

Amazon launches iPad rival, the Kindle Fire (Update 4)

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Amazon.com founder Jeffrey Bezos, pictured in 2007, unveiled a tablet computer, the Kindle Fire.

US online retail giant Amazon launched a touchscreen tablet computer, the Kindle Fire, on Wednesday that costs \$199, less than half the price of the cheapest iPad from market-leader Apple.

The Kindle Fire, which has a seven-inch (17.78-centimeter) screen, smaller than the iPad's 9.7 inches (24.6 cm), will ship in the United States on November 15 and could emerge as a strong rival to the Apple device.

"Kindle Fire brings together all of the things we've been working on at Amazon for over 15 years into a single, fully-integrated service for customers," Amazon founder and chief executive Jeff Bezos said.

Bezos also unveiled three new Kindle electronic book readers at a launch event in Manhattan: a new basic Kindle for \$79, a Kindle Touch for \$99 and a Kindle Touch 3G for \$149.

"We're offering premium products, and we're doing it at non-premium prices," he said.

The Kindle Fire has Wi-Fi connectivity only and is powered by Google's Android software. It does not have a camera like many other leading tablets, including the latest iPad.



Bezos said Amazon is hoping to sell "many millions" and touted the features of a new Web browser in the Kindle Fire called Amazon Silk.

According to technology analysts, a low-priced Amazon tablet could pose the most serious challenge yet to the iPad, which has dominated the fast-growing market for tablet computers since it went on sale in April 2010.

"Amazon will sell millions of tablets, and the rapid fire adoption of the Kindle Fire will give app developers a reason -- finally -- to develop Android tablet apps," said Forrester Research analyst Sarah Rotman Epps.

"Apple's place as market leader is secure, but Amazon will be a strong number two, and we expect no other serious tablet competitors until Windows 8 tablets launch," Rotman Epps said.



Jeff Bezos, Chairman and CEO of Amazon.com, introduces the Kindle Fire at a news conference, Wednesday, Sept. 28, 2011 in New York. The e-reader and tablet has a 7-inch (17.78 cm) multicolor touchscreen. (AP Photo/Mark Lennihan)

According to technology research firm Gartner, the iPad will account for 68.7 percent of the 69.7 million tablets sold this year and will remain the top-selling device over the next few years.

At \$199, Amazon is significantly undercutting Apple with the price of the Kindle Fire. Apple's cheapest iPad sells for \$499.

"Amazon is competing on price, content, and commerce," Rotman Epps said.

The Kindle Fire connects to Amazon's App Store and it comes with a 30-day free subscription to Amazon Prime, whose members pay \$79 a year for free shipping and other benefits such as unlimited streaming of movies and TV shows.



New Amazon Kindle products Kindle Touch (L), Kindle Fire tablet (C) and new Kindle are displayed at a press conference in New York. US online retail giant Amazon unveiled a tablet computer, the Kindle Fire, on Wednesday that costs

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The new Amazon Kindle Fire tablet is displayed at a press conference in New York. US online retail giant Amazon unveiled a tablet computer, the Kindle Fire, on Wednesday that costs \$199, less than half the price of the cheapest iPad from market-leader Apple.

The Kindle Fire also has a pre-installed Amazon shopping application as Amazon, like Apple, seeks to drive owners of the tablet to its online store, which features books, music, movies, TV shows and games.

"Over the past few years, Amazon's customers have gotten used to one-click purchases of books and other published content via the Kindle," independent technology analyst Carmi Levy told AFP.

"(Amazon's) goal is to drive as much business as possible to and through its online retail presence," he said. "Amazon doesn't need to maximize its profits on every tablet sold.

"It'll take thinner margins -- or even per-unit losses -- if that means getting as many Amazon tablets into consumers' hands before the all-important Christmas shopping season," the analyst said.



Amazon CEO Jeff Bezos introduces the new line of Kindle products in New York. Besos introduced (L-R) the Kindle Fire, the Kindle Touch 3G, the Kindle Touch and a new lighter and smaller Kindle.



Amazon CEO Jeff Bezos introduces the new Kindle Fire tablet in New York. US online retail giant Amazon unveiled a tablet computer, the Kindle Fire, on Wednesday that costs \$199, less than half the price of the cheapest iPad from market-leader Apple.

Technology research firm Forrester has forecast that Amazon could sell 3-5 million tablets in the fourth quarter alone.

Apple sold 9.25 million iPads last quarter and has sold nearly 30 million since launching the device in 2010.

Amazon shares gained 2.45 percent to \$229.71 on Wall Street on Wednesday.

Shares in US bookseller Barnes & Noble, which makes the Nook e-reader and a color Nook tablet, lost 6.89 percent to close at \$12.30 while

Apple lost 0.56 percent to \$391.01.

