

Australian Kindle users to pay more for e-books

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Online retail giant Amazon is facing a barrage of consumer criticism after it revealed international users of its Kindle device will be forced to pay more for e-books than American consumers.

A spokesman revealed to *The Guardian* that "international customers do pay a higher price for their books than US customers due to higher operating costs outside of the US".

But the statement comes after the company said a number of days ago "there are no additional fees for international customers".

Warren Chaisatien, managing direction and principal analyst of Telsyte, says the decision to increase the price of e-books for international consumers could be a fatal move for the Kindle device.

"In fact there's no compelling reason why international customers should be paying more, but perhaps when you consider distribution models and that sort of thing, the money has to be paid somewhere. It could just end up being the channels and the way the product is brought out."

It is understood Amazon has raised prices because the device is being sold through Amazon.com and not local divisions, and that data will be downloaded from the American website.

"But when you look at it objectively, paying \$15 or \$16 for an e-book will make it less compelling. And anyway, there will be the emergence next year of Apple's tablet computer and more advanced smartphones that can hold e-books. This will put pressure on the Kindle and see less demand for it."

Chaisatien's comments come after he said last week that the release of an Apple tablet device next year could mean demand for the Kindle is lower than anticipated.

"I think the Kindle will survive in a niche fashion, for people who read a lot and are on the go, but book lovers like to collect physical books. It does have appeal, but unlike the US launch which was a few years ago and was unique, here the timing is a bit off because we are expecting similar devices very soon."

The device, which is set to go on sale internationally next week, has already run into problems regarding partnerships with international telcos to provide 3G wireless services. Instead, it has partnered with US telco AT&T, which has international roaming deals.

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