

**ARTD3058**  
**Business for the Creative**  
**Industries**

**Nintendo's persistence and innovation**  
**on the road to success**

## **Introduction**

With the development of technology, video games are constantly escalating. And more and more people are willing to try video games. Under this trend, the video game market is gradually maturing. Before the market matures, it must be necessary for game companies to keep trying to find a way. Nintendo is one of the most representative game companies. Nintendo's long history doesn't limit them to making the same type of product. In contrast, Nintendo has been working hard to develop new console devices and innovate new games. Nintendo created the current most popular Nintendo through persistence and change.

This essay will examine What caused Nintendo to stand out in the video game market, and how to apply these methods more practically in my work. Firstly, an overview will be given about the history of Nintendo. Secondly, it will focus on Nintendo's persistence and innovation in both console-centric game development and IP creation. Thirdly, the essay will look at how Nintendo's success applied to my work and turned into success.

## **Background**

Nintendo is one of the oldest game development companies and game hardware manufacturers in history. And Nintendo has maintained the hype philosophy of "to surprise everyone and bring smiles to all consumers". With a net worth of over \$85 billion, Nintendo is one of the largest video game

developers in the world (Martin, 2022). Although video games are not a very old industry, Nintendo is an old company. Nintendo was founded in September 1889 in Japan. And the original Nintendo was a small company that produced handmade playing cards. After that, Nintendo tried several new businesses, even including taxis and appliances. In the 60s of the 20th century, Nintendo began to enter the toy industry and develop electronic toys. This history paved the way for Nintendo to start creating video games. In 1970, Nintendo released the first commercial video game console with an American company, Magnavox. This product allowed Nintendo to see the potential of future video games. So from this time on, Nintendo embarked on an adventure in the development of video games and game consoles (Pace, 2022). From this history of Nintendo's transformation, the company has never been afraid to try new areas. And it can be seen that Nintendo's transformation is not a blind transformation, and the early experience of home electronics, electronic toys, and even playing cards laid the groundwork for Nintendo's entry into video games. This innovation has continued in product development since Nintendo became a game company. So this kind of decades-long innovation is, to some extent, another kind of persistence. Whether it's the ever-evolving consoles or the endless variety of video games, Nintendo's unchanging enthusiasm and passion for developing new areas is a testament to Nintendo's unchanging enthusiasm for developing new areas.

## **Console-centric game development**

Nintendo's insistence on video games is reflected in their always console-centric development of games. Back in 1983, Nintendo introduced its first console, the NES. The console was immediately a huge hit in Japan. This caught the attention of the Americans. As a result, the NES console took the United States by storm in 1988. And it sold 60 million units worldwide (Britannica.com, 2011). However, this success did not satisfy Nintendo with this. Nintendo continued to try to develop new consoles. More and more new versions of the console were produced by Nintendo (Fig.1). Among them, the most popular game console is "Switch" (Fig.2). This game console produced by Nintendo was released in 2017. This portable console stands out from competitors in its class. As of April 2021, Switch sales reached 84.59 million units. And it became one of the fastest-selling consoles of all time (Takahashi, 2021). However, Nintendo's firm idea of the console as a centric to develop games is not favored by everyone. Daniel Ahmad, an analyst at Niko Partners, believes that Nintendo's video games cannot escape a bleak future. Because today's people's first choice for electronic devices is still mobile phones. Mobile gaming, on the other hand, is based on mobile phones. According to Nintendo's 2016 earnings report, a mobile game earned Nintendo \$3 billion. That means the value of Nintendo IP. So if Nintendo uses mobile games as its main product, it can be predicted that Nintendo's mobile game business will achieve incredible success soon (Seekingalpha, 2020). So many people are

