

Hardware boosts December video game sales

January 15 2010, By BARBARA ORTUTAY, AP Technology Writer

(AP) -- Americans spent a record \$5.53 billion on video games in December, the most money ever in a single month, according to market researcher NPD Group.

But even that wasn't enough to make up for the rest of 2009, and so the year ended with a sales decline. It had been a rough 12 months for the industry, as the recession led people to cut back on discretionary spending and many gamers' attention turned to cheaper - or free - online games.

Even so, there were a few notable bright spots, mainly Nintendo Co. and Activision Blizzard Inc. whose latest "Call of Duty" game set entertainment records when it hit stores in the fall.

NPD said Thursday U.S. retail sales of gaming software, hardware and accessories climbed 4 percent in December when compared with the same month a year earlier.

Much of this increase was due to sales of gaming systems, a signal that price cuts by console makers in August and September helped lure holiday shoppers into buying them as gifts.

Hardware sales jumped 16 percent to \$2.19 billion. The <u>Nintendo Wii</u> sold 3.8 million units, more than its rivals, the <u>PlayStation 3</u> and the <u>Xbox 360</u> did, combined. It set a record for most gaming systems ever sold in a single month.



"Despite all of the dire predictions," said Reggie Fils-Aime, president of Nintendo of America, Nintendo had a "historic" 2009.

"We said all along that our performance would be back-loaded," he added, referring to big game launches in the latter half of the year.

Sony Corp. said the PlayStation 3 saw its sales nearly double every month since October. Until then, however, the console lagged behind its rivals in large part because it came with a bigger price tag.

Spokesman Patrick Seybold said Sony expects high demand for the console to continue into the coming months.

In December, the PS3 sold 1.4 million units. <u>Microsoft</u> Corp.'s Xbox 360 came close with 1.3 million.

While gaming systems sold well in December, many games did not. Software sales fell 7 percent from a year earlier, to \$2.58 billion.

Nintendo's "New Super Mario Bros. Wii" was the month's top-selling game, followed by "Wii Fit Plus," the exercise game, and "<u>Wii</u> Sports Resort." Activision's "Call of Duty: Modern Warfare 2" rounded out the top five, with versions for the Xbox 360 and the PS3 coming in at fourth and fifth place, respectively.

For all of 2009, total game sales dropped 8 percent to \$19.66 billion from a record \$21.4 billion in 2008. Even so it was the second best year for the industry.

"When we started the last decade, <u>video game</u> industry sales, including PC games, totaled \$7.98 (billion) in 2000," said NPD analyst Anita Frazier in a statement. In the 10 years since, she added, the industry has changed dramatically, and, most importantly, it grew by "more than 250



percent at retail alone."

"Call of Duty" for the Xbox was 2009 best-selling game, but the year's big winner was Nintendo, which was behind seven of the top 10 games sold.

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