

# SWOT Analysis on Sony's PlayStation Under COVID-19

Yannan Niu<sup>1,a</sup>

<sup>1</sup>Arcadia University, 450 S Easton Road, Glenside, PA, 19038

<sup>a</sup>\*Corresponding author. Email: yniu@arcadia.edu

## ABSTRACT

Since the beginning of 2020, the new crown epidemic has been a global problem. Many industries have been severely affected by the pandemic. Depending on the company's response and the strategy adopted by the entire industry, the impact of the epidemic on the industry can be negative or positive. It is fortune for gaming industry to develop their own products in this pandemic. Sony's PlayStation 5, a gaming console product, is a stunning exemplar. It came out in November 2020 and achieved a huge success till now. The paper will analyze Sony's PlayStation's development and mode of operation under the pandemic background based on the SWOT Analysis Model step by step. SWOT stands for Strengths, Weakness, Opportunities and Threats. A SWOT Analysis is a general technique for assessing these four aspects of a business. After conducting literature research and applying SWPT model on Sony's PlayStation business, this paper conducted the conclusion that Sony has a booming increase of sales and a comprehensive development. If Sony can release more exclusive games for users and explore more interaction form, it will make even more progress in the future.

**Keywords:** SWOT, Sony, PlayStation, Covid-19

## 1. INTRODUCTION

Covid-19 affected the whole world economy in a large degree. Many industries were greatly affected by the pandemic. For instance, the mode of operation of catering changed from dining in to taking out. This affected the sale price and caused many industries to collapse. However, if the company can follow the condition of the market and the need of the customer, the pandemic will be an opportunity to the company to become more welcome. Sony is a good example of such kind of company, its PlayStation 5 console was released in November 2020, which is almost the same time that the pandemic became serious. The paper makes research on the sales and the development of PlayStation in the background of the pandemic based on the SWOT analysis model and try to figure out whether the pandemic has some positive effect on the customers' living situation which help develop the PlayStation. The paper starts from the introduction of Sony PlayStation, then apply SWOT analysis model to the analysis on the PlayStation, make recommendations to Sony company about getting better profit and get conclusion finally.

## 2. INTRODUCTION TO SONY PLAYSTATION

PlayStation is a video game brand that consists of five home video game consoles produced by Sony Interactive Entertainment. As shown in the figure 1 below, the first PlayStation console was released in Japan in December 1994 [1], which has been 28 years from now. It became worldwide after the release. The original console in the series was the first console of any type to ship over 100 million units, doing so in under a decade [2]. The PlayStation 2, the successor, released in 2000 and reached over 155 million units sold by the end of 2012 [3]. PlayStation 3's sale was over 87.4 million units and PlayStation 4 released in 2013 made a sale of a million units in just one day. When it comes to 2020, the latest console, PlayStation 5 was released in 2020. Sony's PlayStation also has handheld game console like PSP and PlayStation Portable. They made a total of 80 million units by November 2013 [4]. In general, Sony's PlayStation has a long history and all the generation console was popular among gamers.

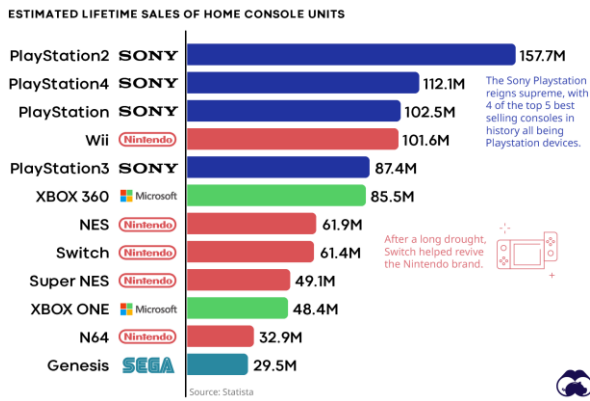


Figure 1: Sales Price of Each Console

### 3. SWOT ANALYSIS

This paper uses SWOT model to analyze factors that affect Sony’s PlayStation business. The SWOT analysis is a method which can be used to identify both internal and external factors that may affect a business. S, W, O, T in the model means strengths, weakness, opportunities and threats. How this analysis model work is shown in the figure 2.



Figure 2: SWOT Analysis Model

#### 3.1. Strengths

Sony’s PlayStation is a popular device among a great range of customers. It has been the industry leader in gaming factory for so many years. Apart from the impact of Sony company itself, PlayStation has many strengths that attract customers. First of all, PlayStation has a huge number of exclusive games which means players can only play those games in the PlayStation platform. For example, God of Wars, Marvel’s Spider-Man. PlayStation can attract gamers to come and buy their device to enjoy the exclusive games. Secondly, in addition to the exclusive games on PlayStation, customers can get a totally different experience when playing those games that can be played on other platforms with PlayStation. This is owing to the wonderful technology of controllers and 4k resolution.

Start from PlayStation 4, PlayStation has dual shock controllers which can give gamers more enjoyment and better game experience, compared with Xbox controllers. Take Call of Duty as an example, the controllers of PlayStation can give you a real feeling of shotted a gun. Let alone the brand-new dual sense controller that comes out PlayStation 5, it can offer haptic feedback, dynamic adaptive triggers. Players’ gaming experience will be improved in a very large degree.