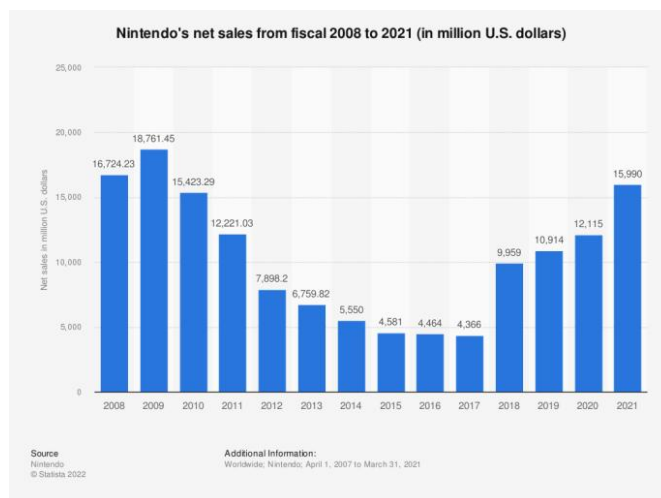


Fig.2 Switch



Source: <https://www.nintendo.com>

Fig.3 The data of Nintendo's net sales



Source: <https://www.statista.com>

The Switch didn't limit Nintendo's development, instead, Nintendo's game development could have more innovation based on consoles. Splatoon (Fig.4) is one of the most iconic examples of game innovation. It innovates with game mechanics that perfectly match the capabilities of the gaming device and a balanced resource recycling system. Splatoon is a third-person shooter released by Nintendo for the switch in 2015. On one hand, Splatoon is a game designed for gamepad manipulation since its conception. In theory, a mouse and keyboard are better suited for shooting games. The information inputted

by the mouse to the system is the relative displacement of the device in a given period. This, in turn, is projected onto the approximate angular displacement of the non-euclidean geometry of the camera's rotating surface. However, the gamepad inputs information as a two-dimensional coordinate value. This is reflected in the game as the angular speed at which the character's angle of view rotates (Chandler, 2020). Angular displacement and angular velocity, that's an integral difference. So in contrast, a mouse that directly reflects angular displacement is closer to normal human motion. One of the biggest problems with gamepads in FPS games is that the gamepad is inherently against human intuitions, making it harder to aim. So since DOOM opened up a new era of shooters, Marathon and Quake have made keyboard and mouse the best way to do it. So FPS games tend to be PC games. Console shooters, on the other hand, have always been ported to PC backgrounds (Xbox, 2021). So the biggest problem for Splatoon was to create a shooter that synergizes with the gamepad. The team solved this problem with their unique gameplay. Take PVP as an example, where players engage in turf wars. The player holds a weapon and squirts ink onto the ground or an opponent. Ink can cover almost everything in the game, and covering more area with ink is the winning condition. "Painting" is the creative starting point and core of this game. This core mechanic makes up for the problem of gamepad shooting. At the same time, it gives the game a lower barrier of entry, allowing more players to experience the fun of shooting games. On the other

hand, Splatoon also stands out with its resource recycling system. This is reflected in-game via the resource: ink. The ink acts as ammunition, which the player can use to attack enemies or paint the floor. At any instance, the player can change form and replenish ammunition from surfaces smeared with friendly ink. Therefore, the gameplay revolves around ink and creates a dynamic "positional warfare" where the frontline is constantly changing. Outside gameplay, there is a resource recycling system between different game modes. In PVP, the more you rank, the more you need to focus on equipment. Players acquire equipment by spending another resource: gold. The most important source of gold is PVE (Nintendo, 2017). Thus, a resource cycle between PVP and PVE is established to encourage players to explore both modes. This new gameplay and resource circulation system are created on the basis of game consoles. Finally, at the 2015 TGA Game Awards, Splatoon won the Best Shooter Game Award and the Best Multiplayer Game Award (Thegameawards, 2015). As Nintendo expected, they always strive to create new games that are not bound by the framework of existing games.

