

# Google sells small tablet, challenges Kindle Fire

MICHAEL LIEDTKE - AP Technology Writers - Associated Press

Google will sell a small tablet computer bearing its brand in a challenge to Amazon's Kindle Fire.

The Nexus 7 is designed specifically for Google Play, the online store that sells movies, music, books, apps and other content — the things Amazon.com Inc. also sells for its tablet computer.

Google's announcement that it's putting its brand on a tablet comes a week after Microsoft Corp. said the same thing. Both moves risk alienating Google's and Microsoft's hardware partners. Those companies, in turn, could be less inclined to work closely with Google and Microsoft.

The Nexus 7 and the Kindle Fire have screens that measure 7 inches (17.78 centimeters) diagonally, smaller than the nearly 10 inches (25.4 centimeters) on Apple Inc.'s popular iPad. The Nexus 7 will also be light — at about 0.75 pound (0.34 kilogram), compared with the Kindle Fire's 0.9 pound (0.41 kilogram). The iPad weighs 1.44 pounds (0.65 kilogram).

The Nexus 7 will ship in mid-July starting at \$199 — the same price as the Kindle Fire. By contrast, iPads start at \$499. Customers can start ordering it through Google on Wednesday, initially in the U.S., Canada and Australia.

Google's price is aggressively low, considering that the Nexus 7 has more features than the Kindle, including a front-facing camera. The Kindle is believed to be roughly break even at \$199. Samsung Electronics Co. sells a tablet similar to Google's for \$250.

Andrew Rassweiler, an analyst with IHS iSuppli, said he suspects Google will be subsidizing the tablet to sell it starting at \$199.

Google has previously put its own brand on a flagship line of "Nexus" smartphones. But that market is more mature than the tablet market, and there was less risk of Google alienating partners, particularly since it didn't price the phones lower than the norm.

Much like the Nexus phones, the Nexus 7 tablet will be a showcase for a new version of Google Inc.'s Android operating system, in this case one called "Jelly Bean."

Although the tablet carries the Google brand, the machine will be made by AsusTek Computer Inc. Google recently expanded into the device-making business with its \$12.5 billion purchase of Motorola Mobility, but the company has stressed that it intends to continue to rely on Asus and other manufacturers that have embraced

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Android.

Microsoft's announcement of its Surface tablet last week and Google's Nexus 7 add up to a "troubling" situation for tablet makers such as Samsung Electronics Co., said Jeff Orr, an analyst with ABI Research.

When a software-supplying partner turns around and puts out its own hardware product, "is that a partner or an enemy?" Orr asked.

Orr also questioned whether Google's strategy of pricing the tablet low is really going to win it any fans in the long term. Apple, he noted, dominates the tablet market with a product that's expensive but works well.

There are already other Android-powered tablets on the market, but none have proven nearly as popular as the iPad or Kindle Fire. That has raised worries at Google as more people rely on tablets to surf the Internet.

For Google, advertising dollars are at stake. If Apple retains its dominance and other players such as Amazon and Microsoft gobble up the rest of the sales, they could set up their operating systems in ways that de-emphasize Google's Internet search engine and other services. Apple develops its own system, while Amazon modifies Android for use in Kindles. Microsoft's will run on a new version of Windows.

Apple already has announced that the next version of the iPad operating system will abandon Google's digital maps as the built-in navigation system. That shift could cause neighborhood merchants to spend less money advertising on Google.

Google also announced a home entertainment device called Nexus Q. It sends content from your personal collection or YouTube to your existing TV and speaker systems. You control it through a separate Android phone or tablet.

The Nexus Q, which Google is calling the world's first "social streaming device," will be available in July in the U.S. initially and sell for \$299.

Google made the announcements during a keynote to open its annual conference in San Francisco for computer programmers.

Google also demonstrated its futuristic, Internet-connected glasses by having parachutists jump out of a blimp hovering about 7,000 feet above San Francisco. The audience got live video feeds from their glasses as they descended to land on the roof of the Moscone Center, the location of the conference.

Google is making prototypes of the device, known as Project Glass, available to test. They can only be purchased — for \$1,500 — at the conference this week, for delivery early next year. Google is also giving all 6,000 attendees a Nexus 7, Nexus Q and a Nexus phone for free.

Also on Wednesday, Google unveiled a new search tool to help you get the right information at the right time on your mobile device. Called Google Now, the tool will

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be part of Jelly Bean, which will be available in mid-July. Some devices, including the Galaxy Nexus, will get the upgrade automatically over the air.

With Google Now, if you say "traffic," for example, it will look at your usual commute to work and show you alternative routes if there's a lot of traffic. It will tell you the scores of your favorite sports teams automatically, and it will keep you up to date on flight statuses if you are flying somewhere.

The feature bears resemblance to the Siri virtual assistant on Apple's iPhone.

Jelly Bean will also come with the ability to share photos by tapping two phones together.

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Peter Svensson contributed from New York.

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