

Sony cuts price of PlayStation 3 by \$50 to \$249

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FILE - In this April 11, 2011 file photo, a man operates a Sony Playstation 3 console at an electronics shop in Mainz, Germany. Sony said Tuesday, Aug. 16, 2011, it is cutting the price of its PlayStation 3 gaming console by \$50 in an attempt to drum up demand for the 5-year-old video game console. (AP Photo/DAPD, Torsten Silz, File)

(AP) -- Sony Corp. is cutting the price of its PlayStation 3 gaming console by \$50 in an attempt to drum up demand for the 5-year-old machine.

It is now \$249, down 17 percent from \$299. The last time Sony lowered the price of the PlayStation 3 was in 2009, when it launched a lighter,

slimmer model of the video game system.

The worldwide price cut announced Tuesday comes less than a month after rival Nintendo Co. cut the price of its handheld Nintendo 3DS player.

The 3DS lets players view 3-D games and videos without special glasses. It launched with much fanfare but lost sales momentum. The value of 3-D hasn't been apparent to everyone. Handheld gaming devices are also facing competition from the iPhone and other smartphones with games such as the wildly popular "Angry Birds."

The latest price cut should give the PlayStation 3 a boost, just as the previous one did in 2009.

"It is no secret that the PlayStation 3 has been struggling for some time against the Microsoft Xbox 360 in North America," though it did slightly better in Europe, said Jesse Divnich, an analyst at Electronic Entertainment Design and Research.

Divnich does not believe Microsoft Corp. will follow with its own price cut immediately. Rather, the maker of the Xbox 360 "will likely wait to see the commercial impact of the price disparity" between the Xbox and the PlayStation. The Xbox 360's popular 250 gigabyte version costs \$300. A version with a smaller hard drive, 4 gigabytes, is \$200.

Microsoft said it does not talk about pricing plans in advance and so far it has made no announcements about price cuts.

In all, Microsoft has sold 55 million Xbox 360s worldwide, and Sony has sold 52 million units of the PS3. Nintendo is still No. 1 with 86 million, though sales of the console have slowed down considerably.

Sony is also launching its handheld PlayStation Vita in the U.S. early next year. It will cost \$249 for a Wi-Fi only version and \$299 for a version that will also have cellphone service.

Jack Tretton, the CEO of Sony Computer Entertainment America, said Sony is cutting the price in August instead of closer to the holidays to get it to people during the back-to-school shopping season. While the holidays are the busiest time for video games, August and September are also lucrative as college students stock up on games for their dorm rooms.

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