



The Analysis of Nintendo's Marketing on Ring Fit Adventure

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Abstract. During the pandemic in 2020, the cumulative sales of Ring Fit Adventure developed by Nintendo broke through 4,000,000 units, and even once ran out of stock in many places worldwide. Despite such a huge success, many problems that emerged during the sales process also reveal that there is much to be improved for Nintendo when formulating marketing strategies. Therefore, this paper will analyze the problems during the sales process of Ring Fit Adventure by starting from its marketing strategies and adopting quantitative analysis. And also, this paper will put forward relevant solutions in the hope of providing reference for the improvement of Nintendo's marketing strategies.

Keywords: Nintendo; marketing strategies; supply chains; business management

1 Introduction

With the increasingly improved living standards, people now have more demands for fitness products. Therefore, many companies have developed relevant technological fitness products which aim at providing more comfortable, more intelligent and more convenient fitness conditions for people. To enable people who are not good at sports to have access to the joy of fitness, Nintendo has published Ring Fit Adventure, a platform role-playing game in 2019. Once on sale, the game was well received by users in different ages. Why could Ring Fit Adventure enjoy such great popularity? How did Nintendo market this game? And what are the problems behind the marketing? The paper will discuss all these.

2 The Introduction of Nintendo's Development

Nintendo is a company in Japan whose major businesses include the video game, software and hardware. It's one of the three giants of the video game industry and the pioneer of the modern video game industry. Founded on September 23, 1889, Nintendo started as a manufacturer of flower jars. During the period 1889-1963, Nintendo began to expand its businesses into other fields, such as the game business. In 1969, the Game Department was established in Nintendo. In the basic principle of creating

unique forms of entertainment and with a corporate social responsibility of bringing smiles to the face of each one who has connections to Nintendo, the company developed and released well-known game series including Mario, Pokémon, The Legend of Zelda, home video consoles (such as FC, SFC, N64, NGC, Wii, Nintendo Switch), and handheld game consoles (such as Game&Watch, GB, GBA, NDS, 3DS, Switch Lite.) Among them, the Color TV Game launched in 1977 was the result of Nintendo's first foray into the field of home video game consoles. And the Game Boy, a cassette-based handheld console introduced in 1989 laid the foundation for Nintendo's leading position in the handheld market.

Nintendo has become a world-famous developer of video games after its launch of home console Family Computer in 1983 and the game software Super Mario Bros. With its success in the video game industry in 1985, Nintendo began to expand their business outside Japan, and it already has many subsidiaries such as Nintendo (U.S.) and Nintendo (Hong Kong).

Table 1. An overview of the company's products (Table source: original)

Time	Products
1974 - 1978	Magnavox Odyssey video game console
1979 - 1982	Game & Watch
1983 - 1989	Family Computer (Famicom)
1989 - 1995	Super Famicom
1996 - 2000	Nintendo 64
2001 - 2003	Game Boy Advance, GameCube
2004 - 2011	Nintendo DS, Nintendo Wii
2011 - 2015	Nintendo 3DS a Nintendo Wii U
2019	Ring Fit Adventure

From the launch of the Red & White in 1983 to the early 2018, Nintendo has sold more than 4.5 billion units of game software and has over 720 million game consoles (including home consoles and handheld consoles) worldwide. Nintendo's fiscal year 2021 report shows that its total sales have reached 1.7589trn yen (\$16.089bn), with a year-on-year increase of 34.4%, and that its operating profits have reached 640.6 billion yen (\$5.86bn), up 81.8% from a year earlier, and that its net revenues have reached 480.4 billion yen (\$4.4bn), growing 85.7% from a year earlier. According to the rank of market value of the largest gaming companies worldwide in June 2021, Nintendo ranks second with its market value of \$74.71 billion. Besides, since the operation of Nintendo in 2015, it's account has had more than 200 million registered users in 164 countries and regions worldwide.[3]

