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Analyst: All consoles to get price cuts in 2011

by [Don Reisinger](#)

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The time has come for all three major console makers--Microsoft, Nintendo, and Sony--to drop the

prices of their hardware, one analyst says.

"After maintaining console prices at historically high points throughout 2010, all three console manufacturers appear to us to be poised for price cuts in 2011," Wedbush analyst Michael Pachter wrote in a note to investors yesterday.



Microsoft, Pachter said, "is in the driver's seat on price cuts," due to its console's success in 2010 with sales up 40 percent year over year. But that doesn't mean that Microsoft won't drop the price of the [Xbox 360](#). In fact, Pachter said that he expects Microsoft to drop the price of the console the first month it experiences year-over-year monthly sales declines, which he says, could happen as early as June.

Pachter added that the company might reduce the 250GB Xbox 360 Kinect bundle to \$299 from its current price of \$399.99. Microsoft did not immediately respond to a request for comment on Pachter's predictions.

As soon as Microsoft reduces the price of its Xbox 360 Kinect bundle, Pachter believes that the onus will then be on Sony to offer its own cheaper option. The analyst said that he expects Sony to "bundle Move with a [PlayStation 3](#)" at \$299 to match Microsoft's offering. Currently, Sony sells its 160GB console for \$299.99 and its PlayStation Move controller for \$49.99. A 320GB PlayStation 3 Move bundle is available for \$399.99.

A Sony spokesman said the company does not "comment on rumors or speculation."

Such competitive pricing would be put pressure on Nintendo, Pachter said. But he doesn't necessarily believe Nintendo will "cut the price of the [Wii](#) until it is ready to launch its next-generation console," which the analyst believes, could be discussed at the E3 gaming conference in Los Angeles in June.

Nintendo, which declined to comment, has never given any indication that a Wii 2 was even in the works, even though rumors surrounding the device have been surfacing since 2009. Back then, reports suggested the console would feature HD capability and hit store shelves in 2010. As it became clearer that Nintendo wasn't going to do anything of the sort, new rumors cropped up, suggesting [a Wii HD release would occur in 2011](#).

Although a new Nintendo console will eventually hit store shelves, the game company has made it clear that price cuts are not its most desired way to drum up demand for its console.

Last year, Nintendo chief Satoru Iwata [told the Associated Press in an interview](#) that his company was "not thinking of [a Wii price cut] for the near future." Instead, he chose to [release new bundles in November](#), headlined by the "Mario-red" Wii bundle, featuring the Wii Remote Plus, Wii Sports, a red nunchuk, Wii Sports, and a copy of New Super Mario Bros. Wii with the console.

The move paid off. In December, Nintendo once again found itself leading console unit sales,

according to data compiled by NPD. The game company sold 2.3 million Wii units during the month.



Don Reisinger

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Don Reisinger is a technology columnist who has written about everything from HDTVs to computers to Flowbee Haircut Systems. Don is a member of the CNET Blog Network, posting at [The Digital Home](#). He is not an employee of CNET. [Disclosure](#).

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