Amazon, Skirting Apple, Announces Cloud for Books

By STU WOO

Amazon.com Inc. has become one of the first retailers to sidestep new rules for selling digital content on Apple Inc.'s popular mobile devices, a move that other major sellers could follow.

On Wednesday, Amazon released an application that allows people to buy and read electronic books from the retailer's popular Kindle store.

The application, called the Kindle Cloud Reader, is accessed through the Web browser on a mobile device or computer, rather than through the kind of downloaded apps typically used with Apple's iPad and iPhone.

That allows Amazon to sell digital books without sharing revenue with Apple, which typically requires a 30% cut of content delivered through apps distributed via its online store.

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Amazon released an application, the Kindle Cloud Reader, that is accessed via a Web browser.

Previously, iPad and iPhone owners could buy Kindle books by clicking a link on an Amazon application that took them to its website. But Apple recently forced retailers to remove such links from the applications.

Analysts said Amazon then had two choices: It could sell its books within the application—and give a cut of its sales to Apple—or it could design an application that runs on a Web browser instead of Apple's operating system.

Amazon, in opting for the latter, could become the first of many major digital-content sellers to take the route of such Web applications, which use a technology called HTML5 that give browser-based software similar functionality to downloaded software.

 $Kobo, a \ Toronto-based \ digital-book \ seller, \ said \ last \ month \ that \ it \ would \ also \ release \ such \ a \ Web-based \ application \ this \ year.$

An Apple spokesman didn't immediately return a request for comment.

In an e-mailed statement, Amazon Kindle director Dorothy Nicholls said that Apple's app-store policy did not factor into the creation of the Kindle Cloud Reader. She said the new application will "help customers access their library instantly from anywhere."

Books on Amazon's Kindle store can also be read on the retailer's popular Kindle electronic reader.

Amazon plans to release two new versions of the Kindle reader this quarter, along with a tablet computer, people familiar with the devices have said. The new products will escalate the Amazon-Apple rivalry; the two companies already compete to sell digital books, music and video.

Allen Weiner, an analyst at research firm Gartner, said Amazon is "displaying its sense for understanding the long-term opportunity for multi-platform distribution."

He added that other companies may attempt to follow Amazon's lead, but may have a tougher time because they lack the resources of the Seattle-based retailing giant.

Web-based applications face some challenges. Kobo CEO Michael Serbinis said in an interview last month that there will be some noticeable differences between browser-based applications and those designed specifically for a tablet computer's operating system.

"It can be pretty slick," he added. "We expect to drive those differences out" in the long run.

The Kindle Cloud Reader was accessible on iPads Wednesday morning. The Web browser-based application was nearly as responsive as the Kindle app designed for the iPad operating system, though it had some longer loading times for certain pages. An Amazon spokeswoman said long loading times should be rare.

—Yukari Iwatani Kane contributed to this article.

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