

US video game retail sales fall 25 percent in May

June 18 2013

U.S. retail sales of video games, hardware and accessories declined 25 percent in May as demand for aging game consoles continued to fade and fewer new games launched compared with last year, according to market researcher NPD Group.

NPD said late Monday that total [video game sales](#) were \$386.3 million, down from \$517 million in May 2012. The decline comes as Microsoft Corp. and [Sony Corp.](#) are getting ready to launch new consoles later this year. The Xbox One, the successor to Microsoft's Xbox 360, and the PlayStation 4, successor to Sony's PS3, are expected to boost game sales over the holiday season.

Hardware sales dropped 31 percent year-over-year to \$96 million from \$139 million. Software sales also fell 31 percent to \$175.1 million from \$255.4 million. The month's best-selling game was "Injustice: Gods Among Us," from Warner Bros. Interactive, followed by "Call of Duty: Black Ops II" from Activision Blizzard Inc. Nintendo's "Donkey Kong Country Returns" came in at No. 3.

Sales of gaming accessories slid 6 percent to \$115.3 million from \$122.5 million.

NPD estimates that sales of new video game discs, hardware and accessories account for about half of what people spend on games.

Cowen and Co. analyst Doug Creutz expects the year-over-year declines

to continue in June and July, but after that expects several consecutive months of increases, with the launch of the next "Madden" game from EA, the launch of "Grand Theft Auto V" from Take-Two Interactive Software Inc. in September and other [blockbuster game](#) releases.

"In general, we believe the fact that (the new) consoles appear poised for a good launch is far more important than current NPD trends," Creutz wrote in a note to investors.

Activision's shares were unchanged at \$14.73 in morning trading. Shares of [GameStop](#) Corp., the world's largest video game retailer, slid 20 cents to \$38.30. Microsoft's stock rose 3 cents to \$35.03. Shares of Electronic Arts Inc. rose 27 cents to \$22.70.

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