



Consumer-Generated Media PlayStation 3 Analysis

NOTE: This sample report was created by Biz360 using publicly available data. It was not created for any of the companies referenced in the report.

Objective

- To help understand bloggers' reaction to the announcement to delay the launch of PlayStation 3 and provide analysis on the quantity and tone of consumer-generated media.

Executive Summary

- Blog postings surrounding launch coverage were overall neutral in sentiment. Bloggers expressed disappointment with the delay, skepticism of a November US launch, while also reaffirming loyalty for the popular PS3 product and Sony's industry dominance. The tone of the launch delay message was much more negative when rumors circulated in the blog realm prior to March 14 when the first official report surfaced in Japanese media outlet *Nihon Keizai Shimbun* (Nikkei). Sony's press conference minimized further speculation that could have resulted in additional negative exposure appearing in consumer-generated media.

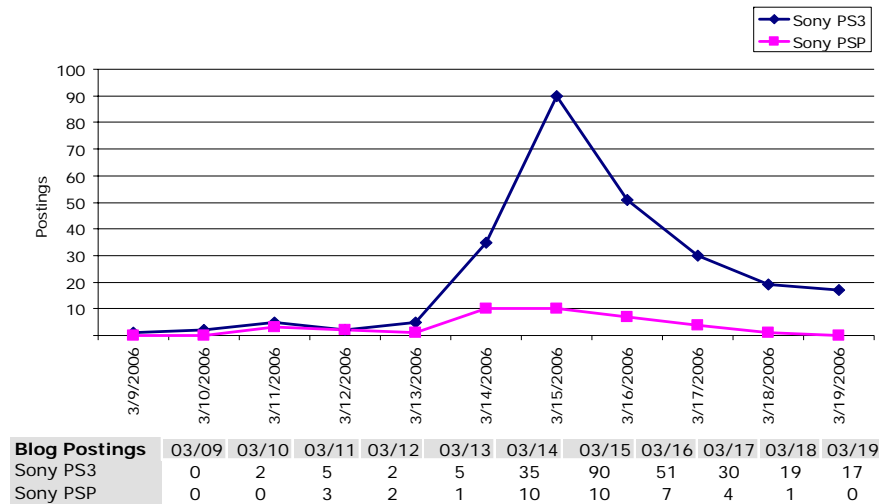
Methodology

- This analysis report reviews consumer-generated media and editorial media coverage that appeared March 9 through March 19, 2006. Analysis was provided by Biz360's market leading intelligence solution, Market360, and its Analyst Services group.

