

What marketers need to know about the Nintendo Switch 2

Article



The Nintendo Switch 2 is set to launch later this year. Though a firm release date has not been set, it's positioned to sell millions of units and put a whole generation of new Nintendo <u>games</u> in front of worldwide audiences.

A new Nintendo console could provide valuable new opportunities for marketers.



- EMARKETER forecasts there will be 97.8 million US digital console game players in 2025, 28.4% of the US population.
- Almost a third (32%) of US Gen Zers and over a quarter (26%) of millennials use a Nintendo Switch, according to a July 2024 report from Collage Group.

Here are a few things marketers need to know about Nintendo's new console.

The first Switch put Nintendo back on top

Nintendo fell on hard times through much of the 2010s.

2012's Wii U became Nintendo's worst-selling flagship console of all time. 2006's Wii sold over 101 million units, while the Wii U only sold 13.6 million, according to IGN. Underpowered hardware, confusing messaging, and a puzzling name were among the reasons given for the console's terrible performance. As income fell, Nintendo's CEO at the time took a 50% pay cut.

The Switch, released in 2017, outsold the Wii U within its first year.

That success exploded further in 2020. With people staying home in the opening months of the pandemic, Nintendo reported selling 12 million Switches between March and September 2020.

The Switch now sits as the third-highest-selling console, behind only 2004's Nintendo DS and 2000's PlayStation 2, having moved over 150 million units.

What Nintendo has so far revealed of the Switch 2 shows that it has many of the aspects that made the Switch such a success, including detachable controllers and the ability to play either handheld or on TV. It's possible that the new console could also share the same high sales as its predecessor.

Nintendo has continued expanding its media presence

While Xbox Series X|S and the PlayStation 5 offer many advertising opportunities on console dashboards, marketplaces, and <u>connected TV (CTV)</u> apps, Nintendo has been notoriously slow to integrate its systems with internet-connected capabilities.

Those limitations have lessened somewhat on more current Nintendo consoles, as the Switch features a number of streaming service apps like Hulu and <u>YouTube</u> (however, notable players



like <u>Netflix</u> and Max are still absent). The Switch 2 is poised to become a more prominent CTV device.

Nintendo advertising opportunities have also grown well beyond their flagship consoles.

- 2023's mega-hit "The Super Mario Bros. Movie" earned \$1.4 billion worldwide, and a sequel is scheduled to come out next spring.
- Nintendo also partnered with Universal Studios to bring a Super Nintendo World attraction to amusement parks in Japan and the US.

Growth may be slow to start

Marketers should keep in mind that widespread adoption of the Switch 2 may take a bit to ramp up.

The pandemic inspired many people to join the Nintendo ecosystem. A lot of these consumers aren't as dialed into the games industry as hardcore fans, and they might not rush out to buy a new Switch.

Additionally, there's a lot more competition in the handheld game space than when the first Switch launched.

- Valve's Steam Deck has won favor with many game players, selling around 6 million units since it launched in 2022, as reported by The Verge.
- Hardware manufacturers like Acer, Lenovo, and Razer announced their own handheld PCs at this year's CES.
- Meanwhile, rumors are swirling that Microsoft is working on a handheld Xbox that could also be released this year.

Early Switch 2 adoption hinges on launch titles. A new Mario Kart or Metroid—both franchises overdue for releases—could drive strong initial sales.

A massive advertising opportunity awaits

Marketers can expect a wave of new games and chances to advertise alongside them. And this new console will also almost certainly feature long-running marketing behemoths like Fortnite.



- Total game US ad revenues will hit \$8.76 billion this year, an increase of 7.7%, per our November 2024 forecast.
- We forecast gaming video content ad revenues to reach \$3.2 billion.

Nintendo said it would offer more information on the Switch 2, potentially including a release date, on April 2.

This was originally featured in the EMARKETER Daily newsletter. For more marketing insights, statistics, and trends, subscribe here.

