

## June video game sales drop sharply

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(AP) -- Squeezed by the economic downturn, U.S. retail sales of video games dropped sharply in June, the largest year-over-year decline the industry has seen in nearly nine years.

Market researcher NPD Group said Thursday that sales of game hardware, software and accessories plunged 31 percent from the same month last year, to \$1.17 billion. It marked the biggest year-over-year decline since September 2000.

The drop "is certainly going to cause some pain and reflection in the industry," said NPD analyst Anita Frazier in a statement.

June was the fourth straight month to see a sales decline this year, even as [video game](#) companies continue to tout their products as a cheap form of entertainment. Recession-battered consumers are nonetheless cutting back on spending, and there have also been fewer hit game launches in recent months than in the corresponding period in 2008.

While retail sales have declined, the video game audience is continuing to expand. But many people are playing games online, for free.

"The trick is to continue to figure out how to monetize all the gaming that is going on across PC, mobile devices, and video game systems," Frazier said.

June hardware sales tumbled 38 percent to \$382.6 million from \$617.3 million. As expected, the [Nintendo Wii](#) was the month's best-selling

console with 361,700 units sold, while the Nintendo DS was the top-performing handheld gaming device with 766,500 sold.

[Microsoft](#) Corp.'s Xbox 360 sold fewer units than the Wii - just 240,600 - but it was the only system to show a year-over-year sales increase. Sony Corp.'s [PlayStation 3](#), meanwhile, saw 164,700 units sold.

Software sales dropped 29 percent, to \$625.8 million from \$875.8 million. Best-selling games included "Prototype" for the [Xbox 360](#) from Activision Blizzard Inc., fighting game "UFC 2009: Undisputed" for the Xbox from THQ Inc. and the fitness game "EA Sports Active" for the Wii from [Electronic Arts](#) Inc.

In all, industry sales are down 12 percent year-to-date. But video game companies make most of their money during the holiday season, so with a strong performance in the back half of the year, 2009 sales "could still be flat to slightly up to 2008's record-breaking performance," Frazier said.

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