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SONY PLAYSTATION'S STRATEGY



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INTRODUCTION

Sony group corporation is a multinational company that developed electronics products, film, music and more electronic products. The company was incorporated by Ibuka Masaru and Morita Akio in 1946. " Based in Tokyo, Japan, it operated at one of the world's largest manufacturers of consumers, professional electronic products and video games console. Furthermore, Sony group is holding company of Sony pictures, Sony music, Sony interactive entertainment and others. After the world war II Sony has represented the main company with high innovation on its products by introducing on the market revolutionary products such as transistor Radio, the CD player, the Walkman portable cassette player and other innovative products. However, the main market where the Sony generated a high percentage (about 10% of its revenue) is videogames console and software with playstation Brand. Sony interactive multimedia is a conglomerate of Sony corporation to which handle the playstation brand as well as the research and development, production and sales of both hardware and software for the playstation video game system by having several subsidiaries in Sony's largest market: North America, Europe and Asia.

SONY ENTERTAINMENT INTERACTIVE; OVERVIEW

Sony group corporation is a multinational Japanese company to which develop large manufacturers and electronic products. Sony is a largest video game console product by owning the playstation Brand that consist in home videogames consoles, media-center as well as online service. The playstation brand is part of Sony entertainment interactive that is a division of Sony to which has released the first playstation home console in 1994. Believing in the three dimensional(3D) game that offers to the users an immersive experience game, the first playstation was a breakthrough for the video games consoles market. In 1999 Sony reached 60% of the U.S market more than the main competitors. The 2002, Sony launched on the market Sony playstation 2 to which dominated the video game console market with 55% market share more than Microsoft and Nintendo. In 2010, Sony playstation confirmed its supremacy with playstation 3 on the market by accounting over 50 % of the installed base of consoles more than of Microsoft and Nintendo. In 2013 Sony launched Playstation 4 that became the fastest selling console in history by catching 91 million of consoles in the

world. Furthermore, Sony has enriched its product range playstation with various product such as the first handled game console in the series, the playstation portable (PSP) playstation TV, and playstation Virtual reality(VR).

STRATEGIC MANAGEMENT PROCESS

The strategic management is a process that set the objectives, goals and procedures so that a company could reach a competitive advantage i.e. more competitive than its competitors. In addition, the strategic management is defined as a way to enhance the fulfilment of its mission and sustained creation through integration of strategic planning and implementation in an organization (Jhon M. Bryson, 2010). Yet, strategic management is choosing the things differently than competitors with lower costs and high satisfaction of customers needs (Porter, 1980). According to Mintzberg, the corporate strategy give a vision of the company regards its mission, the internal and external stakeholders which the corporate identity and its culture (Mintzberg, 1998). The strategic decision are influenced by the stakeholders groups. The stakeholders is a group that can either affect or be affected by the company. there stakeholders can be internal stakeholders who are people which have a direct relationship with the business such as ownership, employees at a different levels in the hierarchy and external stakeholders who don't have a relationship with the company but are affected by the outcomes of the company such as suppliers, competitors ,creditors, government and so on (Whittington R., 2020)



According to Chiavenato (Chiavenato i., 2009), the fundamental elements in the strategy is the Mission as it explain the main target of the company. furthermore the vision of the company is the answer what the company is going forward.

STRATEGY FORMULATION

Strategy Formulation is the process that an organization implement to reach its target and to realize its mission. Such analytic process allows an organization to analyse its resource and create a business plan so that to increase the profits. In other words, it refers to the action of the company to realize its goals. (Lynch R., 2018). The core of strategy is to define how the organization make a difference and mostly for who the organization make such difference. The purpose of strategy can be defined by four ways: (Whittington R., 2020)

- **Mission-** the mission is intended a short statement to what is the main goals of the company and why the organization exists.
- **Vision-** the vision statement refers to the document to which draw the current and the future objectives of a company.
- **Values-** the values of company define the hearth of he company i.e. draws the principles to which guide an organisation's strategy and the way that the company operate to reach its objectives.
- **Objectives-** the objective statement refers the main outcomes that the organization would achieve. For example. The level of sales, profit and so on.

