

Amazon dangles \$50 tablet computer to hook more consumers

September 17 2015, by Michael Liedtke



In this Wednesday, Sept. 16, 2015, photo, Amazon's new \$50 Fire tablet is displayed next to a six-pack of them and assorted colored cases in San Francisco. Amazon.com is introducing the \$50 tablet computer in its latest attempt to boost its online store sales by luring consumers who can't afford more expensive Internet-connected devices made by Apple and other rivals. (AP Photo/Eric Risberg)

Amazon is dangling a \$50 tablet computer in its latest attempt to lure

consumers who can't afford or don't want the more expensive Internet-connected devices made by Apple and other rivals.

The 7-inch Fire tablet unveiled Thursday marks Amazon's most aggressive attempt yet to undercut Apple, which has been the market leader since its first iPad went on sale five years ago. The least expensive iPad Mini, which has an 8-inch screen, currently sells for \$270.

Amazon.com Inc. isn't trying to persuade anyone that its cheap tablet matches the quality of its own sleeker, higher-priced Fire HD alternatives, let alone the top-selling iPad line.

But the Seattle company is counting on the new tablet's low price to encourage more people to buy a device that will hook them on watching video, reading books, playing games and shopping on a computer that's easy to carry wherever they go.

In the process, Amazon is hoping consumers will buy more digital goods and merchandise from its store while also subscribing to its \$100-per-year Prime service that offers a mix of videos, music and free shipping.

"Our tablet focus is in and around content consumption," said David Limp, Amazon's senior vice president of devices.

As with its previous low-priced tablets, the new Fire device will show ads on its screen saver. Avoiding the ads will cost an additional \$15.

The discount tablet will debut amid a slump in the sale of the devices. The downturn suggests consumers who already own a tablet see little need to upgrade and those that don't have one either aren't interested in the devices or can't afford one.



In this Wednesday, Sept. 16, 2015, photo, Amazon's new \$50 Fire tablet is displayed in San Francisco. Amazon.com is introducing the \$50 tablet computer in its latest attempt to boost its online store sales by luring consumers who can't afford more expensive Internet-connected devices made by Apple and other rivals. (AP Photo/Eric Risberg)

Apple's iPad sales have been declining since 2013, spurring the company to take aim at selling more of its tablets to corporate customers and government agencies. Industrywide, worldwide sales of tablets are expected to fall 8 percent this year, according to the research firm International Data Corp.

Amazon is hoping that the low price of the new tablet will be so appealing that people will stock up on the devices and have them scattered around the house. As a prod, it plans to sell a six-pack of the 7-inch Fire tablets for the price of five, or \$250.

Although the new tablet is cheap, Limp boasted it is far superior to other discount tablets that are "something you wouldn't want to give your worst enemy, let alone a family member or a kid."

Amazon is promising the discount tablet will have decent processing power, good color saturation and seven hours of battery life. A more durable version designed for kids will come with a blue or pink bumper and a 2-year replacement warranty if it's broken for any reason. It will sell for \$100.

Pre-orders for the tablet will begin Thursday, with shipments expected in two weeks.

Amazon also unveiled updates to larger, more expensive tablets and its devices for streaming Internet video to television sets as it gears up to battle Apple and other gadget makers for the flurry of electronics sales that typically accompanies the holiday shopping season.



In this Wednesday, Sept. 16, 2015, photo, Amazon's new \$50 Fire tablet sits on display along with assorted colored cases, background, in San Francisco. Amazon.com is introducing the \$50 tablet computer in its latest attempt to boost its online store sales by luring consumers who can't afford more expensive Internet-connected devices made by Apple and other rivals. (AP Photo/Eric Risberg)

Apple got the jump on Amazon last week when it showed off its latest iPhone, an iPad with a 12-inch screen and a long-delayed update of its TV-streaming box for Internet video and music.

Amazon tried to counter the iPhone's popularity with its own smartphone last year, but it never caught on. The company no longer sells its Fire phone, though it's still available in other online stores.

Despite that the phone's flop, Limp insisted "there's a lot of good things happening across (Amazon's) device business."

The company's holiday line-up includes a more durable 8-inch Fire HD tablet with faster processing speeds than last year's model that will sell at prices beginning at \$150. An upgraded 10-inch Fire HD tablet will sell for \$230, or 42 percent less than the least expensive \$400 iPad with a comparable display size.

Amazon is adding a remote control with a voice-activated search option to its Fire stick for Internet video streaming. The streaming stick will sell for \$50, up from \$40 for last year's version without voice-recognition technology.

Amazon's Fire TV box will now be able stream ultra HD video with

technology that is also supposed to deliver a better picture to screens with standard HD, too. It will sell for \$100 compared with \$150 for the new Apple TV box scheduled to go on sale at the end of next month.

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Citation: Amazon dangles \$50 tablet computer to hook more consumers (2015, September 17) retrieved 23 April 2024 from

<https://phys.org/news/2015-09-amazon-dangles-tablet-consumers.html>

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