Chapter VI

Struggle for De Facto Standard

In this chapter, we discuss the struggle for the de facto standard based on the Betamax versus VHS case in the late 1970s. In the middle of the 1970s, Sony and JVC introduced Betamax and VHS, both of which satisfied minimum requirements for commercialization. Although Sony had a first mover advantage in the market, JVC and VHS group turned the face about by 1980. The capabilities for the first Betamax and VHS, SL-6300 and HR-3300, were almost equal. The first VHS excelled the first Betamax in the lighter weight, the longer recording time, the compatibility. The consumers preferred HR-3300 because of the longer maximal recording time to videotape the movies, the baseball games, and the football games. Most videotaped programs by all VHS machines can playback except for a few models. On the other hand, Sony made a disconnection to the first Betamax when they launched Beta II in 1977. In addition, JVC formed the VHS group to catch up with Sony. This group worked effectively to enhance the product capability and the sales promotion.
Emergence of Betamax and VHS

It was two almost decades after Ampex and RCA developed the VCR for broadcasting in the 1950s that two prominent home-use VCRs appeared on the market. In 1975, Sony introduced the first Betamax, SL-6300. In the following year, JVC introduced the HR-3300 model with the VHS format. Both products satisfied the essential functional requirements of the home-use VCR market, such as the functions. These requirements were the quality, weight, size, price, and operability. They were quite equal in performance and capabilities except for the maximal recording time limitation. At that time, however, it was expected that Sony (Betamax) would win against JVC (VHS) because Sony had achieved fame as a pioneer of the Home-use VCR and Sony had a great lead over JVC when JVC introduced the VHS into the market.

There were two major reasons why JVC was able to catch up with Sony within a relatively short time. First, their target product concepts were almost the same. Both focused on a version which used a magnetic cassette tape, the U Format. While companies other than those in Japan tried to commercialize according to a variety of formats, most Japanese companies developed a 1/2-inch magnetic tape VCR in a plastic cassette body. Second, a cross-license agreement among the Japanese companies, Sony, Matsushita, and JVC, in 1970, accelerated the technological progress of the home-use VCR. They shared the latest techniques. Even though Sony had a substantial lead in the home-use VCR, JVC and Matsushita could catch up quickly because they also had enough experience in a magnetic tape VCR and they could use the latest technologies Sony owned without payment.

As a result, the recording time should have been more than 120 minutes. While the SL-6300 could record only 60 minutes, the HR-3300 could record 120 minutes. Many more people preferred the ability to record 120 minutes because most movies and sports, such as baseball and football games, require more than 60 minutes. At least, we can say without doubt, that the HR-3300 was superior to SL-6300 in the maximal recording time feature.

A comparison between the features of the SL-6300, the first Betamax, and the HR-3300, the first VHS, is shown in Table 1. Betamax was introduced one year earlier than VHS. In addition, it was cheaper than VHS. Furthermore, its tape speed was slower than that of VHS. The slower the tape speed the better because mechanical parts then have a lighter burden, thus leading to more reliability and a longer life. As a result, Betamax could utilize the tape efficiently and operate stably. However, the Betamax machine was much
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