Amazon's 'Kindle Fire' joins crowded tablet market

Amazon, maker of the popular Kindle electronic book reader, is entering a fast-growing tablet computer market dominated by Apple's iPad but featuring dozens of other competitors.

Here are some of the hits and misses of the tablet industry:

APPLE IPAD

The latest creation from Steve Jobs was launched with the usual Apple flair in April of last year, spawning a new category of devices and a host of imitators. Apple has sold nearly 30 million iPads and it accounted for 80 percent of the 7.5 million tablet shipments in North America in the second quarter of this year, according to Strategy Analytics. The iPad features a 9.7-inch (24.6-centimeter) screen and the latest model, the iPad 2, which hit stores in March, boasts still and video cameras. It sells for \$499 to \$829 depending on memory size and whether a buyer chooses Wi-Fi or 3G connectivity. The iPad is also backed by Apple's online entertainment store iTunes and more than 100,000 free and paid applications in the App Store.

AMAZON KINDLE FIRE

The latest entrant in the tablet market is the Kindle Fire from US online retail giant Amazon. It costs just \$199 and will be available in November. It features a seven-inch (17.78-cm) screen and is powered by Google's Android software. The Kindle Fire does not have a camera or 3G connectivity, only Wi-Fi. It comes with a pre-installed shopping application as Amazon seeks to drive Kindle Fire buyers to its online store, which features books, music, movies, TV shows and games.

HEWLETT-PACKARD TOUCHPAD

One of the biggest tablet flops. HP's TouchPad went on sale on July 1 with much fanfare but was discontinued by the world's top personal computer maker just seven weeks later because of poor sales. The TouchPad, ironically, has been flying off the shelves since HP announced on August 18 that it was pulling the plug on the device and slashing the price for the most basic model from \$399 to \$99. HP announced one last production run because of the strong demand. The TouchPad is powered by the webOS mobile operating system HP acquired in its purchase of Palm last year for \$1.2 billion.

SAMSUNG GALAXY TAB

Touted by some in the industry as an "iPad killer" when it came out a year ago, the Samsung Galaxy Tab has not lived up to its billing. Samsung's first tablet was a seven-inch (17.78-cm) model and the South Korean manufacturer has since come out with a 10.1-inch (25.6-cm) version powered by Honeycomb, the latest version of Google's Android software. Unlike the iPad, the Galaxy Tab can run Flash video. The Galaxy Tab is also the subject of a bitter patent dispute between Samsung and Apple which has led to the Galaxy Tab 10.1 being banned in Germany and under assault in courtrooms in Australia.

BLACKBERRY PLAYBOOK

The PlayBook from Canada's Research In Motion made its debut on April 19 to desultory reviews and sales have been sluggish with RIM shipping just 200,000 of the devices last quarter. RIM has been marketing the PlayBook as the first "professional-grade" tablet, stressing its integration with the BlackBerry smartphone, a favorite among many business users. BlackBerry owners can pair their handset with the PlayBook using a Bluetooth connection, a feature called BlackBerry

Bridge, to view their email, calendar, contacts or other content. Priced initially between \$499 and \$699, RIM has been cutting the price since then in a bid to spur demand.

MOTOROLA XOOM

The Motorola Xoom from Motorola Mobility was crowned the best gadget at the Consumer Electronics Show in January and went on sale in February. It was the first tablet computer on the market powered by the Honeycomb software crafted specifically for tablets by Google. With a 10.1-inch (25.6-cm) screen, the Xoom is about the same size as the iPad and also hosts front- and rear-facing still and video cameras. The Xoom was seen as overpriced when it hit the market at \$800 (or \$600 with a two-year Verizon contract), but Motorola Mobility has cut the price since then. Motorola Mobility, which was acquired by Google in August for \$12.5 billion, said it shipped 440,000 Xoom tablets last quarter and expects to ship between 1.3 million and 1.5 million for the full year.

SONY S/P

The Japanese electronics giant arrived surprisingly late to the tablet market and only began selling its first device this month, the Sony Tablet S. The Android-based tablet features a 9.4-inch (23.8-cm) touchscreen and costs between \$499 and \$599. It currently only comes with Wi-Fi connectivity but Sony has promised a Wi-Fi/3G model in November. Sony is also coming out in November with the Sony Tablet P which has dual 5.5-inch (13.9-cm) screens. Both Sony tablets have still and video cameras and a USB port, a feature not available on the iPad.

ARCHOS 9

The Archos 9 PC Tablet was an early entrant in the tablet computer market and among the first to run Microsoft's Windows operating

system, which has found few adopters among tablet makers so far. The Archos 9 features an 8.9-inch (22-cm) screen and was priced at \$550 at launch. The Archos 9 was powered by Windows 7, which was designed for personal computers and not for tablets. Microsoft has said that Windows 8 will be optimized for tablets.

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