The purpose of strategy



SONY'S STRATEGY FORMULATION

Mission

The mission statement give an image of who is the organization and helps the employees to realize why the organization exists and what is his main purpose (Lazarev V., 2001) According to the sony's mission statement: "the mission of the company is the develop products that inspires and fulfils the curiosity of customers". Thus, sony develops products to which inspire emotion that move customers. Moreover, the mission states that the company through its products want to create new excitement and entertainment by creating new experiences to the customers. Indeed, the Playstation console create a bond to the customers to which is based on gaming experience by giving to the customers the entertainment and innovation that fulfil their curiosity (Sony, n.d.).

Vision

The vision is factor that project the real future of the company so that to shape the company's action and energize its strategy (Thompson A., 2006). The Sony's vision statement state: "our vision is to use our passion for technology, content and services to deliver emotion, in ways that only Sony can". (Sony, n.d.) Firstly, The company focus on innovation and development to deliver high quality of product to satisfy the emotion of its customers. Furthermore, Sony hires employees- to stimulate emotional response- that have passion for technology to develop such as new gaming products and services.

Strategy

The strategy is the long-term direction that give a comprehensive view of how the company will reach its goals. (Whittington R., 2020). Strategic planning is to enable the environment to achieve a competitive advantage (Akinyele S.T., 2010). According to Sony corporate strategy meeting, Sony has a long-term view to create cutting-edge technology to fill the emotion of the people (Sony, 2020). the main strategy that Sony uses to its purpose is the differentiation. This strategy involves the uniqueness of its products than competitors in the market by making its products attractive and profitable.

Objectives

The objectives are essential the achievements to which the company make its strategy (Porter, 1980). In an organization is important that all employees understand the main objectives of the company so that to create a synergy and motivate employees on the organization. (Eden C., 1998) Sony represents an innovative company in the technology field. The main objective is to develop new technology i.. new products with high-performance technology by holding its competitive position and maintaining its core market segment. Furthermore, Sony expand its business in the emerging market by reaching out new customers and new geographic area. In addition , Sony focus on the sustainability at all levels of its business operations by combining ecology and economy together (Sony, 2000)

ANALYSIS RESOURCES AND CAPABILITIES: VRIO ANALYSIS

The resources and capabilities refer the source and capabilities that drive the company to have the profitability as well as to the competitive advantage and to offer to the customers the best product on the market. However, to analyse the resource and capabilities there are many tools but the most used is the VRIO analysis to which analyse whether the resource and capabilities of the company are Valuable, Rare, Inimitable and organized and if they lead the company to pluck the competitive advantage. (Whittington R., 2020). Whether the resources and capabilities meet the four elements it implies that the competitive advantage of company is sustainable otherwise the competitive advantage is temporary.

V VALUABLE	R RARE	I INIMITABLE	O ORGANIZED	
NO				COMPETITIVE DISADVANTAGE
YES	NO			COMPETITIVE PARITY
YES	YES	NO		TEMPORARY COMPETITIVE ADVANTAGE
YES	YES	YES	NO	UNUSED COMPETITIVE ADVANTAGE
YES	YES	YES	YES	SUSTAINABLE COMPETITIVE ADVANTAGE

Brand image

Sony has the strong brand image that results the main capability of Sony to which make it popular in the global markets. A strong brand image gives to the customers the trustworthy and more attraction. For instance, Sony Playstation is considered more innovative and it is at the forefront with technology innovation. Furthermore, the playstation has been recognized by Guinness world records as the best-selling videogames console in the world by having sold 450,19 million unit over 25 years. Hence, the brand image of Sony is considered the key of its competitive advantage

Technological innovation

Sony is a big-tech company that focus on the innovation and Research and developed(R&D). indeed, Sony is associated with unique products that are based on advanced technology and high-performance. For instance, Sony created the blu-ray format that it was a digital optical disc storage to which allow the video in high definition. Such format became the standard format which being used even by the competitors such as Microsoft. Thus, the technological innovation is a key factor of its competitive advantage

Product Range

Sony is a multinational conglomerate company that produced a wide range of products. it implies that Sony gets its profits from a various products . Apart from to produce televisions, mobile phone, Sony is a leader in gaming console with its brand playstation. In other words, by having a portfolio highly diversified, Sony making its position highly competitive than its competitors.

