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How Amazon Will Maintain Their Dominant Position In The E-Book Market - Despite The iPad

Amazon has been an important, quite possibly the most important, player in the development of digital publishing using both their Kindle reader family and their huge library of Kindle books as development and marketing tools. November 2007 saw the launch of the original Kindle. Amazon followed up with the upgraded Kindle 2.0 in February of 2009, and the large display Kindle DX model launched in the summer of 2009.

With a market share of 60% of all e-book readers sold in the USA, the Kindle readers dominated the market. Sony trailed in second place with a still respectable 35% share. Needless to say, other electronics manufacturers quickly saw the potential in the nascent e-book reader market and either developed or updated their own readers.

Manufacturers like Bookeen, Plastic Logic, Sony and Barnes and Noble worked hard to get their share of the rapidly developing market, but the dominance of the Kindle seemed pretty well established, if not unassailable. It was only when Apple launched their iPad that the Kindle faced any credible competition - despite the fact that the two devices were very different and, you would think, aimed at different target markets.

Nevertheless, since the release of the iPad, e-book reader prices have pretty much gone into free fall. The Kindle 2.0, which retailed for \$ 359 at its February 2009 launch is now priced at just \$ 189. The Kindle DX, which has just had a mini makeover and now sports a new higher contrast screen, has had its price slashed from \$ 489 to \$ 379. Still a pricey piece of kit, but a lot cheaper than before and also way cheaper than even the entry level iPad (which also has a monthly connection fee associated with it). The price of the Barnes and Noble Nook reader has also dropped to just \$ 199.

Whilst the price of e-book readers may be falling, the same cannot be said about the price of the e-books which these devices are used to read. Again, Apple had a hand in this. Apple had, in advance of the launch of the iPad, set up their own book store and negotiated a pricing deal with the major publishing houses which basically allowed them to fix the price of their e-book editions at whatever level they wished. The only rider being that they could not offer the same e-book version at a lower price on any other platform. This effectively put paid to Amazon's policy of pricing e-books at \$ 9.99 or lower and was very popular amongst the publishing companies.

Amazon may have had to abandon their low e-book price policy - but that wasn't necessarily a disaster for them. Considering the way that Amazon have made it possible to read Kindle books on such a wide variety of different devices - you can use the PC, the Mac, the iPod Touch, the iPhone, the iPad, your Blackberry and any device which runs Android to read Kindle books right now (and no doubt there will be further additions in future) - it must be obvious that Amazon are more interested in book sales than hardware sales. The latest downward price movement for e-book readers and simultaneous price increase for e-books means that they can now sell the hardware for less and make their profit by selling e-books over the life of the hardware. The same will apply for Barnes and Noble and Apple themselves of course.

This trend may tend to favor companies which have a foot in both the book and hardware sales camps. Considering the current number of devices which can be used to read Kindle books, it looks as if Amazon will be a major player in the future of digital publishing for some time to come.

Check out the [Amazon Kindle](#) for yourself and view the wide range of [Kindle accessories](#) available to help you personalise your reader.

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