

Borders Group Inc. launches electronic book store

July 7 2010, By EMILY FREDRIX , AP Retail Writer

(AP) -- Borders Group Inc. has launched its e-bookstore as it tries to catch up to competitors who have a head-start in a small but growing market that's seen as the future of the book industry.

The company said Wednesday its goal with the new store and e-reader is to take 17 percent of the electronic book market by next July. Amazon has the Kindle e-reader and Barnes & Noble Inc. has the Nook, and all the players are cutting prices to woo buyers.

Borders was later to market than its rivals but said it took time to craft its strategy, which rests on selling books that can be used across multiple platforms rather than just one device.

The store, at <http://ebooks.borders.com> , has more than 1.5 million titles and thousands of free ones. The books are in formats such as mobile, PDF and ePub. The Kobo eReader and Aluratek Libre eReader are both for sale on the site and priced under \$150. The company said both have sold past expectations, though it didn't give figures.

The readers will also be available in stores in an area called "Area E" in all stores by early September.

The displays in stores will help draw in customers because they'll be able to try out the devices, said Michael Norris, a senior analyst at the trade books group for Simba Information.

The company may be later to the electronic book market than its rivals, but the market is young enough that there's still plenty of room to grow, he said. He estimates some 90 percent of U.S. adults haven't yet bought an electronic book, so there's lots of opportunity yet to capture customers.

"You can leave an e-book store with one keystroke, so Borders just needs to focus on making the shopping experience work as conveniently as they say they will," he said.

Borders will extend its loyalty program to the digital store. That will include benefits such as special gift cards, exclusive offers and other incentives.

"The race to emerge as a retail leader within the digital category is just starting," CEO Mike Edwards said.

Borders also announced Wednesday it is making electronic reading applications powered by Kobo available for certain Blackberry devices and Android phones.

Shares of Borders rose 7 cents, or 6 percent, to \$1.24

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