Market position

Sony hold a leadership position on the market with higher profitability in all the leading markets through its innovation, product quality, sustainability as well as the marketing.

However, the advantage that Sony has on the market is temporary because the competitors are ready to take over of the market.

Human resource management

The success of a company depends of its human capital and how the company attract highly skilled employees. Therefore, Sony adopted employee-friendly policies to attract high skilled people. The HRM of Sony include diversity, inclusion, safety, occupational health and talent development. However, the competitors are investing more in training to improve their Human capital. Therefore, this is only a temporary advantage that detect than its competitors.

Sony's Vrio Analysis

CORE COMPETENCES	VALUABLE	RARE	INIMITABLE	ORGANIZED	ADVANTAGE
Innovation	Yes	Yes	Yes	Yes	Competitive Advantage
Product range	Yes	No	Yes	Yes	Temporary Advantage
Brand image	Yes	Yes	Yes	Yes	Competitive Advantage
Market position	Yes	No	No	Yes	Temporary Advantage
Human resource management	Yes	No	No	Yes	Temporary Advantage

PORTER'S VALUE CHAIN

The value chain's porter is a tool that analyse the activities which can be improve so that to create a competitive advantage (Brown, 1997). The latter consider all factors which allow a company to create its products better than the competitors. The company can create a competitive advantage through some follows areas:

- **-Cost leadership-** In this case, it talks about the cost leadership when the company offer a product or service at lowest cost than the other competitors.
- **-Differentiation-** in this case, the differentiation is when a company offer a unique or highly specialized product or service.

To understand the cost and value of each component is better to split the activity of the company so that we have a good picture of it. The value chain analysis is makes up by:

-Primary activities that are all essential activity to the creation, sale, and support of product. they are the following:

- ✓ **-inbound logistic-** regards the processes to receiving, storing, and distributing inputs i.e. finished inventory from suppliers to manufacturing or assembly plants, warehouses or retail stores.

- ✓ **-operations-**are the activities that turn the input into output to which that is being sold to the customers
- ✓ **-outbound logistic-**regard activities that deliver the products to the customers such a storage and movement of the final product.
- ✓ **-marketing and sales-**are activities such as marketing promotion and all activities to inform consumers about the products.
- ✓ **-service-**includes all activities to guarantee the consumer that the product or service working effectively after sale.

-support activities which support the primary activity to be more efficient:

- ✓ **-procurement-** refers the acquisition of goods, services or works from an outside external source. In this field company makes even decision of purchases .
- ✓ **-technological development-** relate to managing and processing information, as well as protecting a company's knowledge base. It pertains to the equipment, hardware, software, procedures that brought in the firm's transformation of inputs into outputs.
- ✓ **-human resource management-** includes all activities of hiring, training, developing and all activities regard of human resources
- ✓ **-Infrastructure-** it consists the organization structure, functions and department that the company has such as accounting, finance, legal, planning, marketing and so on



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SONY'S VALUE CHAIN

Primary activity

1)Inbound logistic

Sony is a video game developer (i.e. publisher) that has an internal staff of developers (Studio). Usually, the main difference between game developers and publishers is that the game developer make-up the video game, instead, the publishers handle the sales and marketing of it. In other words, the publisher typically funds development of the video game to the developer, which is being produced and released on their console normally 12-18 months.

In addition, to product the playstation console, Sony purchase raw materials, electronic component, processors, graphic chip cards by third parties suppliers such as Nvidia, AMD, Toshiba.

2)operation

The game development is a process of developing a videogame by creating it through the design. Hence, apart from to product playstation console, Sony is a publisher for its own playstation platform. Sony entertainment funds a project, develop and test game, built up marketing departments and negotiated terms with retailers. Sony Own more game studios such as naughty dog which is one of the most successful game development studios in the world that was acquired by Sony computer entertainment in 2001.

