



# Will Sony Win the Console War by Default?

September 18, 2020



On September 16, Sony Interactive Entertainment gave an online presentation that revealed the launch date and price for the PlayStation 5. There were no major surprises. However, the event underlined how much of an advantage the PlayStation 5 has over the Xbox Series X/S.

As expected, the PlayStation 5 will be priced at \$500 for the Blu-ray version and \$400 for the digital only version. The system will launch November 12 in North America, Australia/New Zealand, Japan and South Korea. It will launch in Europe and the rest of the world November 19.

Unlike the Xbox Series X/S both PlayStation 5 versions will have the same core hardware specs. The only difference is the lack of the Ultra HD Blu-ray drive in the digital edition (and a slight difference in size). In contrast, the Xbox Series X and Xbox Series S are two very different systems.

[The latest DFC Intelligence brief](#) compares the PlayStation 5, Xbox Series X and Xbox Series S. The digital only Xbox Series S not only lacks a Blu-ray drive, but its specs are significantly lower than the Xbox Series X. This is a baffling choice on the part of Microsoft.

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In early 2020, Microsoft was pitching the Xbox Series X as the most powerful game system ever. However, the Xbox Series S adds a great deal of confusion to the mix. The Nintendo Switch Lite has recently shown that consumers are reluctant to buy watered down systems. This is likely to be especially true of initial console purchasers.

The other major factor in Sony's favor is games. In recent years Microsoft had seemed to make major strides in growing its in-house software capabilities. However, the lineup of Xbox Series X/S exclusives is looking very thin. This means the delay of key launch title Halo Infinite to 2021 is especially glaring.

The PlayStation 5 launch lineup is nothing to write home about. Spider-Man: Miles Morales and some other titles will help the system stand out. *DFC is launching a full report on key upcoming titles and exclusives.* However, for now it is safe to say that the heavy hitters are coming in 2021.

It was interesting that one of the lead titles Sony showcased was Final Fantasy XVI from Square Enix. An [upcoming DFC Intelligence report](#) looks at the growing importance of Japanese IP in the North American and European markets.

The 1997 Final Fantasy VII launch for the original PlayStation helped build Sony's video game business and FF number 16 as a timed exclusive is a sign of how much stronger the PlayStation is when it comes to global IP.

As discussed in recent briefs, Microsoft is making a bet on game subscription services. However, this is a long-term play. In the short-term Sony was able to counter Microsoft's subscription offering by announcing PlayStation Plus subscribers will be able to download and play some key PlayStation 4 games on the PlayStation 5.

Overall, it looks like the COVID-19 crisis many have had a severe impact on Microsoft's execution. Going into 2020, the race between the PlayStation and Xbox was looking much closer. However, Microsoft's key reveal events were cancelled, and the company was forced to issue announcements in blog posts after key information leaked. In contrast, Sony had been planning for virtual events since it decided to skip E3.

The difference in excitement among gamers over the PlayStation 5 news versus the Xbox Series news has been surprising. Microsoft has been able to garner very little excitement. It is likely this lackluster reception will continue when it comes to hardware sales.

Of course, short-term supply will be a key issue. Manufacturing of a new console can always bring challenges and the COVID-19 virus is likely to magnify those challenges.

This week Bloomberg announced that Sony Corp had been forced to cut its production estimate by 4 million units for the fiscal year. For its part, Sony claimed this report was false. However, it underlies uncertainty we are likely to see in coming months. Microsoft is likely to face its own manufacturing challenges and either way this is expected to be a short-term issue.

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With the announcement of price and release date, [DFC Intelligence has just released its latest forecast along with a market brief](#). Overall, our hardware sales forecast have been increased due to the PlayStation 5 having established itself as the better system for most consumers. Consumers have a fairly clear choice, and this is likely to increase overall sales.

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