

## February video game sales drop 15 percent

March 12 2010, By JESSICA MINTZ, AP Technology Writer

(AP) -- U.S. retail sales of video games declined 15 percent in February, hurt in part by an ongoing decline in sales of music games and lower sales of the Wii system.

Americans spent \$1.26 billion on video game systems, software and accessories during the month, down from \$1.48 billion a year ago, market researcher NPD Group said Thursday.

February isn't generally a big month for the video game industry, which still makes much of its money during the holiday season. Even so, several high-profile titles launched during the month, including "BioShock 2," the follow-up to Take-Two Interactive Software Inc.'s popular sci-fi shooter, and "Dante's Inferno" from Electronic-Arts Inc., both appealing to hardcore <u>video game</u> fans.

"I had expected the industry to perform somewhat better this month," said NPD Group analyst Anita Frazier in a statement.

Sales of individual games have declined for more than a year, hurt by a combination of the <u>economic downturn</u> and fewer launches of hit games.

Even with "BioShock 2" at the top of the best-seller list, game software sales fell 15 percent from the same month a year earlier to \$624.4 million. "Dante's Inferno" editions for Sony Corp.'s PlayStation 3 and Microsoft Corp.'s Xbox 360 snagged the No. 8 and No. 9 spots.

Analysts say faltering demand for the once blazingly popular casual



games like "Guitar Hero" and "Wii Fit" have also dragged down game sales. Jesse Divnich, an analyst at Electronic Entertainment Design and Research, said that's to be expected.

"These are volatile categories," Divnich said. "Once you own a 'Wii Fit,' you don't need another 'Wii Fit.'"

The amount of money people spent on gaming systems sank 20 percent to \$426.4 million, in part because the number of Nintendo Wii systems sold in the quarter plunged 47 percent. Nintendo said last month it was facing a shortage of consoles after the holidays.

Competitors fared better in unit sales, though. Sony, which also warned of shortages, saw PlayStation 3 unit sales jump 31 percent. Microsoft sold 9 percent more Xbox 360 systems, grabbing the top spot among the console makers for the first time since "Halo 3" was released in September 2007, NPD's Frazier said.

In a statement, Sony said tight inventory is still crimping sales. Microsoft has not complained of supply problems.

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