In addition, the Sony's production is around different continents such as Asia, U.S, and Europe. The playstation console is product mostly in china which there are many manufacturing warehouses where playstation console is assembled. (BBC., 2014)

3)outbound logistic

In 2001, the broadband internet connectivity took over and the game companies could transmit more information with high-speed. As a result of the broadband, in 2006, Sony entered in the online video game arena with playstation network platform through the playstation 3 console that delivery service for playstation owners. Such service allows the players to connect through internet so that they could play against each other apart from to provide download access to various services such as games, movies and music. (Sony, 2020)

Furthermore, Sony entertainment sold its products (games and consoles) through distributors such as Gamestop and numerous entertainment stores. Hence, Sony's entertainment worldwide market consists of nearly 120 countries that include more U.S, Europe and Asia.

4) Marketing and sales

Marketing and sales provide the means to sell the product and service to customers such as sales administration, advertising and selling. The playstation Brand includes more products: Playstation 2, playstation 3, playstation 4, playstation VR Playstation portable(PSP).

The interactive Video gaming industry is highly competitive with important players Sony, Microsoft, Nintendo. There are many criteria which affects the final price of the products. As far as Sony entertainment concerned, it uses a market premium strategy that involves an high initial price. Sony playstation is typically priced higher than the market average so that to create a sense in the market that the product has a bit higher quality than the competitor's products. The playstation 3 was priced at \$599 than the Microsoft Xbox that was priced at \$399. This strategy so-called loss leader strategy which a company sell a product or service at a price that is not profitable but in loss so that to attract new customers or sell other, more expensive product, in this case the videogames software. Furthermore, the advertising is the most method that Sony use on its business by doing an aggressive market campaign to make its products highly visible to customers.

5) Service

includes activity to keep the customer such as customer service.

Sony entertainment give 1 year of warranties to the customers if there are any material defects. In other words, the products will be repair for free. Furthermore, Sony has a good online service to help the customer to resolve any-issue. (Sony, 2020)

Support activity

1)procurement

Sony procure parts, equipment, materials and service by numerous suppliers in the world to make its products more competitive with high quality than the competitors. In other words, Sony has a collaborative relationship with suppliers to strength and improving the quality and technological competence of its products. (Sony., n.d.)For instance, to produce PS3 Sony collaborated with Toshiba and IBM to develop the ps3's cell microprocessor

2)technological development

Sony was the pioneer in many technological areas by offering revolutionary products such as, the compact disc, blu-ray disc, and mostly in videogames field. Indeed, the first playstation, in 1994, provided a more immersive three dimensional(3D) experience than a two dimensional(2D) by setting a new standard of the new generation console. Moreover, in 2001, the playstation 2 was a turning point to which offered an advanced graphics and the first console game with DVD player a reasonable price of \$299 by considering that the first DVDs players had a high-price about \$800. Furthermore, in 2005 Sony founded a Sony interactive entertainment worldwide studios(SIE worldwide studios) that is a group of video game developers such as naughty dog studios, insomniac studios ,japan studio Santa Monica studios and so on that develop videogames exclusively for the playstation consoles by offering videogames with a cutting-edge graphics technology than the competitors (Sony Playstatio., 2020). Finally, in 2016 Sony released the playstation virtual reality (VR) by setting a new technology standard for the next generation console. Sony is one of the companies

with the highest spending in R&D. The expenditure of research and development has grown year by year by reaching \$4.60 billion dollars in 2019 (Statista.com, 2021)

3) human resource management

In a bid to remain at the forefront of technological development, Sony considers its employees as its most important resource to create a high level of profit and sustainable social value. The basic approach that Sony use to evaluate its employees is to assess the full potential of individual employees with their own motivation, autonomy and desire to grow up. In 1946, the co-founder Masaru Ibaka wrote the founding prospect which underlying to create a pleasant working atmosphere, fun and dynamic workplace so that to have a satisfaction from the employee to have a good performance that will lead to growth of the organization. In addition, the diversity of Sony's business and people are a one of the major features to create value. So far, Sony has been providing advanced training programme to its employees to keep them with more knowledge and skills. (Sony., 2020)

