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# **Will Amazon Be The Last Man Standing After The E-Book Market Matures?**

This time last year, the e-book reader market was like the Wild West - or maybe the gold rush would be a more appropriate metaphor. Following the huge success which Amazon had achieved with its Kindle reader - first of all with the Kindle 2.0 in February of 2009 and then with the large display DX model in the summer of the same year - a small army of personal electronics firms seemed to be developing, releasing or updating e-book readers of their own in order to grab a share of the new and rapidly developing market.

Sony and Barnes and Noble were working feverishly to get their new readers to market in advance of the 2009 festive season and Plastic Logic, Asus and a number of others were rushing to get their readers released as quickly as they could manage. The Computer Electronics Show (CES), held in Las Vegas in early 2010, had a dedicated e-book reader section for the first time ever. E-book readers were a hot new emerging market.

However, just a few months later, it's a very different scene. The price of e-book reader hardware has been in free fall. The latest third generation Kindle now has a Wi-Fi only entry level model available for only \$ 139 - less than 40% of the \$ 359 price which the Kindle 2.0 launched. The price of the Nook reader from Barnes and Noble has also been slashed to just \$ 149 - and a further cut before the festive season arrives seems highly likely.

A number of e-book readers which were in development - including Plastic Logic's Que - have been abandoned. The market seems to be entering a new phase in its development - and whether there is any place in it for pure electronics manufacturers or not is open to debate. The Amazon business model is very well suited to selling lower priced readers and making a profit on the subsequent sales of Kindle books. Barnes and Noble could employ a similar strategy - but whether or not they could make use of economies of scale in the same way that Amazon can is debatable.

Obviously the launch of the Apple iPad has been a major influence in all of this. It's certain that the price of e-book readers would have trended downwards anyway - but the iPad's launch certainly hastened things along a bit. However, considering that the third generation Kindles sold out almost immediately after launch - even today customers are facing a three to four week wait for their Kindles to ship - it doesn't look like the iPad is the long awaited Kindle Killer that it was widely forecast to be.

Apart from the debate about e-ink displays being easier to read on than back-lit screens, there is - for the moment at least - enough daylight between the price of the Kindle and the price of even the entry level iPad to make the Kindle the more attractive option for anyone whose primary interest is reading books. The monthly connection fees for the iPad will also not be an attractive option for some customers.

It does appear that there is ample room in the market for both the Amazon Kindle and the iPad to co-exist - for the foreseeable future at least. Other manufacturers of e-book readers, including big players such as Barnes and Noble and Sony, may well find things tough as hardware prices keep dropping.

Learn more about the Amazon [Kindle reader](#) for yourself and view the wide range of [Kindle accessories](#) on offer to help you personalise your reader.

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