

Amazon seeks more paths for sales with new Kindle

May 6 2009, By RACHEL METZ , AP Technology Writer



Jeff Bezos, CEO of Amazon.com, introduces the Kindle DX at a news conference Wednesday, May 6, 2009 in New York. The Kindle DX has a larger 9.7 inch screen than its predecessor, the Kindle 2, and can be ordered for \$489 for delivery this summer. (AP Photo/Mark Lennihan)

(AP) -- Amazon.com Inc. hopes a [bigger version of its Kindle electronic reading device](#) can be a hit, even if it's more expensive, and the company is aiming it in part at college students who are eager to save money on their textbooks.

Since the Kindle debuted in 2007, it has jazzed many users and

technophiles, but electronic readers from Amazon and rivals such as Sony Corp. are still in an early stage. Amazon has not disclosed Kindle sales figures, and the publishing industry has said e-books account for less than 1 percent of book sales.

Now, by offering the larger, \$489 version of the Kindle and the smaller \$359 Kindle 2, Amazon will try to open more avenues for digital versions of books - and other kinds of content. The New York Times, The Boston Globe and The Washington Post plan pilot programs in which they will offer the new Kindle at a discount to some readers who sign up for subscriptions to read the news on the device.

In an interview, Amazon founder and Chief Executive Jeff Bezos said that because the newest Kindle has a 9.7-inch screen, it will be better suited than the 6-inch regular Kindle at showing "complex layouts" in everything from cookbooks to travel guides.

"Things like those that have a lot of layout, structure, look really good on a big screen," he said on the sidelines of a press event Wednesday at Pace University in New York.

The Kindle already had features that could aid textbook reading, like the ability to highlight and bookmark passages. Users could tap the Kindle's typewriter-layout keyboard to look up words and annotate text. But in addition to a larger screen, the new version also offers more data storage - room for 3,500 books instead of 1,500 on the Kindle 2.

Three [textbook publishers](#) - Pearson PLC, Cengage Learning and John Wiley & Sons Inc. - have agreed to sell books on the device. Collectively, they publish 60 percent of all higher-education textbooks, Bezos said.

At least six universities have agreed to run Kindle pilots in the fall -

Pace, Arizona State University, Case Western Reserve University, Princeton University, Reed College and the Darden School of Business at the University of Virginia. The schools will work with publishers to make sure books assigned for courses are available in the Kindle format, and some colleges might subsidize the devices for their students.

Case Western President Barbara Snyder said her school will be looking to see whether the device changes how students take notes, study and communicate with each other and their professors. Using the Kindle DX "opens a new world of educational opportunity," she said.

For students, the biggest advantage could be the lower cost of electronic textbooks. Reading material on the Kindle is consistently less expensive than printed versions, with new releases of mass-market books typically costing \$10, for example.

A 2005 Government Accountability Office report said the average cost is \$900 per year for students at four-year public colleges, though the textbook industry argues the figure is closer to \$625. Typically the prices are high because publishers are trying to capture as many sales as possible in the first year of release, before students can buy used versions.

Though Amazon currently sells physical textbooks, Bezos believes electronic versions will eventually dominate. "It just makes so much sense," he said.

Whether portable, electronic versions of newspapers make sense will remain to be seen. But publishers that have struggled to get people to pay for digital versions of news stories in Web browsers are exploring the Kindle and similar devices.

"Ultimately, this is about providing our readers with what they want and

need," said New York Times Co. Chairman Arthur Sulzberger Jr., who joined Bezos on stage for the event.

When the Kindle 2 was unveiled, NPD Group analyst Ross Rubin predicted that for e-book readers to reach broader audiences, the price would have to come down - something he didn't expect to happen until must-haves like textbooks became available for the devices. Since the Kindle DX actually costs quite a bit more than the Kindle 2, "it makes sense to explore ... other forms of distribution, such as subsidization by newspapers," Rubin said.

Bezos said another potential improvement in the [Kindle](#) - a color screen - is being explored but "many years away from commercial readiness."

"The electronic paper display we're using now, that was in the lab for 13 years," he said.

Amazon shares dropped 92 cents, or 1.1 percent, to \$80.98 in afternoon trading.

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Amazon seeks more paths for sales with new Kindle (2009, May 6) retrieved 9 April 2024 from <https://phys.org/news/2009-05-amazon-paths-sales-kindle.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--