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BOOKSHELF

Book Review: 'Console Wars' by Blake J. Harris

How a no-name company took on Nintendo, tied its fate to a hyperactive hedgehog, and—briefly—won.

By MARC LEVINSON

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"Do you not possess any area of weakness?" the senior executive asks a candidate to head a new subsidiary.

"Oh, I've got plenty of those," the candidate responds.

"Would you like to share?" the interviewer prods.

"Nah," the candidate rejoins. "If you bring me in, you'll find out soon enough."

If this sounds like a real-life job interview to you, then perhaps you'll enjoy the breathless, you-are-there tone of Blake J. Harris's book about (as the subtitle has it) "Sega, Nintendo, and the Battle That Defined a Generation." If you associate this repartee more with a B movie than an executive suite, on the other hand, you may not want to add "Console Wars" to your summer reading list.

Console Wars

By Blake J. Harris

It Books, 558 pages, \$28.99

"Console Wars" tells how Sega, an unremarkable Japanese manufacturer of games played in arcades, came out of nowhere to challenge Nintendo for dominance of the videogame world in the first half of the 1990s. Nintendo, which had revived the stagnant home videogame category a few years earlier, had something close to a monopoly in 1990 and behaved accordingly, dictating terms to game developers and treating retailers as peons. Sega, in Mr. Harris's telling, was a disruptive force in a highly concentrated market, introducing more advanced gaming technology, toppling Nintendo from its perch and becoming the largest seller of home videogame hardware in the U.S. by late 1993.

Mr. Harris's hero is a former Mattel executive named Tom Kalinske, who became president of Sega of America, then a small subsidiary, in 1990. Mr. Kalinske assembled a team of crack marketers who would not have gone near Sega but for his reputation and persuasiveness. Within a year and a half, according to Mr. Harris, Mr. Kalinske's leadership, along with a new gaming system called Genesis and a marketing assist from a mascot named Sonic the Hedgehog, made Sega the U.S. market leader in videogames.



Sega

And then, after only three years at the top, Sega fell from its pedestal. Sega's management in Japan, suffering mightily from not-invented-here syndrome, rejected Mr. Kalinske's proposals to collaborate with Sony and Silicon Graphics on new gaming systems. Instead, over his objections, Sega pushed out its ill-conceived Saturn game console in 1995. While Saturn flopped, Sony struck gold with its PlayStation; Silicon Graphics sold its chip with amazing graphics capabilities to Nintendo; and the game, so to speak, was over.

If this sounds like the plot for a David vs. Goliath film in which Goliath eventually wins, you're not far off: Producer [Scott Rudin](#) is reportedly turning "Console Wars" into a movie. It's not hard to imagine the plot. On one side will be the evil monopolists of Nintendo, on the other the fun-

loving marketers of Sega rallying behind a charismatic leader who, according to Mr. Harris, believed that "Sega's revolution would make the world a better place for him, his family, and kids everywhere."

Revolution? We're talking about videogames here. Would the world be a significantly different place if Sega had not challenged Nintendo, or if Sony had not entered the lists against Sega? Game consoles might have different shapes, and instead of Sonic the Hedgehog we might have mascots like Fred the Frog or Myrtle the Turtle. Mr. Harris's subtitle suggests that this was "the Battle That Defined a Generation," but other than him telling us so, we have no reason to think this battle defined much of anything except the technical specifications of gaming systems. At most, "Console Wars" offers a case study in the difficulty of holding on to the lead in an industry facing rapid and continuous technological change. That in itself would be an interesting subject, but one for which Mr. Harris may not always be a trustworthy guide.

One reason Nintendo ran into trouble in the early 1990s, he tells us, is that the company was heavy-handed with game developers. It limited the number of Nintendo games each software company could bring to market each year, insisted on exclusive rights to those games and extracted a large royalty on each sale. Developers therefore, supposedly, leapt at the opportunity to do business with Sega, helping the upstart succeed by enabling it to offer superior games.

But in his 1993 book on Nintendo, "Game Over," David Sheff contends that as Sega prospered its own licensing terms became almost as tough as the other guy's. Mr. Sheff quotes one licensee: "Sega was as bad as Nintendo because Sega wanted to be Nintendo." Mr. Sheff's story and Mr. Harris's do not jibe.

Such discrepancies are hard to evaluate because, to put it bluntly, Mr. Harris doesn't sweat the details. "Console Wars" brims with phony-sounding quotations and imagined events. Do we really believe that four Sega execs jumped off a plane in 1991, "hustled through the airport with their carry-ons, sneering at the suckers who had checked bags," and then spent a cab ride discussing Trafficles, "the Greek god of gridlock"? The author admits he has taken liberties: "I have re-created the scenes in this book using the information uncovered from my interviews, facts gathered from supporting documents, and my best judgment as to what version most closely fits the historical record," he writes. The result is more a 558-

page screenplay than a credible work of nonfiction.

Mr. Harris's story ends in 1996, when Mr. Kalinske departed Sega. Since then, the videogame industry has developed very differently from the way either Sega or Nintendo anticipated. Competition from Sony starting in 1994, and then Microsoft seven years later, drove down prices and shifted power and profit from console manufacturers to game developers, who can now make games like Grand Theft Auto for several major systems rather than being tied to a single console manufacturer. New tablet computers and smartphones offered a way to play games without being locked into any manufacturer's gaming system. Nintendo has posted three straight years of operating losses, Sega's consumer business has lost money four of the past six years, Sony recently announced that its gaming business is not profitable, and Microsoft's looks to be only marginally so. As it turns out, this was a game in which all the main players came out losers.

Mr. Levinson is the author of "The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger."

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