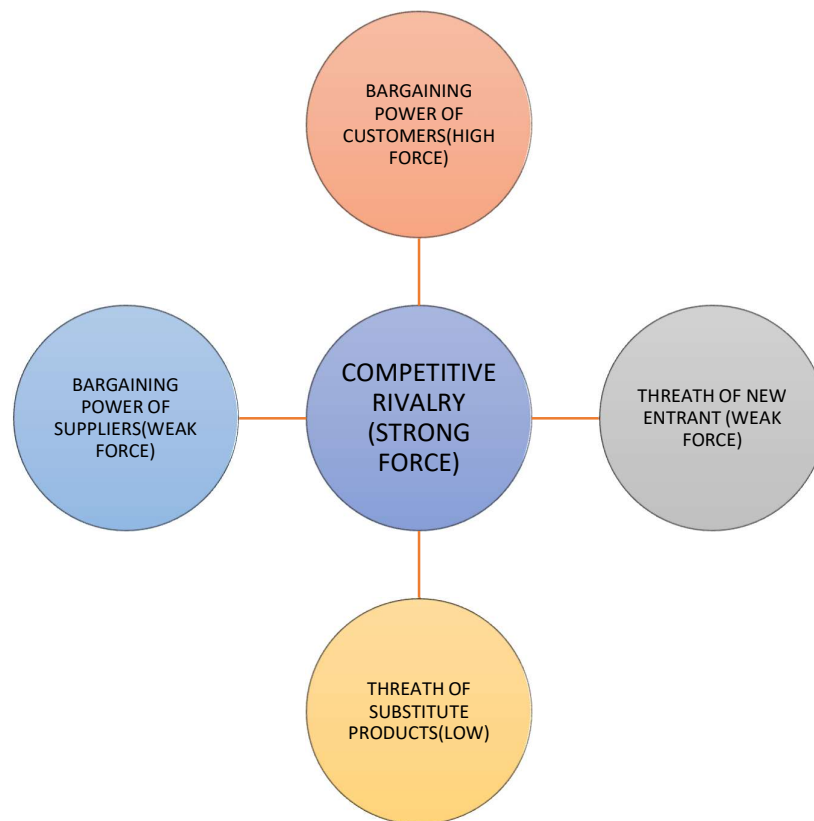
4) Firm infrastructure

Sony's firm infrastructure allows to handle the more functions that Sony deal with such as electronic, gaming, entertainment and financial service market. As a result, Sony present a multidivisional structure based on business function and product/business type. For instance, Sony Music, Pictures, Game& network service. In addition, Sony has a huge geographic division for finance, planning and strategic decision-making such as Japan, U.S, Europe, China, Asia-pacific and other areas. Thus, the busines type division allows Sony to have a weight competitive advantage than the competitors on the market (Panmore., 2018).

5 FORCE PORTER

According to Kaplan and Norton the main point of strategy formulation is to analyse the external environment (Kaplan S., 1996). According to Lummus, Krumwiede and Vokurka, the industry is a set of organizations that have the same features and competing in the same business environment (Lummus R., 2001). The porter's five forces model is a tool that analyse the competitive environment of individual industries. In particular, the tool focus on the specific forces- 5 forces- to which determine the competition (Porter M., 1979). The main purpose of this tool is to analyse particular key drivers of success through 5 forces:

- **Competitive rivalry**
- **Bargaining power of customers**
- **Bargaining power of suppliers**
- **Threat of new entrant**
- **Threat of substitute products**



1) Competition rivalry (Strong force)

