

PlayStation 3 price cut by \$100; slimmer model to come

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PlayStation 3

(AP) -- After months of rumors and anticipation, Sony Corp. is slashing the price of the PlayStation 3 by \$100 in hopes of boosting sales of the console ahead of the important holiday season.

Sony Corp. said Tuesday it will cut the price of the currently available 80 gigabyte [PlayStation 3](#) effective immediately, to \$299. It is also launching a slimmer, lighter model with a 120 GB hard drive in early September; that version will also cost \$299.

[Sony](#) also cut the price of its existing 160 GB PlayStation 3 by \$100, to \$399. All price cuts apply worldwide.

Sales of the PlayStation 3, which launched in 2006 and cost as much as \$600 at the time, have fallen behind rival consoles. Last week, market researcher NPD Group said U.S. retail stores sold about 122,000 units of the console in July, compared with nearly 203,000 for Microsoft Corp.'s [Xbox 360](#) and more than 252,000 for the Nintendo Co.'s Wii.

[Video game](#) software makers hope Sony's price cut will boost game sales ahead of the holidays. So far this year, the industry has suffered from weak sales because of the recession and lackluster game release schedules, which have kept consumers waiting to spend money on new titles.

Jack Tretton, president and CEO of Sony Computer Entertainment of America, said there is no question the consumer reaction to the cuts will be "phenomenal."

Customers, he said in an interview, "absolutely believe that it's the technologically superior device. (They) absolutely want one but have had trouble justifying the price."

The Wii has cost \$250 since its 2006 launch, while Xbox 360 prices, following a series of reductions, range from \$200 for a simple version with no hard drive to \$400 for the "Elite" version that comes bundled with games. The basic PS3 model remains more expensive than the cheapest versions of its counterparts.

Console sales for the rest of the year will have to be strong, if not phenomenal, for the video game industry to end 2009 on a high note. Year-to-date, overall sales are down 14 percent in the U.S., according to the NPD Group.

Still, analysts anticipate the business will pick up for the holidays, because many hit game launches are planned for the fall.

The PlayStation price cut will also help, as would cuts from the other console makers. Analysts also expect Nintendo to bring down the price of the Wii, though it might be in the way of keeping the price tag at \$250 but throwing in more free games.

Tretton compared the spring and summer to the NFL preseason when it comes to video game sales, in that "no one pays attention and no one keeps score."

The PlayStation 3 price cut has been highly anticipated. On Tuesday morning, at least two retailers - Sears and Kmart - seemed to jump the gun on Sony and posted the new prices on their Web sites.

Sony did not cut the price of its handheld gaming system, the PlayStation Portable. It did, however, announce it is adding a digital reader service that will allow PSP owners to download comics - including content from Marvel Entertainment's Spider-Man, X-Men and the Fantastic Four - beginning in December.

Nintendo Co. had no comment on Sony's or its expected price cut and a representative for Microsoft Corp.'s Xbox division did not immediately respond to a message seeking comment.

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