

Amazon.com to capitulate to Macmillan price demand

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In this Feb. 9, 2009 file photo, the Kindle 2 electronic reader is shown at an Amazon.com news conference in New York. Amazon.com says it will give in to publishing giant Macmillan and agree to sell electronic versions of its books even at prices it considers too high. (AP Photo/Mark Lennihan)

(AP) -- Amazon.com says it will give in to publishing giant Macmillan and agree to sell electronic versions of its books even at prices it considers too high.

New copies of Hilary Mantel's "Wolf Hall," Andrew Young's "The Politician" and other books published by Macmillan were unavailable Saturday on Amazon.com, after the retailer pulled the titles in a surprising reaction to the publisher's new pricing model for [e-books](#).

Amazon wants to tamp down prices as competitors such as Barnes &

Noble Inc., Sony Corp. and Apple Inc. line up to challenge its dominant position in the rapidly expanding market. But Macmillan and other publishers have criticized Amazon for charging just \$9.99 for best-selling e-books on its Kindle e-reader, a price publishers say is too low and could hurt sales of higher priced hardcovers.

Amazon told customers in a posting on its online Kindle Forum Sunday that it "expressed our strong disagreement" with Macmillan's determination to charge higher prices. Under Macmillan's model, to be put in place in March, e-books will be priced from \$12.99 to \$14.99 when first released and prices will change over time.

"We want you to know that ultimately, however, we will have to capitulate and accept Macmillan's terms because Macmillan has a monopoly over their own titles, and we will want to offer them to you even at prices we believe are needlessly high for e-books," Amazon said in the posting.

Macmillan is one of the world's largest English-language publishers with divisions including St. Martin's Press, Henry Holt & Co. and Farrar, Straus & Giroux.

"We are in discussions with Amazon about how to resolve our differences," Macmillan CEO John Sargent told The Associated Press Sunday. He declined to comment further.

Amazon said other publishers and independent presses might "see this as an opportunity to provide attractively priced e-books as an alternative."

Amazon faces new challengers to the Kindle, including Barnes & Noble's Nook and Sony's e-book reader, plus the upcoming iPad table computer from Apple. The Seattle company sells about six e-books for every 10 paper ones when titles are available in either format. However,

the popularity of e-books has driven [publishers](#) such as Simon & Schuster and HarperCollins Hachette Book Group USA to say they will delay the release of e-books in order to protect hardcover sales.

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