



# HISTORY OF SEGA

Day 8

# WHO ARE SEGA?/ EARLY HISTORY

- Sega was founded by Martin Bromley and Richard Stewart as Nihon Goraku Bussan [lbi](#) on June 3, 1960. The company became known as Sega Enterprises, Ltd. after acquiring Rosen Enterprises, an importer of [coin-operated games](#). Sega developed its first coin-operated game with [Periscope](#) in the late 1960s. In an effort to become a [publicly traded company](#), Sega was sold to [Gulf and Western Industries](#) in 1969. Following a downturn in the arcade business in the early 1980s.
- Sega began to develop video game consoles, starting with the [SG-1000](#) and [Master System](#), but struggled against competitors such as the [Nintendo Entertainment System](#).



# SEGA HITS ARCADES (KIND OF)

- In 1940, American businessmen Martin Bromley, Irving Bromberg, and James Humpert formed Standard Games in Honolulu, Hawaii. Their aim was to provide coin-operated amusement machines, including slot machines, to military bases as the increase in personnel with the onset of World War II would create demand for entertainment.
- After the war, the founders sold Standard Games and established Service Games, named for the military focus. After the United States government outlawed slot machines in its territories in 1951, Bromley sent employees Richard Stewart and Ray LeMaire to Tokyo to establish Service Games of Japan to provide coin-operated slot machines to U.S. bases in Japan.
- The name "SEGA" actually comes from the original name "Service Games"-games made for the us military.



# SEGAS EARLY CONSOLE WORK

- Sega developed its first home video game system, the SG-1000, alongside the SC-3000 (an early sega computer system). Rebranded versions of the SG-1000 were released in several other markets worldwide. Due in part to the SG-1000's steadier stream of releases, coupled with a recall on Famicom units by Nintendo, the SG-1000 sold 160,000 units in 1983
- <https://youtu.be/kCp36CD76vs>
- (compare this to early consoles by other companies) <https://youtu.be/C2bxfWOsAPM>
- However, by 1984 the Famicom began to outpace the SG-1000. This was in part because Nintendo expanded its game library by courting third-party developers, whereas Sega was hesitant to collaborate with companies with which they were competing in the arcades.



# GENESIS, SONIC THE HEDGEHOG AND MAINSTREAM SUCCESS

- With the arcade game market once again growing, Sega was one of the most recognized game brands at the end of the 1980s. In the arcades, the company focused on releasing games to appeal to diverse tastes, including [racing games](#) and [side-scrollers](#)
- Sega released the Master System's successor, the [Mega Drive](#), in Japan on October 29, 1988. However, the launch was overshadowed by Nintendo's release of [Super Mario Bros. 3](#) a week earlier. Positive coverage from magazines [Famitsu](#) and *Beep!* helped establish a following, but Sega only shipped 400,000 units in the first year.
- Former Atari executive and new Sega of America CEO Michael Katz developed a two-part strategy to build sales in North America. The first part involved a marketing campaign to challenge Nintendo and emphasize the more arcade-like experience available on the Genesis, with slogans including "Genesis does what Nintendo'n't



(CONTINUED)

- As Alex Kidd, Sega's mascot during the late 1980s, had failed to catch on with the public, Sega sought a new flagship series to compete with Nintendo's Mario series. Artist Naoto Ohshima proposed a hedgehog with red shoes he called "Mr. Needlemouse". This character was renamed Sonic the Hedgehog, and went on to feature in one of the best-selling video game franchises in history
- The Sonic the Hedgehog gameplay groundwork began with a tech demo created by Yuji Naka, who had developed an algorithm that allowed a sprite to move smoothly on a curve. Naka's prototype was a platform game that involved a fast-moving character rolling in a ball through a winding tube; this was fleshed out with Ohshima's character design and levels conceived by designer Hirokazu Yasuhara. Sonic's color was chosen to match Sega's cobalt blue logo

# SONIC OVER TIME

- <https://youtu.be/kkCufD6Dz9Q>
- <https://youtu.be/DIMhBBOtNGQ>
- <https://youtu.be/jsqYZUXpcDQ>



# THE SEGA SATURN AND SEGAS DOWNTURN

- Sega began work on the Genesis' successor, the [Sega Saturn](#), over two years before the system was showcased at the Tokyo Toy Show in June 1994. According to former Sega of America producer Scot Bayless, Nakayama became concerned about the 1994 release of the [Atari Jaguar](#), and that the Saturn would not be available until the next year. As a result, Nakayama decided to have a second console release to market by the end of 1994.
- Sega began to develop the [32X](#), a Genesis add-on which would serve as a less expensive entry into the [32-bit era](#).
- The 32X would not be compatible with the Saturn, but would play Genesis games. Within two days of the PlayStation's American launch on September 9, 1995, the PlayStation sold more units than the Saturn had in the five months following its surprise launch.<sup>1</sup> Within its first year, the PlayStation secured over 20 percent of the U.S. video game market. Sega also underestimated the continued popularity of the Genesis; sales of 16-bit games and consoles accounted for 64 percent of the market in 1995.





# THE SEGA DREAMCAST

- The dreamcast did much better than the consoles before it, helping to make up for the problems caused by the lack of sales segas previous console had gotten after Christmas, as well as some of the problems caused by their competition with Nintendo and playstation.
- The dreamcast managed to sell out by the end of the day that it was initially released, and continued to sell extremely well in the months following.
- Unfortunately for sega however, this didn't do much in the long term to help with the competition posed by newly emerging games companies such as playstation.



- <https://youtu.be/XnJDGKeTjkU>