, regardless of specific engagement with Nintendo's contemporary technologies. (2018)

and found that “the brand image of Nintendo’s first-party software does have a positive relationship with the perceived quality of Nintendo’s consoles. (2018)” This launch software was a collection of sports simulators everyone knew the rules to: Baseball, Golf, Boxing, Tennis, and Bowling. They were designed with intuitive, easy-to-pick-up motion controls that could be played by anyone and fun for others watching. “A video game is interesting when you can have fun simply watching someone play. (Iwata, 2019, p 115)”

This small, inexpensive console, new controller, and accessible software became the Wii. Nintendo chose this name because:

- Wii sounds like “we”, which emphasizes this console is for everyone.
- Wii can easily be remembered by people around the world, no matter what language they speak.
- Wii has a distinctive “ii” spelling that symbolizes both the unique motion controllers and the image of people gathering to play.

(Hollensen, 2013)

What the Wii represented was the first major home console innovation that did not involve graphical or power updates, but a new way to play, and it was a perfect vehicle with which Nintendo was able to disrupt the market. (Hollensen, 2013)

As Nintendo stepped into this new, broader market, it took care to continue releasing games for traditional players. Gaming site IGN’s reaction to the next Zelda, The Legend of Zelda: Twilight Princess, has since become a meme embodying core gamer excitement.



4 Popular "Reaction Guys" meme; four IGN staffers excitedly react to Nintendo's *The Legend of Zelda: Twilight Princess* announcement, from <https://knowyourmeme.com/memes/reaction-guys-qaijin-4koma>

Nintendo's Japanese and American leaders differed on how best to launch the Wii. Iwata saw *Wii Sports* as a system-seller and asked to spotlight it at E3, the world's biggest gaming convention. Nintendo of America President Reggie Fils-Aimé wanted to push *Zelda* as a known brand to assure retailers and core players that a known franchise would be there at system launch. (Fils-Aimé, 2022)

Fils-Aime later advocated to include *Wii Sports* for free alongside every Wii console. Iwata responded, "Reggie, Nintendo does not give away precious content for free. [...] It is unique software that motivates consumers to buy our hardware. (quoted in Fils-Aime, 2022, p 154)" Fils-Aime referenced Nintendo's long history of success including a game with a console in the U.S. market, such as *R.O.B.* and later *Super Mario Bros.* with the NES and *Super Mario*

World with the Super Nintendo. In the end, the North American launch of the Wii included Wii Sports in the box, and the Japanese version did not. (Fils-Aime, 2022)

The Wii became a cultural phenomenon with a mid-life bump from Wii Fit and Wii Fit Plus, but its lack of core appeal lost Nintendo the market lead position in 2011. Xbox and PlayStation both released motion controllers for their systems, and more robust online systems aided the growing online gaming and new video streaming markets. The PlayStation also doubled as a Blu-ray player, making it once again one of the most affordable entry points to a new medium. (Hollensen, 2013)

Deep-sea Nosedive

Just before the Wii, Nintendo had revitalized its handheld line with the Nintendo DS, a dual-screen handheld with a touch display on the lower screen. Although the system had even more buttons than the Game Boy line, the touch screen and included stylus were intuitive enough for the general public to adopt. Alongside core handheld experiences like Pokémon and Super Mario, Nintendo released general audience software like Brain Age, Nintendogs, and a web browser. Third parties released crossword puzzle collections and even early ebooks on the handheld. How Nintendo followed up on the success of the DS was a precursor to its next home console's success.

The Nintendo 3DS launched in 2011 with little accompanying software and a glasses-free 3D display. The 3D effect was costly and unpopular, leading to a price cut less than a year into the system's life. Software was fast-tracked for the next holiday season and following year, saving the handheld but pulling resources from 2012's new home console.

The Wii U launched in 2012. This was Nintendo's first high-definition system and included a controller with a large touch screen in the middle. The operating system was slow and required a massive day-1 patch that fixed little, and an odd online infrastructure called "Miiverse" allowed players to post on a walled-garden social media platform but didn't allow for easy connections between friends. The controller allowed for handheld play of some games, but only from the same room as the console, "asynchronous" gameplay that gave players different views of the game world, or as an additional screen for menus or maps.

