

November video game sales fall 8 percent to \$2.7B

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In this Tuesday, Nov. 10, 2009 photo, Pete Berger, center, and Mike Francis play "Band Hero" at a Wal-Mart, in Deptford, N.J. (AP Photo/Matt Rourke)

(AP) -- Americans reached into their pockets - though not as deep as last year - to spend \$2.7 billion on video games in November, according to figures reported Thursday by market researcher NPD Group.

That's a nearly 8 percent decline from November 2008, and further sign the industry won't do as well in 2009 as it did last year, when it set a sales record of more than \$21 billion. In October, total sales of video game hardware, software and accessories fell 19 percent from the same month last year.

NPD analyst Anita Frazier said she expects this year's sales to hit \$20 billion. Better economic news, combined with "frugal fatigue" could

boost sales during these last weeks of the holiday season, she said.

November and December are the two most important months for video game sales, because companies bring in a big chunk of their annual revenue during the holidays. For much of this year, the industry has had an especially rough time. The recession cut into discretionary spending and there were fewer hit game launches than in 2008.

One big exception was "Call of Duty: Modern Warfare 2" from Activision Blizzard Inc. The game launched Nov. 10 with much fanfare and did not disappoint, setting an entertainment record. Worldwide, it made \$550 million during its first five days, above the previous record set by "Grand Theft Auto IV," from Take-Two Interactive Software Inc.

There were 4.2 million copies of the game sold for Microsoft Corp.'s Xbox 360 in November, and 1.9 million of the Sony PlayStation 3 version. Microsoft spokesman David Dennis said people spent \$838 million on the Xbox 360 during the month, including games, hardware and accessories.

In terms of sheer volume, Nintendo Co. was the big winner when it came to gaming systems. There were 1.7 million handheld DS systems sold during the month, and nearly 1.3 million Wii consoles. The Xbox 360 was in third place, followed by the PlayStation 3.

In all, 23 million Wiis have been sold in the U.S. since the system's 2006 launch, said Cammie Dunaway, Nintendo of America's executive vice president of sales & marketing. She said Nintendo is providing consumers more hands-on experience in malls this year because budget-conscious customers "really want to make sure they are making the best purchase possible."

All three of the console makers - Sony, Microsoft Corp. and Nintendo -

have cut the prices of their systems in the past few months. Sony said the interest in its PlayStation 3 console has been "overwhelming" this holiday season and it is exceeding company expectations. It said some retailers may experience "tight supply" this month.

Total November hardware sales fell 13 percent to \$1.05 billion.

Software sales declined 3 percent, to 1.41 billion. Besides "Call of Duty," Nintendo's "New Super Mario Bros. Wii," Ubisoft's "Assassin's Creed II" and Electronic Arts Inc.'s "Left 4 Dead 2" also did well.

Sales of accessories slipped nearly 6 percent to \$242.2 million.

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