

US video game sales slide in August for 6th month

September 11 2009

(AP) -- Video games sales declined in August for the sixth straight month, following what analysts called a disappointing showing from the latest "Madden" game.

Nonetheless, game makers are eyeing a stronger September, boosted by the much-hyped launch of "The Beatles: Rock Band" as well as "Guitar Hero 5."

Although the <u>video game</u> industry held out longer than many other sectors in the recession, it began recording double-digit declines in March when compared with the same period in 2008. Besides the economic turmoil that has led consumers to sharply cut back spending, 2009 so far has also suffered from a lack of blockbuster games.

On Thursday, market researcher NPD Group reported a 16 percent August decline - to \$908.7 million - in overall U.S. retail sales of hardware, software and accessories.

Sales of game software fell 15 percent to \$470.3 million. Hardware sales dropped by a quarter to \$297.6 million. Accessories - such as extra controllers and musical instruments to play "Rock Band" and "Guitar Hero" - increased 2 percent to \$140.8 million.

<u>Electronic Arts</u> Inc.'s "Madden NFL 10," as anticipated, was the month's top-selling game, with nearly 1.9 million units sold across five gaming systems.



But analysts had expected even stronger sales. In a research note to investors, Ben Schachter of Broadpoint AmTech said EA likely anticipated "a down year for 'Madden,' but ... this is likely worse than the company's internal expectations."

EA did not immediately respond to an e-mail message Friday.

Price cuts in mid-August lifted sales of <u>Sony</u> Corp.'s <u>PlayStation 3</u> by 72 percent over July. The console sold 210,000 units in August, trailing Microsoft Corp.'s Xbox 360, which also saw a price cut late in the month, by only about 5,400 units.

The handheld DS from Nintendo Co. was the month's best-selling gaming system with 552,900 units sold, and the company's Wii console came in second with 277,400.

"Sony's price cut should help that platform for the remainder of the year, but Nintendo still needs to cut if the industry is to recover," Schachter said.

Looking to this month, Wedbush Morgan analyst Michael Pachter said he's "got a feeling that sales won't let us down." Besides the new "Rock Band" and "Guitar Hero" games, Pachter also cited "Need for Speed: Shift" and "Halo ODST" as games likely to boost this month's sales.

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Citation: US video game sales slide in August for 6th month (2009, September 11) retrieved 11 May 2024 from https://phys.org/news/2009-09-video-game-sales-august-6th.html



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