

**Amazon Looks to Disrupt the Tablet Market
(Again) with New Kindles**

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By: [Robert O'Donnell](#); [Tom Mainelli](#)

Amazon [announced](#) new Kindle Fire tablets today at typically aggressive price points: \$159 for a refreshed version of the current 8GB 7-inch device; \$199 for a new, thinner 7-inch HD version with a front-facing camera and 16GB of storage (\$249 for 32GB); \$299 for an 8.9-inch HD with camera and 16GB (\$369 for 32GB); and \$499 for an 8.9-inch with camera, 32GB, and 4G (\$599 for 64GB). As it did last year when it announced the original Kindle Fire, the company is looking to disrupt the tablet market with affordably priced devices that make the company money over time instead of at the original point of sale. This makes life difficult for other tablet hardware-only vendors caught between Amazon's near-cost hardware pricing at the low end and Apple's market-leading (and profitably priced) iPad on the high end.

During the company's press event in Santa Monica, CEO Jeff Bezos drove home the idea that, while the company's new hardware has all the necessary bells and whistles, it is Amazon's content and services ecosystem that makes its Kindle Fire products special. The company claims to offer more than 22 million movies, TV shows, songs, magazines, books, audiobooks, and apps. He demonstrated the depth to which Amazon has begun to leverage the content it sells by demonstrating features such as X-Ray, which offers word and name context within books, textbooks, and movies at a tap of the screen. Equally interesting was the new Immersion Reading feature, which combines Audible audio books and traditional eBooks, allowing you to listen to the narrated version as you read along in the highlighted text.

Other new content-based features include Whispersync for Voice, which syncs your place in a book as you move between audio and eBook versions, and Whispersync for Games, which syncs your gaming levels between devices. In the tablet market, only Amazon currently has a content ecosystem wide and deep enough to challenge Apple, and today, the company made it clear that it intends to do more with that content than merely sell it. It plans to add value to that content, making sure people will want to stay (and continue to buy) from within that ecosystem.

While Bezos was keen to play up content over gadgetry, he still spent a great deal of time spelling out the hardware features of the new Kindle products. The new 7-inch HD product features a 1280 x 800 resolution display (the same as the similarly sized Nexus 7 from Google-ASUS); the 8.9-inch device has a resolution of 1920 x 1200. Both of the new HD tablets also offer improved WiFi based upon dual antennas, dual bands (2.4GHZ and 5GHZ), and multiple in, multiple out (MIMO) technology. Finally, both of the HD products include integrated stereo speakers featuring Dolby's Digital Plus audio platform.

Amazon also rolled out some much-needed updates to its user interface (the tablet's OS is based on Google's Android, but Amazon strips out any resemblance to the OS). The revised user interface is much more responsive and smooth than on the original device. Amazon also significantly upgraded the onboard email and calendar functions (which now support Exchange) and added Skype to utilize the front-facing camera.

Of all the Fire devices that Amazon announced Thursday, the one device that seemed to hit an off note was the \$499 4G product. While Amazon's pricing certainly looks good on paper — it's charging just \$50 for a year of 4G AT&T service — a closer look reveals that this plan allows for just 250MB of downloads per month. After noting that 8GB of storage isn't enough for high-definition content (for example, the downloadable video file of Amazon's 74-minute press conference is 4.6GB), 250MBs per month seems

jarringly inadequate. Amazon says upgrades to 3GB and 5GB per month will be available through AT&T, but it didn't announce pricing.

Also, Amazon didn't make a point of spelling it out during the press conference, but all of the new Kindle Fires include ads that run on the lock screens. Bezos made a point of saying that Amazon doesn't care for the razors and razor blades model of selling tablets at close to what it costs to make them; this is clearly another way the company intends to profit from the tablet over time. It's not yet clear what premium users will have to pay to opt out of these ads.

In addition to its new Kindle Fire products, Amazon also refreshed its eReader products, announcing a new entry-level Kindle (\$69 with offers; \$89 without), as well as a new touch model with a lighted screen called the Kindle Paperwhite (\$119 with offers; \$139 without; \$179 with 3G).

As expected, Amazon rolled out some very interesting new products today. It's worth noting that while the updated entry-level Kindle Fire and the 7-inch Kindle Fire HD will all begin shipping on September 14, the big-ticket 8.9-inch tablet won't actually begin shipping until November 20. That delay could prove detrimental should Apple announce (and launch) its long-predicted smaller-sized iPad in the interim. Also launching prior to November: Microsoft's Surface RT tablet, plus a growing list of Windows 8 and Windows RT tablets from the likes of Dell, HP, Samsung, and others. It's clear that consumers won't go wanting for tablet options come 4Q12.

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