3 The Analysis of the Present Development of Ring Fit Adventure

Ring Fit Adventure is a physical game-based console released by Nintendo Switch on October 18, 2019. Players can load the Joy-Con on the NS into the Ring-Con that

comes with. The game as well as the leg fixing strap to identify their own movements. This product has such 3 categories as muscle building system, rhythm system and yoga system. And it also has 60 kinds of movements and includes more than 20 adventure modes. The game is not restrained by time, location, weather and other conditions. Players can play it for 30 minutes every day, with 3 months to pass the game. The game supports alarm clock mode, in which with the time set, the Joy-Con's HOME button will glow and vibrate to remind players to exercise every day. This plays a role of supervision for players. Due to different countries and regions, there is a difference between the initial price of Ring Fit Adventure. Here is a selection of its initial price in some countries and regions.

Table 2. FRA's initial price in some countries and regions (Table source: Amazon and Taobao.com)

Countries/Regions	Initial price
China	\$78.28
U.S.	\$79.99
Japan	\$70.50

Ring Fit Adventure introduces a new smart fitness mode, which brings the joy and convenience of the integration of the game and fitness for people and encourages all people regardless of genders and ages to participate in the fun fitness. The structure of Nintendo's customers is defined as follows: the main is families with children aged 6-14 and parents aged 30-55. Next is a group of friends aged 20-27 who can use Nintendo products for relaxation, entertainment and recreation. The third level refers to women aged 28-45 who spend most of their time at home. This group can be defined as "housewives".[6] It is clear that the target user group of switch console has a wide age coverage, high brand awareness, large user base and high user loyalty. So it has a good potential buyer base to a great extend.

As a fitness game, Ring Fit Adventure has gained a big success. According to sales data of physical game software and hardware in Japan from the week of March 2, 2020 to March 8, 2020 released by FAMI TSU, it can be found that this game has achieved a cumulative sales of 715,030 units. During the pandemic, Nintendo officially confirmed in a Polygon statement that Ring Fit Adventure was really out of stock, and it was trying its best to produce and supply as soon as possible. The Nintendo's financial statement from 2020-2021 shows that the sales of Ring Fit Adventure are 10.11 million, ranking 11th on the total sales list of Switch games.[1]

4 Analysis of Marketing Strategies of Ring Fit Adventure

4.1 Selling Points of the Product

4.1.1 Bearing in Mind Nintendo's R&D Principles and Adopting New Approaches to Fun Fitness.

Ring Fit Adventure is released with the implementation of Nintendo's core R&D concept of fun and in the principle of enabling people who are not good at sports to

enjoy the fitness. Besides, game design elements are also used in non-game environment to gamify fitness.

Therefore, in order to realize the effect of fun fitness, the script and plot of Ring Fit Adventure is written by staff who developed *The Legend of Zelda: Breath of the Wild*. Producer Kouichi Kawamoto said that with the combination of fitness and RPG (role-playing game), coupled with never touched Ring-Con, the fun of the game will be integrated into the fitness. Therefore, it attracts players at different ages.

For players, less restrained by objective factors such as weather, location and time, Ring Fit Adventure is instant and convenient. Players can play it for 30 minutes every day, with 3 months to pass the game. The game supports alarm clock mode, in which with the time set, the Joy-Con's HOME button will glow and vibrate to remind players to exercise every day. This plays a role of supervision. At the same time, video games in essence are highly motivating.[2] During the pandemic, it is no doubt that playing the Ring Fit Adventure at home is a better choice for people who cannot go out for fitness. Besides, compared with becoming VIP in gyms, buying Ring Fit Adventure is a more cost-effective fitness option. Players can collect gold coins in the game and accomplished mission. Regarding RQ3, this effect size model does suggest that players actively manage and protect their experiences during the game.[3] From the conclusion, it can be learned that players consciously continue to pass through the game to reap satisfaction in order to maintain and continue their game achievements, thus achieving a virtuous cycle of persistent game play and persistent fitness. Players can compete with their families for the results, or they can battle with world gamers and online friends for rankings. According to the study, participants in the game with design elements of badges, leaderboards, and performance charts perceived the meaning of the task better than participants in the control condition. And according to the three basic psychological and intrinsic needs assumed by self-determination theory, Ring Fit Adventure satisfies players' ability needs, autonomy needs, and social connections.[4]

In a word, Ring Fit Adventure not only receives positive feedback from players, but also establish a good reputation in the industry. The better user experience also delivers benefits to Nintendo's future product marketing.

