

Nintendo confirms Switch 2 but faces a competitive market

Article

The news: Nintendo announced the [Switch 2](#) Thursday but stayed mum on an official release date.

- [The teaser](#) shows a console similar in structure to its predecessor, with a black finish and pastel color scheme on the now-magnetic Joy-Cons, a larger screen, and a kickstand to prop

it up.

- Further specs and details will be announced April 2, and demonstrations of the device will be hosted in the US and Europe later that month. Registration begins today to try the Switch 2 at events in New York, Los Angeles, and Dallas.

Failure to launch: The release of the Switch 2 is an important financial move for Nintendo, which has seen [sales decline](#) significantly in the past year. Switch profits in Q2 of 2024 fell 55% and sales dropped 46% YoY.

The last Switch update since its release in 2017 was a new OLED display in 2021. Since then, companies like [Valve](#), [Asus](#), [Lenovo](#), and [Logitech](#) have released powerful handheld devices capable of running the latest AAA games.

User loyalty: Despite the Switch 2's delays and the Switch's declining sales, gamers remain fond of the console.

Thirty-two percent of Gen Z gamers and 26% of millennial gamers play on a Nintendo Switch, per Collage Group. By comparison, only 13% of both Gen Z and millennial gamers use any other handheld console.

A new era? The Switch 2 could reconfirm Nintendo's presence in the [handheld gaming market](#) if its price tag is balanced with feature updates. The current OLED model retails for \$349.99.

Nintendo's teaser revealed that it will have backward compatibility, allowing users to play older Switch titles alongside new releases.

Our take: The Switch 2's release brings an opportunity for marketers to engage Nintendo's loyal audience with campaigns for both nostalgic and cutting-edge games.

The device will need to include more powerful hardware, processors, storage, and memory to compete with other portable gaming products. There will be high expectations considering how long users have waited for a Switch update.

It's a make-or-break moment for Nintendo.

Types of Video Game Platforms/Consoles Used by US Gen Z and Millennial Gamers, April 2024

% of respondents in each group

	Gen Z (1997-2012)	Millennials (1980-1996)	Total (1946-2012)
Mobile phone	60%	64%	64%
Desktop/laptop	35%	30%	33%
PlayStation 5	26%	33%	23%
Older console model	29%	26%	22%
Nintendo Switch	32%	26%	21%
Xbox Series X	14%	16%	11%
Handheld console	13%	13%	9%
Xbox Series S	11%	14%	9%

Note: ages 13-78 who play video games

Source: Collage Group, "Generations Passion Points: Unlocking consumer enthusiasm through Americans' favorite pastimes," July 10, 2024

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