

Amazon: a Cheap Tablet to Kindle Online Sales

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IHS iSuppli reports Amazon will sell the new Kindle Fire tablet at a "razor-thin margin on sales" of both devices and digital content-- in order to promote physical product sales from the Amazon online store.



The analyst estimates the Kindle Fire costs around \$192 to make, with additional manufacturing expenses rising the total price to \$209.63. The device itself will cost \$199 on shelves.

While commentators say the Kindle Fire will make profit through digital content sales, iSuppli insists the Kindle Fire will actually "promote sales of the kinds of physical goods that comprise the majority of Amazon's business"-- the physical products the online retailer generates profits from.

Thus, Amazon has a potential secret weapon-- an Amazon-only platform making online purchases easier (if not more customer-friendly) than ever, encouraging the online purchases of everyday goods.

IHS iSuppli also says the Kindle Fire has potential to become the no. 2 selling tablet on the market (following the iPad), even if it technically "represents an enhancement on the e-book reader."

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