4.1.2 Nintendo's Strong Technology and Relatively Good Product Effectiveness.

The handle of the fitness ring is developed by Yoshitaka Tamura. He has been responsible for such new features on Joy-Conn as HD vibration and motion-sensing infrared camera when engaged in development of Nintendo Switch. Kouichi Kawamoto also served as the producer and was responsible for the production of 1-2-Switch and Nintendo Labo in other Nintendo's software, as well as the general director of Nintendo Switch console. Hiroshi Matsunaga is the general director, who was in charge of the development of *Wii Fit* (a physical game released on Wii in 2007 by Nintendo which advocated family health and can be used to check the weight and exercise with joy). He developed, for example, *Wii Fit*, *Wii Fit Plus* and *Wii Fit U*..... He later assisted Shigeru Miyamoto (Representative Director at Nintendo) to develop *Star Fox Zero* in *Wii U*.

Therefore, it can be found that personnel in the development team of Ring Fit Adventure not only have participated in the development of Switch, with strong technical ability to connect the game with the switch; but also have had experience in Nintendo's physical game of Wii. These are the technical guarantee for this product.

In addition, Ring Fit Adventure has indeed improved users' health to some extent, which is in line with its marketing of fitness. The first case is a user who is afflicted with chronic backache, which has been improved after he plays Ring Fit Adventure. In the study, people analyzed the effects of radio frequency ablation exercise on chronic backache, focusing on changes in pain and socio-psychosocial factors. Compared with oral medication alone, RFA exercise reduced backache and hip pain and increased patients' self-control of pain, also known as 'pain self-efficacy'. [5] In addition, the product has been effective in treating obesity in children. In overweight and obese children and adolescents, a structured, supervised AVG intervention combined with multi-component exercise is an effective strategy for generating moderate-intensity physical activity and increasing energy expenditure.

4.2 Strategies of Marketing Development

According to the Game Industry Development Report released by China, in 2019, Chinese domestic game market size was 214.4 billion yuan, which has surpassed the United States to become the largest game market in the world. Among them, about 60% are mobile games, about 40% are computer games, and the market size of console games is only 0.6%. The Chinese game market is huge, but the share of console games is low. On the one hand, it shows that Chinese domestic users are not very enthusiastic about console games, and on the other hand, it also shows that the Chinese console game market's room for improvement is very large. Tencent developed WeChat, which is the most used smart chatting app in China. The survey made by the market research company On Device shows that the market share of WeChat in the Chinese mainland reaches 93%. By the end of June 2021, WeChat has more than 1.2 billion active users over the world, making it the social application with the most active users in the Chinese mainland. Besides, Tencent is relatively inexperienced in independent game research and development, and it needs to develop products to tap into the foreign markets. Nintendo is versed in independent game research, while many of its game research and developments depend on outsourcing studios. For example, Pokémon, the hottest IP of Nintendo, was produced by Game Freak and released by Nintendo. Therefore, Nintendo chose Tencent as its agent in China, which is undoubtedly a breakthrough for Nintendo to explore the Chinese console game market and meet Chinese users' consumption needs of the console game. [5] Meanwhile, the cooperation between Tencent and Nintendo is an important step for the former to open its market overseas.

Products in Nintendo used to be produced and assembled by outsourcing factories located in Japan, while now are produced by its cooperative manufacturer (Hong Hai Precision Industry Co., one of subsidiaries of Hong Hai Technology Group) in the Chinese mainland. In order to maintain the product supply in the market, Nintendo extended its supply chains and has transferred some of its parts production to Vi-

etnam. The pandemic outbreak in 2020, coupled with the influence of stay-at-home economy resulted in a spike in the sales of Ring Fit Adventure, with once demand exceeding supply. Under such circumstances, Hong Hai Group in China received emergency orders, whose mass production reduced the manufacturing pressure for Nintendo and relieved its shortage of supply.

