

June video game sales decline again, NPD says

July 16 2010, By BARBARA ORTUTAY , AP Technology Writer

(AP) -- Summer doldrums weighed on the video game industry in June, with U.S. retail sales of hardware, software and accessories down 6 percent from a year earlier, to \$1.1 billion.

Market researcher NPD Group said Thursday that sales of game software tumbled 15 percent to \$531.3 million. Analysts were generally expecting a smaller decline.

Hardware sales climbed 5 percent to \$401.7 million. NPD Analyst Anita Frazier said Microsoft Corp.'s Xbox 360 and Sony Corp.'s [PlayStation 3](#) saw unit sales increase notably from a year earlier. Although Nintendo's handheld DS was the month's best-selling game system, the Xbox 360 surpassed Nintendo's [Wii](#) with the number of units sold.

June was unusual in that software sales fell while hardware sales increased, said Jesse Divnich, an analyst with Electronic Entertainment Design and Research. Last month's discrepancy, he added, could have resulted from people replacing older consoles with new ones. The Xbox also got a boost from a new model put out by Microsoft last month - one that's smaller, sleeker and has a bigger hard drive.

As in May, Take-Two Interactive Software Inc.'s "Red Dead Redemption" for the [Xbox 360](#) was the month's best-selling title. The game is now the best-selling game of 2010, NPD said. Nintendo's "Super Mario Galaxy 2" for the Wii was in second place. And in an unusual showing for a game based on a movie, "Toy Story 3" from Disney

Interactive Studios, a unit of The Walt Disney Co., also made it in the top 10.

"There has been a downward trend (both in quality and sales), for movie based games," Divnich said. "The presence of 'Toy Story 3' shows that as long as you focus on quality, there is certainly a consumer base for these types of games."

Total industry sales for the year through the end of June were down 9 percent to \$6.66 billion compared with the same six-month period last year.

Even so, Frazier said the industry, which brings in the bulk of its money in the holiday season, could still pull in \$20 billion for the full year.

A strong slate of games to come, and new motion controllers from Sony and Microsoft will likely give games a boost, she said.

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