

Record: 1**Title:** Making The Switch: How Nintendo Won Back The West.**Authors:** Kelly, Luke**Source:** Forbes.com. 2/12/2018, p5-5. 1p. 4 Color Photographs.**Document Type:** Film Review**Subject Terms:** NINTENDO DS (Video game console)**Reviews & Products:** SWITCH, The (Film)**NAICS/Industry Codes:** 339930 Doll, Toy, and Game Manufacturing**Full Text Word Count:** 1322**Accession Number:** 128009354**Database:** Business Source Premier**Making The Switch: How Nintendo Won Back The West**

Asia / #GamingSales

EDITOR'S PICK

Even those that have never owned or even played a video game, Nintendo and its iconic roster of characters (including Mario, Pokémon, Zelda and Donkey Kong) will be familiar. Many of these franchises have enjoyed a recent resurgence in popularity thanks to the phenomenal success of the Japanese gaming giant's latest console: the Switch.

Rebounding

The Switch, which was released in March 2017, has broken numerous sales records in its first year. Early in 2018, Nintendo announced that the Switch had become the fastest-selling console in U.S. history, and beat out all other rival consoles to be the top-selling console in the U.S. in December 2017. In Japan -- another important market -- its sales figures increased steadily throughout 2017, and global sales surpassed 10 million units in its first nine months. Nintendo recently said it expects to sell more than 15 million units by March.

The success of the Switch was unexpected, mainly due to its ill-fated predecessor, the Wii U. The story of that console is almost antithetical to that of the Switch. In the UK, the Switch has outsold the Wii U already, despite only being on sale for 11 months, versus the five years the Wii U was available.

"Unfortunately what ended up happening was that tablets themselves appeared in the marketplace and evolved very, very rapidly," Shigeru Miyamoto, Nintendo executive and creator of Mario told NPR in 2015. "The uniqueness of [the Wii U's tablet] features were perhaps not as strong as they were when we had first begun developing them."

Star power

Nintendo's recent resurgence and subsequent stock price jump has been built largely on the back of the console. The popularity of the Switch, which was far from guaranteed according to many industry commentators, was achieved thanks to a few key factors.

First is the Switch's cheap, simple hardware. The console cannot (and does not expect to) compete with Microsoft's Xbox One, or Sony's PlayStation in terms of processing prowess. Its internal components are outdated next to those consoles, incapable of running many of the latest AAA titles. However, the Switch has a trick up its sleeve, which has proven to be a major selling point: its modularity. The console exists basically as

a tablet, which can be set into a dock and used on a TV, but which can also be seamlessly lifted out of that dock and played on the go. For Nintendo, a company with a long history of handheld gaming, this handheld/TV hybrid is an obvious next step, and one that has left its competitors trailing.

Thanks to this lack of reliance on new, expensive hardware, the console retails for much less than the Xbox One or PlayStation 4 charged on launch. The Switch costs \$299, while the PlayStation 4 launched for \$399 back in 2013, and the Xbox One launched in the same year for \$100 more. The updated version of each console, the Xbox One X and the PlayStation 4 Pro, now cost \$499 and \$399 respectively.

Secondly, the Nintendo Switch has enjoyed huge success thanks to its lineup of popular game franchises. The Legend of Zelda: Breath of the Wild was hailed as Game of the Year for 2017. One of its closest rivals for the top spot was Super Mario: Odyssey. Both are available exclusively on the Switch. That's not to mention other family-friendly favorites, such as Mario Kart 8 or Splatoon 2 (also exclusive to the Switch), or the upcoming Nintendo Labo, which will allow players to build and play with interactive models made from cardboard.

However, the company will be treading carefully while planning the successful transition of the third highest-grossing video game franchise of all time: Pokémon. Although Pokkén Tournament (a spinoff Pokémon fighting game) has already debuted on the system, the next fully-fledged entry in the popular series was confirmed to be coming to the Switch ahead of the console's launch. Although no release date or official announcement has been made, rumors suggest it will appear this year. The Pokémon series produced three of the top four selling games for the Nintendo 3DS, with more than 45 million games sold over the past three installments -- but some fans are wary of the move to a new console now.

"We haven't had a jump like this since the GameBoy to the GameBoy Advance, which disconnected past generations from future generations of Pokémon games," said Steve Black Jr., a Pokémon podcaster and live streamer. "I don't believe The Pokémon Company will make that mistake again, but once something is shown, I think the people who are hesitant will be ready to fork out the money to jump onto the Switch bandwagon."

Finally, Nintendo has won over third-party developers, something the Switch's ill-fated predecessor was unable to do. The console has received backing from developers such as EA, Ubisoft and Bethesda, who have brought third-party titles like FIFA 18 and Wolfenstein 2 to the platform. This is in stark contrast to the Wii U, which struggled to attract large titles thanks to its poor sales, leaving Nintendo heavily reliant upon its own games to market the system.

Modern gaming

The company is also ramping up online support for the Switch, an area that was oft-criticized on the Wii U. Nintendo Switch Online will launch in September 2018 and costs just \$19.99 per year. "I think the real selling point for the new games are the online features," said Black. "With games like Pokémon GO existing and doing online so seamlessly, it would be great to have an even easier way to play with others from your home."

Mobile games, a new foray for the company, have seen continued growth as Nintendo has built out its offerings in the space. Traditionally reticent about bringing its coveted franchises to other platforms, the company launched Mario Run in late 2016. Despite its more than 20 million downloads, the game had not reached "an acceptable profit point" by the end of 2017, but more recent efforts, such as Fire Emblem Heroes, have been quiet mobile hits, and the company recently announced that the enormously popular Mario Kart would be making its way to mobile in 2018. According to the Wall Street Journal, Nintendo intends to partner with more mobile developers in the coming year, and research has shown its mobile offerings help to serve as a pathway for console purchases for more casual gamers. For example, Nintendo has seen a rise in sales of Animal Crossing games since its fourth mobile game Animal Crossing: Pocket Camp was released in November 2017.

Having come from a low ebb in the wake of the Wii U's dismal performance, it appears that Nintendo has gone back to its roots, with originality and creative gameplay emphasized over all else. It's a formula that has so far proven very successful less than 12 months into a projected six-year lifespan.

PHOTO (COLOR): Pedestrians walk past a mascot dressed as Nintendo's video-game character Mario outside of the company's launch event in New York (Kholood Eid/Bloomberg)

PHOTO (COLOR): The Nintendo Switch game console. (Kholood Eid/Bloomberg)

PHOTO (COLOR): Attendees play Pokkén Tournament DX on the Nintendo Switch (Photo by John Keeble/Getty Images)

PHOTO (COLOR): People play Nintendo's Pokémon Go augmented reality game on their smartphones during the Pokémon Go Stadium event at Yokohama Stadium on August 14, 2017 in Yokohama, Kanagawa, Japan. (Photo by Tomohiro Ohsumi/Getty Images)

~~~~~

By Luke Kelly, Forbes Staff

I'm a digital producer on the Asia channel, based out of Hong Kong. I'm a digital producer with Forbes Asia. My work has appeared on DigitalRev, Atlas Obscura and Discovery Magazine. I'm also a host and producer of '80 Days: An Exploration Podcast', where each new episode explores an obscure location around the world. I love to talk tech, entrepreneurship and digital media. Follow me on Twitter @thelukejkelly

---

Copyright of Forbes.com is the property of Forbes Inc. and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.