4.3 Marketing Channels

Ring Fit Adventure is sold both online and offline. Customers can buy it online through major retailers such as Amazon and Taobao. Some used products can be traded on eBay.com. In addition, Ring Fit Adventure is advertised and marketed within major apps by placing links to products for online purchase. Ring Fit Adventure has been promoted online on different platforms such as Bilibili, Zhihu, Mango TV and JD.com. With online advertising and purchase links, the sales channels of the product have been expanded. At the same time, Ring Fit Adventure adopts the form of live-streaming purchase, in which each live-streaming host shows the process of using in the live-streaming room, giving users a more intuitive game experience. And users can make instant product purchases in the live-streaming room. Offline, Nintendo produces the products, and retailers buy them through wholesalers and then deliver them to offline brick-and-mortar stores for product sales to customers.

Thus, it can be seen that there is a wide range of distribution channels, and customers can purchase directly online or offline, with a clear transmission structure to the end user and a variety of convenient channels for customer consumption.

4.4 Marketing Strategies

The core idea of Ring Fit Adventure is to compete the great adventure through 60 kinds of fitness modes so as to realize the goal of fitness. In order to achieve better marketing results, Nintendo adopts different marketing strategies such as advertising marketing, event marketing, and entertainment marketing.

First, in terms of advertising marketing, Nintendo invited celebrity endorsement for KOL promotion. Japanese actress Aragaki Yui promoted the endorsed product and achieved high attention, while passing the product information to the fan base to tap the potential consumers, thus achieving the product advertising and marketing effect. Taking the advantage of stars with huge fan bases, China invited Bonbon Girls as their chief experience officers to promote the product on Weibo. KOLs create a dialogue between users and the brand, and also act as a bridge, as evidenced by the comments made by the KOLs' fans after each advertorial. KOLs discuss the brand or product related content with their fans in the comment section, which makes the image of the brand and product, which was originally stereotypical and cold, come alive.[6]

Second, in terms of event marketing, going fitness in gyms offline has become a major problem due to the spread of the pandemic across the world. Most users believe that going to the gyms means higher probability of infection of the new coronavirus. But the fitness at home lacks professional action guidance, imperfect fitness facilities,

and insufficient atmosphere for fitness and a series of other problems. And if you put the fitness movement on hold, and reduce the time for fitness, the effect will not be good.[7] In view of the fact that during the epidemic, Ring Fit Adventure in many places around the world was once out of stock offline, it can be found that the product has been successful in solving the major problem for many families that they could not go out for exercise, and cannot take effective exercise at home in this special period.

Finally, in terms of entertainment marketing, Nintendo has launched experience activities for Ring Fit Adventure both online and offline. The former takes the form of platform streaming to demonstrate netizens the entertainment of the product and excavate online traffic. And the latter carried out experience activities of Ring Fit in many flagship stores, enabling players to experience the overall sense of the use of the product and its details personally and its fun. [8]

5 Problems of the Product Marketing

From the above analysis of the sales and the marketing strategies of Ring Fit Adventure, it can be found that the problems of Nintendo's product marketing are mainly on three fronts.

5.1 Product Design

Ring Fit Adventure has fewer IP connections with other Nintendo products. Although the product is a real-time role-playing game, the in-game NPCs do not have the same level of popularity outside its fixed field as, for example, the Pokémon series or the Mario series characters. The game's NPCs are less linked to other games.[9] For some users who know less about Nintendo as a whole but are more familiar with its other popular IPs, it is easy for them to lack a sense of affection for the game, thus affecting the overall game experience.

In addition, although Ring Fit Adventure has achieved good sales results since its release, but in the long-term marketing process, how to carry out several hits like the Switch? Therefore, how to find better innovative solutions from the hardware and software designs to maintain long-term marketing remains to be solved.