Fig.4 A video game named Splatoon by Nintendo



Source: <https://gamerant.com>



## **Build IP**

Nintendo created a great product kingdom with game IP. If a game is a seed, then IP is about letting the "seed" take root and grow into a tree of products. So how to derivative IP has become one of Nintendo's specialized research. Nintendo has created countless games, and most games don't just exist as separate video games. Under Nintendo's intentional design, many video games evolved into IP. When the IP was successfully created, other versions of the same series of video games and hobby products followed. According to incomplete statistics, as of 2016 alone, Nintendo has successfully created 193 IPs (Fig.5). At this time, Nintendo became one of the companies with the most IP industry in the world (Goldie, 2016). Among them, Super Mario is one of the most valuable IPs. Mario has now become Nintendo's mascot. And Nintendo also earned 25 billion dollars with the Mario IP. Mario first appeared in the 1981 release of Donkey Kong. And Super Mario Bros is the most successful one in the series. When the game was successful, Nintendo found a business opportunity in the game character Mario and began the evolution of Mario, a super IP. Firstly, Nintendo spawned more than 200 Mario-related games (Fig.6). These new games didn't take the place of Super Mario Bros. As can be seen from the sales data table of Mario-related games in Fig 7, Super Mario Bros still ranks second in the total of 40.24 million. And the gaming app's consoles have even long since been discontinued. Moreover, Mario formed a

certain scale of productization. Nintendo's creation of Mario's IP is not limited to only allowing Mario as a character to make cameo appearances in other video games. "Mario" is not only a game character, the name is combined with other elements in Mario's game. This gives rise to the "Mario theme". And these elements under all Mario IP can become commodities. The most representative is Super Nintendo World in Universal Studios Japan, which is an area with the theme of Mario (Fig.8). And it is not just a product that will make the appearance of Mario elements. Nintendo managed to find a way to gamify the theme park experience (Byford, 2021). Nintendo eventually stuck to its philosophy, "to surprise everyone and bring smiles to all consumers". In addition, to develop this IP, Nintendo's copyright policy has changed. Since Super Mario is the eighth most profitable media franchise in the world, Nintendo strictly protects Mario's copyright to prevent any possibility that could damage Mario's image. But over time, on the one hand, Nintendo opened the door to cooperation and began lending the Mario IP to other teams. For example, in cooperation with Sega, developed the game, Mario & Sonic at the Olympic Games Tokyo 2020, with Mario and Sonic as the protagonists. Nintendo, on the other hand, opened up areas that Mario IP had never touched. For example, working with Illumination to adapt Super Mario into a CG movie (Pattni, 2021). It can be seen that Nintendo is gradually relaxing its strict policy on copyright. This means that the Mario IP will have more possibilities to grow. These can prove that Nintendo attaches great importance to IP development.

So it is foreseeable that Nintendo will continue to explore new possibilities of IP.