Sony computer entertainment is a videogame company that own to Sony corporation. In the game industry there are a high aggressiveness of firm which represent a strong force. The competitiveness in such industry is so-called Console War that describe the competition on such digital sector whereby the manufacturers challenge themselves to offer the best videogame console. The main competitor is Microsoft that offers to the customer the Xbox console to the hard-core gamers which is a highly personal computer that unify the online multiplayer experience by providing a Microsoft Xbox live service. Another competitor that is part of the console war is Nintendo that offer a different strategy. Unlike Microsoft that offer a high advanced hardware, Nintendo create fun, simple, kid-friendly games to the people of all ages and genders. However, low switching cost represents a major contributor as the customers can pass to another brand. In addition, the moderate number of firms is a moderate force for Sony as it can handle the competitive advantage. To summarize, the main competitors are:

- **Microsoft**
- **Nintendo**

2) Bargaining Power of Suppliers (weak Force)

The bargaining power of Sony suppliers is low to moderate because the high financial influences that Sony has. Hence, Sony has a great control on the supplier. Indeed, it is easy for the company to change supplier owing to the high technological products which it offers. Conversely, it could be a major loss for the suppliers. Furthermore, another element that makes the power of supplier a weak force is that the suppliers don't display a credible threat for forward integration in which Sony works. The forward integration is a kind of strategy whereby the firm acquires supplier companies by replacing the third parties' channel to consolidate its operations so that to improve the efficiency and performance of the firm and reduce production costs. To summarise, in the videogames industry Sony has a competitive advantage over its competitors, therefore, it is important from the suppliers to keep Sony as a customer. Thus, the power of supplier is a weak force.

3) Bargaining power of customers (high)

The customers can consider whether or not to move from one brand to another. In this case, the power of buyers of Sony is high by considering the low switching cost which allows the customers to move easily from one company to another. Consequently, the right strategy to attract buyers is to create an aggressive marketing campaign so that to have a competitive advantage. In addition, the game consoles both Microsoft and Sony have similar features and similar services. Thus, the low switching cost creates a kind of battle on the exclusivity games or services that drive the customers to transfer to another company. In other words, Sony must focus on an aggressive marketing campaign and mostly to create more exclusive games.

4) Threats of new entrant (Low)

The threats of new entrants in a videogames industry are very low by considering the high cost of such sector. Indeed, the new entrants should compete with the competitors on a high scale by building a relationship with high-quality suppliers. Furthermore, another barrier for the new entrants is the steady innovation that results in having a huge capitalization.

5) Threats of Substitutes products (Low)

Threats of the substitutes products is low in account of the limited company and because the high quality of product that Sony offers. In other words, the gaming experience that Sony playstation offers attracts millions of people even if the console games doesn't offer a huge number of games software in it. Indeed, the intellectual property that Sony offers as exclusive games on the playstation platform makes aware the customer of the quality of the product. However, the low switching cost could allow the customers to move towards other substitutes consoles such as Microsoft xbox or Nintendo Wii easier.

SONY'S PESTLE ANALYSIS

The pestle analysis is a strategic tool to examine and assess the external factors around the businesses i.e. Political, Economic, Sociological, technological, legal and environmental. (Kotler P., 2016). The radical change that is occurring in the society may have an impact on the organizations to which is important to analyse it. (Tsiakkiros A., 2002)



Political factors

Being a global brand, Sony has a massive presence in several countries. Indeed, the political factors in different countries affected directly Sony's operations. For instance, Sony supply chain in China. if there was a political instability in china, it could affect the distribution of products in china. In other words, the political instability could create an economic instable that could lead an insecurity and create economic loss for the company. On the contrary, a political stability is an indicator that give an economic stability, thus, may lead a higher growth. In addition, the bureaucracy could interfere in electronic equipment by government. Indeed, in the U.S a number of states introduced the family entertainment protection act in November 2005 that ban the selling of adults videogames to anyone under 17 years old.

Economic Factors

The economic factors that may affect the Sony's performance are macroeconomic. A big company as Sony, the macroeconomic factors such as the inflation rate, the interest rate, the foreign exchange the Gross domestic product (GDP) can have a huge impact on Sony's growth both highly profitable or may bring a losses. In other words, these factors can have an impact on aggregate demand, aggregate investments and on the entire businesses that

could turn into in a high profitability or loss. For instance, in the 2009 owing to the financial crisis Sony has had a loss of 98.9bn yen (£685m) (guardian.com, 2009).

