

Nintendo not planning price cuts for hit machines

April 9 2009, By YURI KAGEYAMA , AP Business Writer



Spanish journalists, Jorge Hernandez Valinani, left, and Emilio Gallego Zambrano play with a Nintendo DSi handheld game machine prior to a press conference by Nintendo Co. President Satoru Iwata and Nintendo Senior Managing Director Shigeru Miyamoto at the Foreign Correspondents' Club of Japan in Tokyo, Thursday, April 9, 2009. Nintendo has weathered the global recession because of the popularity of its game machines and won't be resorting to price cuts to boost sales, Iwata said. (AP Photo/Koji Sasahara)

(AP) -- Nintendo has weathered the global recession because of the popularity of its game machines and won't be resorting to price cuts to boost sales, the company's president said Thursday.

Nintendo Co. President Satoru Iwata said consumers don't hold back on spending on products that are high on their "wish list" like his company's [Wii](#) home console or the new Nintendo DSi, the upgrade of the hit

handheld machine.

"If products are similar, then people are going to look at which is cheaper," he said at the Foreign Correspondents' Club of Japan. "We do not think our video game machines are that kind of product."

He said he wasn't ruling out a price cut in the longer run, but said none were in the works in the immediate future.

Despite a slowdown that has battered spending worldwide, Iwata said game purchases have held up, and actually grew over each of the last two years.

Nintendo has scored hits with easier-to-play games that attract newcomers to gaming, including the elderly. The DS comes with a touch panel, making it possible to play some games without complex button-pushing. The Wii has been a hit, partly because of its wand-like controller.

"It is more effective to work on how to become No. 1 on the wish list," Iwata said.

The Japanese maker of Pokemon and Super Mario games has sold more than 50 million [Wii consoles](#) worldwide since late 2006, and more than 100 million [Nintendo DS](#) portable handheld game machines worldwide.

The Wii sells for 25,000 yen (\$250) in Japan and about \$250 in the U.S., and its price has never been cut. In contrast, prices on its rivals, including the [Xbox 360](#) from Microsoft Corp. and Sony's PlayStation series consoles have been slashed to woo buyers. This month, Sony cut the price of the PlayStation 2, the predecessor to the [PlayStation 3](#), to \$99.99, from \$129.99.

Iwata said the revamped DSi, which went on sale late last year in Japan, and earlier this month in the U.S. and Europe has been a hit. In the U.S., 300,000 DSi machines were sold in just two days, and another 300,000 were sold in Europe in two days, he said.

The Nintendo DSi sells for 18,900 in yen and \$169.99 in the U.S.

Koya Tabata, analyst with Credit Suisse in Tokyo, believes the Wii holds potential for growth especially overseas for its "capacity to lead the market as a platform and game-software maker."

Some risks remain, such as the strong yen, but Nintendo has also succeeded in cost cuts, he said in a recent report.

Iwata acknowledged the Wii has lost some of its sales momentum in Japan, where people tend to be trend-conscious and bore easily. But he hopes games like "Wii Sports Resort," going on sale in June in Japan and July overseas, will perk interest.

Nintendo also plans to provide software-creation tools to have teachers at Japanese schools use the DS to give tests and gauge individual student performance, according to game designer Shigeru Miyamoto.

Also in the pipeline are efforts to use DS to receive maps, audio guidance and coupons at a museum or shopping mall, according to Nintendo.

"Convenience in life will be enhanced by having a DS," Miyamoto said.

Iwata and Miyamoto declined to discuss earnings ahead of their release scheduled for next month.

The Kyoto-based company is expected to fare better than Toyota Motor

Corp., Sony Corp. and the many other Japanese manufacturers expecting to sink into losses for the fiscal year ended March 31.

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Nintendo not planning price cuts for hit machines (2009, April 9) retrieved 20 April 2024 from <https://phys.org/news/2009-04-nintendo-price-machines.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.