Fig.5 Nintendo's IPs kingdom



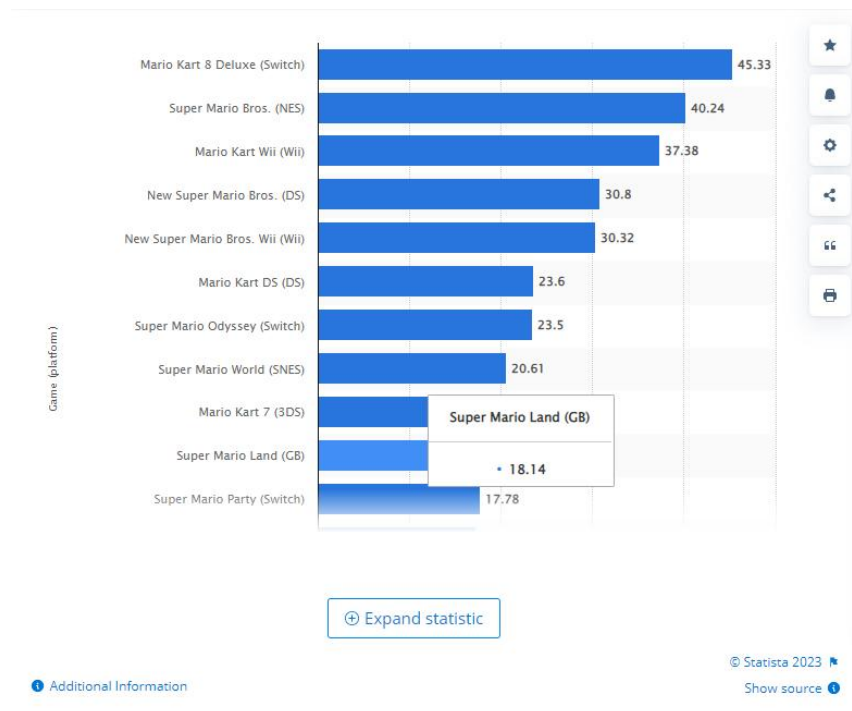
Source: <https://www.gameskinny.com/>

Fig. 6 The different Mario video games



Source: <https://ecranpartage.ca>

Fig. 7 The data of best-selling Mario video games worldwide



Source: <https://www.businessinsider.com/>

Fig. 8 Super Nintendo World



Source: <https://www.usj.co.jp>

## Reflection

I joined a game studio in October 2022 that develops indie games. Our studio's



goal is to make a series of games that break tradition. At this stage, the work is about preparing the first project, which is an AVG game. Below I will discuss how Nintendo's two cores: console-centric game development and creation IP, can be applied to my business plan. Firstly, I will try to develop games with new console mediums. The decision to develop console-centric games means that Nintendo is not a rule follower like most game companies, which rely on more popular electronic media, such as mobile phones. Instead, they choose to make their own media and games independently. This gave me some inspiration, maybe trying out new gaming equipment is also a good choice. Also, Nintendo do not make console-centered a drawback of game development, but create works that break through the existing game thinking. This innovative idea was applied by Nintendo to game development. And I got some ideas from this unconventional idea that could be applied to consoles. Taking advantage of existing gaming equipment, refurbishing and developing these devices is an innovative option. So in the end I found consoles that developed value : Dance Machine (Fig.9). Actually, most of dance machines are used in music games. The dance machines are actually derived from Dance Dance Revolution, which was introduced in Japan in 1998, and is a music video game. Dance Dance Revolution is popular all over the world because of its originality and sense of rhythm. And dance machine is a part of hardware of it. So dance machines have always been associated with music video game And no game company has tried to use dance machine as a

console for other types of games. But in fact, dance machine is a very mature gaming device. It has directional movement keys. And the device, the upper, middle and four corner positions have enough space for other settings. In addition, when players use the dance machine to play the game, they have to use their legs to manipulate the in-game character movements. It allows them to better integrate into the game.

So dance machine as a game console deepens the realism that the player feels. To sum up, After thoroughly researching Nintendo's console-centric game development, I found a new console that could break with tradition.

Fig.9 A dance Machine for a sports game



Source: <https://www.amazon.ca>

Moreover, I try to build more complex world settings in the game. It can be seen from Nintendo's decades of creating super IP that it is necessary to consciously build IP. So before I make a game, I should be ready to build an IP. Also, Nintendo did not limit the value of IP to a series of video games. They made other attempts to amplify the IP. So building an IP doesn't mean having only one of the game characters as an IP. The complete worldview setting in the game can also be created as an IP. And from the point of view of complexity, because of the complex world setting, it can include character setting, environment setting, time setting, and background setting. So, the complex world setting is full of endless possibilities. All the elements inside are also more conducive to being made into other products. Also, from the perspective of the development of my studio, the full-world setting is useful. Because my team's goal is to create a series of games. The sequel to the series needs to be supported by complex world settings. And the series of games can gradually show players the complete world setting. This is also good for deepening players' interest in the game. In addition, a complete and complex world setting is also necessary from a game development perspective. Since our goal is to make an AVG game, the game includes a lot of clues and mysteries. If these small elements are associated with the world setting, players can find a sense of belonging to the game setting when playing the game. At the same time, these will also become small Easter eggs in the game. In short, in researching Nintendo's IP building, I was inspired to build the world

setting of my game to build IP.

## **Conclusion**

An essay is not enough to fully explain the reasons for Nintendo's success from all angles, and analyze how to translate this knowledge into my business.

On one hand, in the Nintendo research section, I choose to analyze it from the perspective of console-centric game development and IP building. In terms of consoles at the heart of game development, Nintendo built its consoles and created groundbreaking games. And in terms of building IP, Nintendo has not only managed to create one of the most famous IP images in the world, and try to expand the value of the IP. On the other hand, the analyses of the reasons for Nintendo's success can be used as lessons for me to apply to my work. To sum up, as a designer, I can gain experience by analyzing the experiences of my predecessors to achieve success more efficiently.



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