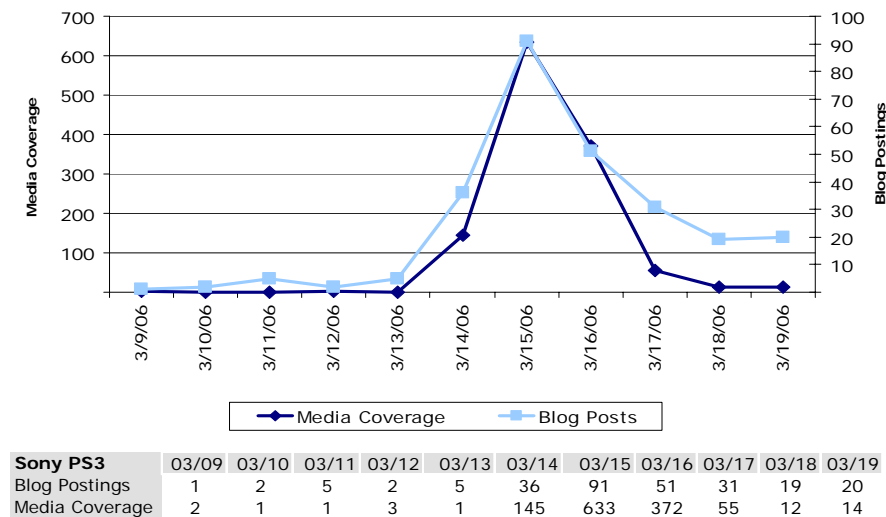


Quantity of Blog Postings and Media Coverage

BLOG POSTINGS



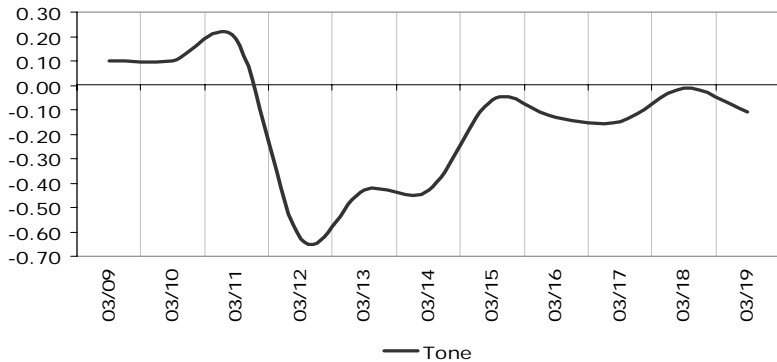
BLOGS vs. MEDIA



- Rumors of the PlayStation 3 delayed launch began appearing on blogs as early as March 10, 2006. On March 12 and March 13 rumors continued gaining momentum due to two combined factors: the upcoming Sony press conference and several “well-placed” sources that provided insight on the PS3 situation to individuals who blogged about the potential news (psp dev news blog). Specifically on March 10, a blogger speculated that “some details of the PS3 might be announced at the press conference,” while also reporting that a leak from an unnamed COMPEQ employee stated “the PS3 parts begin fab in June” making a Spring launch impossible (engadget.com). Also exacerbating rumors was “a friend at CNET” suggesting to a blogger that Sony was pushing back the release date until early November (menDNA.com).
- On March 14, a blogger posted that Sony “conceded to the flurry of rumors and speculation” due to a story by Japanese newspaper *Nihon Keizai Shimbun* (Nikkei) reporting the PS3 will be delayed until November (Slashdot). The blogging conversation moved from speculation to reporting sad news to PlayStation enthusiasts, suggesting there were several indicators to support the news that surfaced on March 14.
- Although media coverage far outweighed the volume of blog postings reporting on the PS3 news, it is interesting to note that as a whole blog postings outpaced media coverage prior to March 13. Since bloggers have the ability to easily report on rumors and speculation without specifics on source corroboration for the story, the blogosphere amplified momentum of the growing speculation.
- Early media coverage of the rumors and speculation appeared randomly, including a *Consumer Electronics Daily* story reporting, Sony executives “sidestepped” questions regarding a delayed launch of PS3 at the Destination PlayStation event in Miami’s South Beach. Also, the *Montreal Gazette* reported that in a profile of Sony CEO Howard Stringer, Variety.com concluded that the PlayStation 3 launch will be delayed until the holiday season while the company “fine-tunes the chips.”
- Three newsworthy items intensified media coverage on March 14: news of the press conference, the report from Japanese newspaper *Nihon Keizai Shimbun* (Nikkei) confirming the news and a reported 2 percent drop in Sony share price after news of the delay. Specifically, gaming media sites, financial wires and Associated Press journalist Yuri Kageyama picked up the story of the delayed launch, which resulted in a sharp spike of coverage on March 14. Several bloggers posted news stories on blogs, which also contributed to the sharp increase in postings.

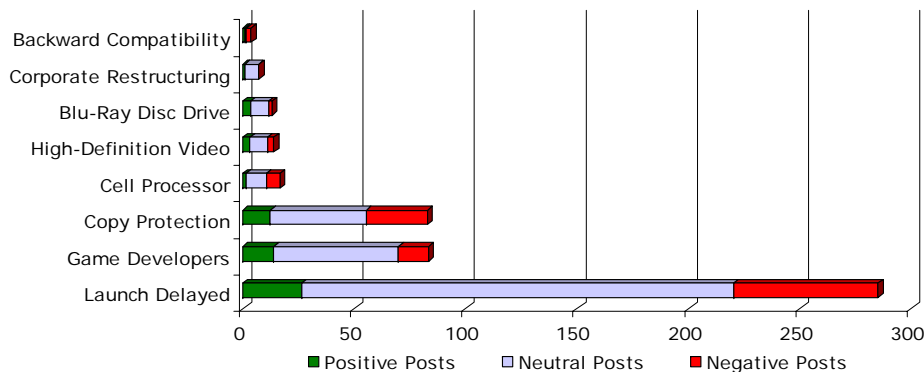


Quality of Blog Postings, Message Resonance
TONE OF PS3 LAUNCH DELAY IN BLOG POSTINGS



TONE OF MESSAGES APPEARING IN BLOGS

| Topic | Tone | Tone String | Positive Posts | Neutral Posts | Negative Posts |
|-------------------------|-------|-------------|----------------|---------------|----------------|
| Launch Delayed | -0.13 | Neutral | 26 | 194 | 65 |
| Game Developers | 0.04 | Neutral | 14 | 56 | 13 |
| Copy Protection | -0.23 | Negative | 12 | 43 | 27 |
| Cell Processor | -0.37 | Negative | 1 | 9 | 6 |
| High-Definition Video | 0.06 | Neutral | 3 | 8 | 3 |
| Blu-Ray Disc Drive | 0.20 | Neutral | 4 | 8 | 2 |
| Corporate Restructuring | 0.15 | Neutral | 1 | 6 | 0 |
| Backward Compatibility | -0.37 | Negative | 1 | 1 | 2 |
| Total | - | | 76 | 347 | 124 |



- In total, 14 percent of the blog postings reporting on the Sony PS3 announcement were positive in tone, 64 percent were neutral and 23 percent were negative. The overall tone rating averaged as neutral for the 11-day period, although a more significant dip in negative coverage appeared prior to confirmation of the news as rumors and speculation grew in the blogosphere.
- One negative March 12 posting attributed to the downturn in tone average. WRMJ.blogspot positioned a rumored PS3 delay as “yet another delay in the PS3 release.” The blogger further commented that “these big companies always like to keep us in the dark until the last minute.” The concern that Sony was not sharing enough information with consumers was expressed in multiple blog posts.
- On March 14, bloggers reacted to the confirming report by Japanese media outlet *Nihon Keizai Shimbun* (Nikkei) that the PS3 would be delayed. Bloggers commented on news of the delay without specific details from Sony, which amplified negative speculation.
- For the negative postings, the most frequently cited message was disappointment with the delayed launch, including some skepticism the product would not be available in the US market for Christmas.
- Positive sentiment surrounded PlayStation enthusiasts who commented they would stand in line to buy it regardless. Such as one blogger who negatively commented, “the delay would allow competitors to play catch-up, but Sony could launch PS3 in 2010 and people would still line up to buy it” (colaspot). Further proof of PS3 consumer loyalty, “This major delay for ‘technical reasons’ is horrible news for the legions of salivating fanboys wishing to spend their entire Summer Break in front of their TVs playing mediocre launch titles (sparkplugged.net).
- The analysis shows that negative blogging exposure that goes unchecked results in a much lower tone rating than blogs that are paired with company news.
- Positive coverage appeared mostly after the press conference and typically referenced specific product features, which were welcomed by gaming enthusiasts. Specific features that attracted positive coverage were the digital distribution of games, the online service (PlayStation network platform) and 60GB hard drive with Linux preinstalled.