Social Factors

The social factors that affect Sony depend of country that Sony operates. Sony is considered by the customers one of the best brands all over the world. It has expanded itself in more different cultures dealt with the diversity of all countries. In other words, socio-cultural factors have an important role on Sony strategy. Indeed, it makes more effort to create different strategies which adapt to the local cultures. For instance, The Japanese videogames series so-called “Yakuza”-developed and published on playstation 2 by Sega company- was released just for the Japanese market by considering the Japanese character that it has. (Gaijinpotblog., 2020)

Environmental factors

Sony corporation based its production on sustainable approach. In 1990, Sony has built “road to zero” plan which had the target to achieve a zero environmental footprint by 2050. As a result, each product which Sony make respect the climate change and biodiversity. To fight climate change Sony conduct its business in a sustainable way by reserving resources, manage chemical substances and conserve biodiversity by making its products more environmentally friendly. (Sony.com, n.d.)

Legal Factors

Sony must take into account some legal factors in the game business. Sony is a big firm that must deal with numerous legal aspects of different countries that it had to abide from the taxes to labor laws. Thus, the change in international law or trade restriction could affect Sony which has to follow the rules and regulations of the governments in a different countries. In addition, Sony must consider and stick to the entertainment software ratings Boards (ESRB) which inform the consumers about the content in games and to help them make educate decisions about the game so that pre-empt federal regulation. (Wikipedia., 2020)

Technological factors

The effects of technological factors play the most important role for Sony corporation. In this new era the technology become obsolete very early. The society is going toward the fourth industrial revolution where will be multiplied technologies such as artificial intelligence, robotic, the internet of things and other new technologies. (World economic Forum., 2016) Sony must deal with such technological innovation and should invest as much as possible in research and development(R&D) to create products with cutting-edge technology to be ready for the next fourth industrial revolution. However, the high rate of research and development activity may create the competitiveness against Sony. Thus, represent a threat against it

SWOT ANALYSIS

The Swot analysis is a tool to which is being used to build both organizational strategy and competitive strategy (Kotler P., 2016). It analyses if an organization align itself the internal activities with external realities by assessing the strength, weaknesses(internal) opportunities and threats(external) so that to clarify the world to which the business operates to understand the better to implement. (Pahl N., 2009)



Sony's strengths

The strengths are factors that bring profitability to the business. Sony is one of the biggest corporations of technology and well-recognized Brand. Its strong brand and the quality and diversification of its products make the customers aware of its competitiveness. Furthermore, Sony presents an high brand range of electronic products and service such us Tv , Home theater and Videogame console. However, Sony stands out mostly with the brand playstation that displays high users than its competitors. Indeed, in 1999, Sony playstation capturing 60% of the U.S market twice as much than Nintendo and Sega. Subsequently, with playstation 2 Sony dominated the video console market with 55% market share than Microsoft's Xbox with 24% by reaching a competitive advantage for the foreseeable future.

Sony's weaknesses

Sony playstation console may result less powerful than the Personal computer(PC) as the latter presents an advanced technology than playstation in term of performance, graphics and resolution. Moreover, the frequent updates that the console has, may be a weakness as the customers have to change the console every few years that result very expensive to them. Another one weakness is the imitability of the products. The Sony's competitors can imitate easier the games, the console, the online service. Finally, Although the playstation brand do well in terms of sales, the marketing is not strong with its positioning and the unique selling preposition could create an advantage on its competitors.

Sony's opportunity

The technological development is growing faster. the new technologies can drive Sony to a rapid innovation. The competition of virtual reality will be a new market that represent an opportunity to which Sony has already the advantage with playstation VR. Furthermore, the Videogame market is having a huge transformation through the streaming platform i.e. the customers can play the video-games on a streaming platform which is a new opportunity in the next generation consoles. Hence, Sony has launched for the playstation family the cloud gaming subscription service called playstation Now in which it allow to the customers to stream or download the games from playstation 2, playstation 3 and playstation 4 by creating a unique platform playable through any device. Moreover, the Technological development could drive Sony to consider a further business diversification going forward.