Nintendo had software to demonstrate each of these three uses, but none were as intuitive or broadly appealing as *Wii Sports*. *New Super Mario Bros. U* offered a traditional Mario game that could be played with others on or off the TV. Ubisoft's *ZombiU* used the touchscreen as a "backpack" inventory players could quickly dig through while watching for zombies on the main screen. *Nintendoland*, the Wii U's pack-in title, had hide-and-seek tag that gave the player with their own screen an advantage against the team sharing the TV. Fils-Aime wrote, "The issue was the lack of available software that motivated players to buy the system immediately – meaning, while Wii U launched with twenty-three games in the US, no single game was 'must have.' (2022, p 173)"

Many of these launch games were disappointing ports of older games from the PlayStation 3 and Xbox 360. *Mass Effect 3*, for example, launched on Wii U one month after a *Mass Effect* trilogy collection came to PlayStation and Xbox. The *Mass Effect* series is famous for how player choices impact the space-spanning epic, and choices carry through from game to game. Wii U players only got the third entry, though, so this feature was lost. *Mass Effect*

publisher EA divested from the system, taking annual mega-hits FIFA and Madden NFL with them.

Nintendo failed to communicate to its new Wii users how the traditional platform upgrade cycle works. Consumers were confused by the Wii U, thinking the controller itself was an add-on for the Wii they already had, not an entirely new system (Palomba & Shay, 2018, Fils-Aime, 2022).

The Wii U launched with two configurations, a white model with only 8GB of storage and a black model with 32GB of storage and Nintendoland included for \$50 more. It was comparable in power to the PlayStation 3 and Xbox 360, but contemporary competitors offered units with 100s of gigabytes more storage, and the PlayStation 4 and Xbox One (the next Xbox) launched less than a year later, each with 500GB of storage and a massive jump in power.

Nintendo was no longer competing on price, power, or general appeal. Odd features, like a universal remote baked into the controller, kept the system from feeling focused, and a home screen heavily reliant on Miiverse social media posts left even the main menu feeling desolate. Nintendo dropped the white model and reduced the black model \$50, but a price cut of their second system in a row was dangerous.

[I]f you lower the price over time, the manufacturer is conditioning the customer to wait for a better deal. [...] I've always wanted to avoid a situation where the first people to step up and support us feel punished for paying top dollar, grumbling, "I guess this is the price I pay for being first in line." (Iwata, 2019, p 112)

Earned:

Fils-Aime only mentions an appearance on Late Night with Jimmy Fallon for the Wii U, but the Wii was almost a staple of early-morning talk shows. Hosts laughed with the novelty of the motion controls at launch and marveled at the therapeutic benefits of Wii Sports and Wii Fit in nursing homes. Fallon draws the youngest audience on late-night and covers video games the most often.

Shared:

Before influencers (and even the PESO model), Nintendo owned a magazine called Nintendo Power. To this day, Nintendo and former writers swear the magazine had complete editorial control, but Nintendo ran a lot of ads in Nintendo Power, and its games often reviewed a bit better than in other outlets. Nintendo Power ended production one month after the Wii U launched. Below, we can see the difference between the covers of the months the GameCube, Wii, and Wii U launched.



6 Nintendo Power issues 150, 210, and 284. Photo by the author.

The GameCube and Wii launches are prominent on the magazine cover. For the Wii U's launch, the cover features Shantae, an indie darling.

Owned:

Perhaps the biggest impact of the Wii U era was the Nintendo Direct. Iwata, Fils-Aime, Miyamoto, and other Nintendo executives filmed virtual press conferences to be delivered direct to consumers. These were often quite wacky (below: President of Nintendo holding

bananas) and packed with inside jokes and references to Nintendo games and even other Nintendo Directs.



7 from <https://knowyourmeme.com/memes/satoru-iwata-holding-bananas>

Early Directs were tailored to the mega-fans who stuck through the Wii, bought the Nintendo 3DS before its price drop, and picked up the Wii U. While this approach did little to strengthen sales of the Wii U, it did endear company spokespeople to consumers, strengthening the relationship between players and Nintendo.

Clicking Into Place

Nintendo incorporated all its lessons for its next console: the Nintendo Switch. The Switch is a handheld dominated by a massive touchscreen. It uses older phone parts for streamlined production and development. The system can dock into the TV, and the motion controllers on the side removed, to recreate home console experiences. Operating software is snappy with no distracting additional features, and its low price keeps it out of competition with traditional consoles. It launched with the biggest Zelda yet and a clear message: you can play on the TV or take it with you.

The Wii U was an important lesson on the way to the Switch. The Wii had a huge cultural impact, but its legacy name and accessories did not translate to future investment. Players like to play console games on a handheld, but not with restrictions on location or connectivity. No matter how inventive an idea, messaging must be kept simple.

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