5.2 Decision on the Marketing

During the epidemic, Ring Fit Adventure is out of stock online and offline. A phenomenon that illustrates the product has gained tremendous user base, but which is more reflective of the marketing decision problem Nintendo has. According to a study made by Lopez and McKeivitt in 2017, Nintendo's failure to accurately forecast demand for the Switch led to a supply shortage, and this mistake in the Switch supply chain caused significant financial losses to the company. To solve this problem, employees had to urgently produce 18 million Switch units to meet the excess demand.

On top of that, Nintendo had to accept high-cost expedited shipping in order to address the Switch shortage.

Back in 2017, Nintendo's president Reggie Fils-Aime in the U.S. said in an interview that the company's supply problem was extremely complex, and the out-of-stock situation in the 2020 Ring Fit Adventure sales chain showed that Nintendo did not completely solve this problem.[10] Nintendo dynamically adjusts its ordering based on the forecasted market conditions until inventory is reduced and only then does it reorder, indicating the dynamic nature of Nintendo's product supply chain. The company ignores the impact of uncertainty on inventory, and sales are expected to be conservative before the above ordering behavior occurs. Nintendo did not better understand that with the impact of the pandemic, the demand for Ring Fit Adventure increased greatly, and the products already in stock could not meet the market demand, which led to the situation that it was difficult to find one product on and offline during the pandemic.[11]

5.3 Supply Chains

Even if Nintendo adopts the company's core technology of research and development, finds factory agent to assemble products, and transfer some parts production to Vietnam factories, its largest product OEM is still China's Hong Hai Factory.[12] Due to manpower shortage in logistics and transport, high transport costs, low efficiency of goods turnover caused by the pandemic, Nintendo was in charge of the supply chain aspects of inventory management, logistics and transport, transaction costs and other aspects of the cost.

Due to the lack of data on current raw material suppliers, it is not known whether the lack of raw materials caused the shortage of goods during the pandemic.[13] In addition, Chinese factories comply with the government's policy of energy conservation and environmental protection, which reduces factory capacity and, to a certain extent, affects the production efficiency of products and global supply of products.

6 Suggestions

This section will make certain suggestions on issues that have an impact on Nintendo's marketing development.

First, the Ring Fit Adventure game can be co-branded with other popular Nintendo IPs, such as Pikachu, Mario and others. Adding such IPs to the game can increase the player's sense of intimacy and will be more attractive to child players. For example, Nintendo once released Nintendo All-Stars Smash by integrating Nintendo's star IPs to achieve the purpose of allowing multiplayer players to play the game simultaneously, evoking the sentiment of Nintendo fans for popular IPs. In addition, the co-branding of the game Animal Crossing: New Horizons by the Switch console has achieved great sales.[14] This co-branding can be used as an inspiration. And the ring props in Ring Fit Adventure can also be sold in co-branding with Nintendo's popular IPs, offering a limited number of fitness rings for the second sale of Ring Fit Adventure.

Second, the company can build a global information sharing mechanism which can update production and sales decisions according to market development and change the previous conservative ordering attitude.[15] It can adopt the Internet global user product questionnaire survey on the eve of the new product launch in the later stage, invite some senior players or traffic stars to try out the product in advance, and use the network traffic to understand the market response in different countries and regions, so as to predict the later sales.

Third, Nintendo can look for product factories around the world to expand the product supply chains, increase flexibility of supply chain, reduce dependence on a particular region, cut corporate operating costs, improve supply efficiency, and meet the supply needs of each region. Nintendo can choose countries with younger labor, lower labor costs, and better infrastructure manufacturing facilities for product assembly and production.

7 Conclusion

Nintendo as a world-famous video game hardware and software development company with a long history indeed has achieved great success in the field of game sales. But at the same time, the company can not ignore the existence of in the field of game sales in supply chains and other areas. It should solve these problems in an timely manner to lay a better foundation for future product sales, and to create more advanced and more interesting game products in the world of video games.

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