An amazing experience of playing a game cannot leave the help with vision. PlayStation in the first console that touched 4k resolution and the compatibility for 4k resolution and display till the data as of 2017. Though other console like Xbox is planning to catch up with the 4k resolution, Sony’s technology will get more mature and stable. Thirdly, PlayStation’s customer service is well and the system of it is extremely user-friendly. Sony knows that the technology will develop amazingly fast, there will be higher generation console come out. The backward compatibility is an important character for the device now, which means PlayStation’s device has a relative longer life. For the user-friendly, PlayStation has monthly plan for online services which will provide gamers four to five games per month and support in the game. Last but not least, Sony’s PlayStation is the second-best alternative choice for a gaming PC. The reason for this is a good gaming PC that support high resolution and high refresh rate would cost over thousand dollars, which equals to at least two PlayStation 5. Therefore, the cost-effectiveness will always be a point to attract customers.

#### 3.2. Weakness

On the other hand, PlayStation also has some weaknesses when considering a SWOT analysis. Though the price of the console is lower than PCs, the customers should take the prices of games into consideration. Basically, the games on the PlayStation platform have higher prices. Even the same game, price can be different. For instance, a recent game called It Takes Two has a higher price on PlayStation, which became an advantage of PlayStation since it has a higher cost-efficiency. However, if a gamer does not worry about the price and want a better game experience, PC is ahead in technology. A high-end PC is much higher in resolution and gaming technology than the latest PlayStation. What is more, PlayStation is not very suitable for those gamers who do not like using controllers to play the game. PlayStation does provide keyboard and mouse support to rival PC gaming, but the keyboard support and the mouse gaming is not up to the mark and the experience is not as smooth as controller.

### **3.3. Opportunities**

The big background now is the pandemic. People are stuck at home and need something to kill the time. Gaming industry get good opportunity to develop. PlayStation catches that opportunity and releases PlayStation 5. The author thinks Sony caught the market changes of the pandemic and made some positive improvement on the PlayStation. Sony offer Play At Home activity that give some free games to gamers and encourage customers to spend more time at home to protect themselves. The higher and higher price of NVidia graphic cards also encourage people to choose console instead of PC. Virtual Reality is now a hot topic among many industries, including movies and gaming. Platform like Steam has already released latest at-home VR devices. Sony should pace up the development of VR technology application and launch its own virtual reality console, intended to appeal VR customer group.

Apart from gaming, PlayStation can be used as movie and show watching platforms as well. It has established cooperative relations with allies like Netflix and Disney but now it should build up its own platform. PlayStation should be opportune to catch the business chance to provide Sony movie prime services. This will offer more ways of entertaining at home and reach the aim of expanding the target customers.

### **3.4. Threats**

Other platforms and their sales amount are threats to PlayStation. PlayStation consoles is now dropping sales. From the release of previous generation console dating back to 2010, PlayStation console's sale became less and less. When it comes to PlayStation 5, this problem become more serious. Only limited number of customers can get their own console because of the sales number. And the limited sales number can give rise to the high price in the second market platform like Stockx and Ebay. Sometimes, the fraud may also happen. For instance, some customers pay some personal sellers while those fake sellers did not send out the console. The gamers will choose PC and other console like Xbox X as a substitution. Also, other devices like PC gaming and mobile gaming are also welcome.

PC has technology advantage and the lower prices of games as mentioned above, while mobile is more convenient. The number of exclusive games on PlayStation is quite limited now compared with Nintendo Switch, especially for PlayStation 5. The reason of this is the release date of the PlayStation 5 is relatively new. Sony can develop more exclusive games on the platform in the future.

## **4. RECOMMENDATION FOR SONY'S PLAYSTATION**

Firstly, Sony should raise sales. Sony's PlayStation console on sale now is less than the demand of the customer in a large amount. This makes many consumers cannot buy their own console or should spend more money to get one from a second market or some personal sellers. Many of the customers change their mind and buy Xbox or PC instead. This cause Sony loss a lot of customers. If the Sony's PlayStation 5 has plenty of number in the market, Sony can make more sales and definitely Sony can make more money.

Secondly, Sony should cut down the price of the game on its platform. The games on PlayStation platform now are higher than games on almost all other platforms. If a player has more PlayStation and other device, they may choose to buy the games on other platform instead of PlayStation in the purpose to save money. If more gamers choose to do this, other devices will take the place of the PlayStation since they can play the same games on other platform in a much lower price.

Thirdly, the exclusive games now on PlayStation 5 platforms are too limited. Compared with hundreds of exclusive games on Switch and PC, those gamers who choose PlayStation only to play the exclusive games will lose their interest and Sony will not want this happen. Plenty large number of exclusive games are the essential factors for a platform to remain popular longer.

Fourthly, Sony's mobile device PSP has been released years ago. Compared with mobile phone and Switch recently released, the performance of games on PSP is not very well. Sony also stop the service of the PSP, which is quite disappointing for those customers who need to travel a lot and cannot stay at home. If Sony wants to attract more customers, it should develop technology of mobile devices and publish new generation of them as soon as possible.

## **5. CONCLUSION**

In short, in the background of the pandemic, Sony's PlayStation got good chance of development and sales since people should stay at home and need something to relax. Sony definitely catch the opportunity and in general make a success in its brand-new generation of gaming console. It also took actions to attract more customers, for example, start an activity called Play At Home which give customers free games to play. This is quite sweet and do attract a lot of gamers.

However, Sony also meets some threats and have some weaknesses. If Sony can make some changes and take the recommendations, more customers will choose Sony and the income of Sony Company will raise in a large degree.

In the future, Sony should try to overcome the threats mentioned in the model and the sales of PlayStation console will become more successful. When more people get vaccine of the Covid-19, the pandemic won't be a global problem any more, Sony should try to find out more attracting way to catch their customers.

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