



Keio Business School

Interfirm Relationship and Video Game Development in the Home Video Game Console Industry I: Japan in 1990s

5

10

Abstract

The development of the current home video game console industry began in the mid-1980s with the success of the Family Computer (Famicom), known outside Japan as the Nintendo Entertainment System (NES). The subsequent launch of the Super Famicom (also known as Super Nintendo Entertainment System, SNES) in 1990 and the introduction of the PlayStation by Sony Computer Entertainment (SCE) in 1994 heralded a new era of competition among video game consoles. This material briefly contrasts the measures taken by Nintendo and SCE in the latter half of the 1990s from the perspective excluding technical characteristics, summarizing the characteristics of video game development and the relationship between game console manufacturers and video game developers. Due to differences in market characteristics, distribution structures, and corporate organizations between Japan's video game console industry and its overseas counterparts, we limit our focus to events in Japan. In this way, we attempt to extract universal structures from the Japanese video game console industry that emerged rapidly in the 1990s that can also be used as a reference for corporate management in other industries.

15

20

25

30

This case was written by Naoki Watanabe (Graduate School of Business Administration, Keio University) for facilitating classroom discussions at Keio Business School. This case is published by Keio Business School. Inquiries about reproducing the case should be referred to Keio Business School (4-1-1 Hiyoshi Kohoku, Yokohama, Kanagawa 223-8526; Phone: +81-45-564-2444; E-Mail: case@kbs.keio.ac.jp) To order copies of the case, go to the website (<http://www.kbs.keio.ac.jp>).

35

Copyright © Naoki Watanabe (1st ed., June 2022)