

Amazon cuts Fire phone price to ignite sales

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Amazon on Wednesday slashed the price of Fire mobile phones that stalled after launch early this year, becoming a drag on the US online retail titan's bottom line.

The [price cut](#), which Amazon said would last until December 1, was the second for Fire and was included in a set of holiday-shopping season deals announced for items including Kindle e-readers.

Fire smartphones free of accompanying contracts with telecom carriers are available for \$199 and come with a year-long membership to

Amazon Prime subscription service which gives customers free shipping and access to music, videos and other online content.

Fire phones hit the market mid-year at a price of \$649 each without contracts, or \$200 with multi-year telecom service deals.

Unlocked Fire phones are compatible with GSM networks provided by US carriers such as AT&T, T-Mobile, Metro PCS and Cricket.

Seattle-based Amazon in September tried to ignite Fire sales by dropping the unlocked price to \$449, and offering handsets for just 99 cents if bought along with a two-year service contract with telecom carrier AT&T.

While some Amazon products and services have been popular, its smartphone market share has been "effectively zero," according to the Consumer Intelligence Research Partners consultancy.

Amazon posted widening losses in the recently ended fiscal quarter, raising doubts on whether investors will support chief executive Jeff Bezos' strategy of putting investment ahead of profit.

Amazon took a charge of \$170 million for inventory, mainly for unsold phones.

Some analysts believe that the US holiday season will test Amazon because traditional brick-and-mortar retailers are responding to the competition with offerings such as free shipping.

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