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By: Andrei Dobra, Games Editor



The PlayStation 3 will receive value but not a price cut  
Wikipedia

## [Breaking Even Doesn't Mean a Lower Price for the PlayStation 3](#)

*The model for previous generations won't be used again*

The console war is more fierce than ever but the monthly sales charts have been showcasing wins across the board for Nintendo, thanks to its extremely popular Wii console and for Microsoft, which has seen increased sales in a lot of territories where its Xbox 360 hasn't been popular for quite some time, like Japan or Europe.

But it seems that Sony with its PlayStation 3 console hasn't yet gained the momentum that most analysts said it would get in 2008. This is largely due to the fact that even though the PS3 is the most powerful console in terms of hardware, the main aspect that makes customers decide their purchases, the price, is still very high as opposed to the Wii and, especially, the Xbox 360.

The predictions of a few analysts, that Sony will [break even](#) in terms of the profit it has made with the PS3 and the funds it has invested in its creation, made quite a lot of people wonder whether Sony would employ a price cut in order to make it more attractive. Despite quite a lot of [statements](#) from various executives from the Japanese company, these rumors have still persisted in the gaming industry.

Now, David Reeves, the head of Sony Computer Entertainment Europe, has reinforced the statements against a rumored price cut, saying that although the strategy with the first PlayStation and the PS2 was to employ a price reduction after breaking even, things aren't going to be the same with the PS3. He then said that adding more value to the console is the main focus of the company, and that price wouldn't be an issue, as the PS3 has so many features as opposed to its rivals.

"When we came into the industry we started at zero. And we had to have a model that was price elasticity - and as soon as we got the manufacturing price down on PSOne we lowered the price. Same with PS2. But we're not doing that on PS3 - that's not the model, but people are expecting it. We're relying on the fact that the industry will keep growing and while we might have a smaller share of the market we will have an overall increase in sales. So the value added strategy is to continue for some years to come."

Although this strategy might seem like the best one for Sony, price is a big factor for quite a lot of customers, especially with the financial recession. Let's hope that the decisions made by the Japanese company won't hurt the PS3 in the long run.