History of Sony

- Was initially a radio repair shop founded on May 7, 1946.
- Went on to produce tape recorders and transistor radios.
- Success of radio sales propelled Sony to be a major player in the microelectronics industry.
- Sony has since been an innovator in consumer electronics.
- According to Sony’s earnings release for 2007, has just over $70 Billion in revenue.

Source: http://www.sony.net/Fun/SH/1-4/h1.html

Founder: Masaru Ibuka

Sony’s Famous Products

- In 1979 the Walkman
  - Widely successful and spearheaded the wave of portable music devices
- In 1984 the Discman
  - Utilized the Walkman name to popularize new data medium
- 1994 the PlayStation
- 2000 the PlayStation 2
- 2006 the PlayStation 3
  - The seventh-generation gaming console and Sony’s third

Sony’s Competitors

- Sony has very diverse product offerings which creates many competitors for them.
- With regard to gaming consoles, Sony’s direct competitors are Microsoft Corporation and Nintendo Company Ltd.
- Sony did not enter the game console market until the fifth generation of gaming consoles, into a market already dominated by Sega, Nintendo and others.

Competing Console History:

5th Gen
- Sony introduces PlayStation to compete with Sega Saturn, Atari's Jaguar and eventually the Nintendo 64

6th Gen
- The sixth generation of consoles were the Sega Dreamcast, the Nintendo GameCube, Microsoft's first console- Xbox and Sony's PlayStation 2

7th Gen
- Competing consoles of the 7th gen. were Nintendo's Wii, Sony's PlayStation 3, and Microsoft's Xbox 360 (respectively)

PlayStation 3 Background

- The PlayStation 3 (PS3) was introduced in November 2006 and directly competed with the Wii and the Xbox 360.
- The initial price for the PS3 was set at $499 and $599 for two models with 20GB HD and 60GB respectively.
- As the cost of production was more than $800 initially, Sony reported a nearly $2 Billion loss in the fiscal year ending in March 2007.
- Sony plans to launch a video service for the PS3, which will apply to the 9 million units sold worldwide and will compete with Microsoft's Xbox Live, already 10 million subscribers strong.
- “While I don’t have any new announcements . . . it’s already been confirmed that we will be offering a video service for PS3 in a way that separates the service from others you’ve seen or used.” - Peter Dille, senior vice president of marketing for Sony

Online Video Service

- Sony plans to launch an online video service through their flagship PlayStation 3 console.
- The initial version of the service would include movies and television shows flowing from the Internet to the PlayStation 3.
- The new service would position Sony to compete with the growing number of Internet-connected devices and services that deliver video to the TV, including AppleTV, Vudu and Microsoft’s Xbox 360 console.
- Video downloads will begin at $1.85, which is competitive with Microsoft’s $2 price for standard-definition content.
- It is unknown what quality options Sony will offer on its service. Blu-Ray or otherwise.
How Sony Will Use IT?

- Software Design - Sony must develop software that blends with the PS3's existing software. It must be user-friendly and user-centered.
- Data Management: Compile and contain massive amounts of data including, credit card numbers, passwords, usernames, etc.
- Networking: Sony will have each PS3 connected to servers containing movies, TV shows, music, etc.
- Sony's servers must also be connected to the companies supplying the media.

Will Sony's Video Service Succeed?

- Sony has stiff competition from market leader, Nintendo, and gamer favorite, Xbox.
- Sony is already 2 years behind Microsoft and 1 year behind Nintendo in the online video service market.
- Competitive Price Point and availability of specific media are key.