Amazon Offers $139 Wireless Kindle for Mass Appeal

(Reuters) - Amazon.com launched a cheaper, wireless-only Kindle on Wednesday, betting that the $139 price will turn its latest electronic reader into a mass-appeal device as Apple Inc's iPad gains ground.

The world's largest online retailer and leading e-reader seller also revealed its third generation Kindle, some 21 percent smaller and 15 percent lighter than the previous version, but still priced at $189.

Amazon does not give sales figures for the Kindle, but said last week that its growth rate tripled after it cut its price on the device from $259 and said e-books were outselling hardcover books. Apple has said it sold more than 3 million iPads, starting at $499, since the product was introduced in April.

"At these price points, we're starting to accumulate evidence that this is a mass product," said Chief Executive Jeff Bezos in an interview at company headquarters in Seattle. "This is a very broad audience."

Amazon's sales success with the Kindle has allowed the company to lower the price even as rival devices have entered the market, he said.

"We've sold millions of the prior generation of Kindle and we're going to sell millions of these," Bezos said. "And when you get up into that kind of volume, you're able to do a lot of things with the manufacturing models and supply chain in terms of driving down the cost."

The devices, which are now available for preorder, will begin shipping Aug 27.

Amazon has improved the contrast on the screen of its newest Kindles, but the size of the 6-inch reading area remains the same. Page turns are also faster and some 3500 books can now be stored, double the previous amount. Both models have a one-month battery life.

Forrester analyst James McQuivey said he had not expected a lower-priced Kindle until later in the year.

"It suggests that Amazon really means it when they say they're in this device business to stay," he said.

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