Sony's threats

The major threats that Sony playstation brand could have is the dropping sales of console in the next years as the breakthrough of new technologies such as virtual reality and the streaming game will be part of the future of videogames. Another threat that could hit Sony are cyber attacks because of the increasing of the online databases and network. In April 2011 the service online Sony playstation network was hacked in which a lot of personal information of customers, including credit card details was stolen by leading Sony in a big threat (guardian.com, 2011). Finally, the speed of technology's progress may lead the competitive rivalry to invest more in research and development(R&D) that may concern the company.

ANSOFF MATRIX SONY

The Ansoff matrix assess if the company can introduce the right strategies to ensure the growth. it is formed by 4 key points to which shows the relationship between the products and the market and the options that the company can use. Market penetration, product development, market development and diversification (Kotler P., 2016). The Ansoff matrix give to the company where and how to be competitive both in the current market on in new market with new or current products. furthermore, it being used from the company which have the financial capability to introduce such new strategies. (Sajjad Hussain, 2013)



Market penetration

The market penetration is a strategy to increasing the growth i.e. the sales through existing products. the market penetration is the primary strategy of Sony as its goal is to increase sales in its main market where the company operate. In other words, the intensive strategy helps the company to increase the sales and attract more customers. For instance, Sony grows its business by intensifying its marketing campaigns to sell more Playstation units. Yet, in 2016, Sony developed the playstation virtual reality on playstation 4 so that to make its brand more desirable than the competitors. Thus, a market penetration ensures sony's competitiveness and keep its competitive advantage against the competitors.

Product Development

The product development means that to create new products in the same market. indeed, in the video game industry, is an important factor to innovate and to make a market penetration strategy to overcome the competitors and create product with cutting-edge technology. In 2003, Sony attempted to establish its portable gaming device console so-called Playstation portable with a new format Universal Media Disc(UMD). Yet, in 2016, Sony it was the first company to develop a virtual reality for playstation 4 established a new standard for the game consoles. Hence, a strategic objective based on the product development strategy make the company more flourishing through new breakthrough products.

Market development

The market development is a strategy to enter in a new market by using existing product. Sony uses the market development strategy for its growth. Sony can introduce its product in a market where it doesn't have a major presence with different strategies such as international expansion by understanding the cultural differences. Also, Sony can focus on to reach new customer segments in the same market for its products. In addition, to reach new customer segments Sony could invest more to improve its brand awareness and marketing so that to increase its visibility and attract new customers.

Diversification

The diversification is a strategy to enter in a new market with new products. Sony has high market shares in certain products by focusing on more businesses such as Music, Picture, network service, entertainment as well as Videogames. The product range that Sony offers is wide to penetrate different segments markets and provide different solutions to the need of consumers. Furthermore, the differentiation strategy involve that the products are unique on the market than other products so that to create a competitive advantage on the market necessary to the Sony's growth

CONCLUSION

Sony Playstation Brand has reached the competitive advantage in the game market and it will be also in the foreseeable future. As a result, in the 2010 Sony playstation accounted over 50 % of the installed base of its consoles twice as much of its competitors. In addition,

the next generation consoles will be a high challenge of Sony against its competitors to which are investing more in research and development to make products with cutting-edge technology. Thus, Sony must invest and continue to improve the playstation Brand through rapid innovation so that to keep its competitive advantage in the console game market to increase the market share and its potential profit. As a result of the SWOT analysis a real threat that could affect Sony in the foreseeable future are the cyber attacks. (World Economic Forum., 2021) Indeed, Sony must apply continuous improvement to keep its systems safe of this current and next threats to which could affect the profitability of entire electronic industry. Finally, the new fourth industrial revolution that to which will be part of our lives by 2030 will cause a huge impact for the industries that will have to adapt to the new technologies such as artificial intelligence new connectivity and robotics to remain competitive in the next decades and represents a new challenge that Sony would cope.

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