Barnes & Noble unveils color Nook e-reader

MAE ANDERSON - AP Retail Writers - Associated Press

Barnes & Noble Inc. is introducing a new Nook e-reader with a color touch screen for $249 as competition in the fast-growing industry heats up ahead of the holidays.

As the first full-color touch electronic reader, the Nookcolor stands apart from black-and-white competitors like Amazon's Kindle. The device can be used to read books, magazines, newspapers and an expanded array of children's titles. It also takes hints from Apple Inc.'s iPad with more games, Web browsing, music streaming and its own application store. Like earlier versions, it runs on Google Inc.'s Android operating system.

Barnes & Noble, which announced the product Tuesday, said it will begin taking orders for the device online and in stores on Wednesday and begins shipping in mid-November.

"I think Barnes & Noble did a pretty good job presenting this device as its own e-reader instead of just a cheaper version of the iPad," said Simba Information analyst Michael Norris. "It is focused on the reading experience."

E-readers are again expected to be popular holiday gifts, but competition has exploded over the past year — especially since Apple released the iPad in April. New models and price cuts for Amazon.com's Kindle and new offerings from Kobo, Sony and others intend to compete with the iPad and other tablet computers.

Nookcolor's features include full-color display on the new 7-inch screen; earlier versions offer color only on the bottom half of a dual-screen. It is lightweight at about a pound, making it easy to grasp while holding a cup of coffee in the other hand, and its battery is estimated to last roughly 8 hours between charges.

Barnes & Noble also is offering more digital books for the Nook, including more than 12,000 new titles for kids.

At $249, the Nookcolor is $50 more expensive than the most expensive Nook on the market. It is also more expensive than Amazon's Kindle, which retails for $139 to $189. But it costs much less than the iPad, which starts at $499, and that could entice consumers.

"What they want to avoid doing is creating product that will make consumers think, 'I'll just spend a bit more and get an iPad,'" Norris said.

James McQuivey, a Forrester Research analyst, said the Nookcolor doesn't threaten the Kindle or iPad or anything else — yet. But it does ensure Barnes & Noble gets a share of the rapidly growing markets for e-readers and tablet devices.

McQuivey was surprised that Barnes & Noble was first to the party with a color e-reader, saying he expected Sony or Amazon would be first. Still, it makes sense for the bookseller, which has had a tough year and is counting on e-books the Nook for revenue growth.

"I can see why they're putting the energy into it, because it might start looking like the knight in shining armor that any challenged retailer would be interested in seeing ride up on a horse," McQuivey said.

Other e-reader makers also are amping up competition. On Monday Borders, which offers several e-readers online and in stores, announced several offers that last the rest of this week. Shoppers can save $30 on some readers and get free shipping with online orders, or they can get a $25 gift card with a Velocity Micro Cruz tablet purchase or free e-books with a Kobo pre-order and 20 percent off e-reader accessories.

Also last week, Amazon said it would let e-book owners start borrowing books later this year, a service similar to one Barnes & Noble offers. And Amazon's Kindle is now available at Best Buy, Target and Walmart, along with Amazon.com. The Nook is also available at Best Buy and Walmart and soon Books-A-Million stores, along with Barnes & Noble stores.

Traditional booksellers like Barnes & Noble and Borders are pinning their hopes on e-readers. Research firm The Yankee Group has forecast 6 million will be sold in 2010 and the market will grow to $2.5 billion by 2013.

Shares of Barnes & Noble fell 19 cents to close at $14.98 but were unchanged in after-hours trading Tuesday.

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Skidmore reported from Portland, Ore. Rachel Metz contributed to this report from San Francisco.

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