Exclusive: Amazon teams with Nokia, snubs Google for maps - sources

Alistair Barr, Reuters

(Reuters) - Amazon.com Inc's new Kindle Fire will have mapping services via a tie-up with Nokia Oyj, according to two people familiar with the situation, filling a gap in the tablet's capabilities while snubbing Google Inc's popular service.

The world's largest Internet retailer, which says its nine-month old Kindle Fire now accounts for one in five U.S. tablet sales, has teamed up with Nokia on mapping, the two people told Reuters.

Amazon will release at least one new version of the Kindle Fire next Thursday.

Amazon will also add location capabilities to the new Kindle Fire, which requires either a GPS chip or a process known as WiFi triangulation, the people said on condition of anonymity because they were not authorized to speak ahead of Thursday's launch event.

Mapping services, which are popular features on tablets, typically include street maps, information about local businesses and sometimes traffic status. They can also support navigation instructions and third-party applications that depend on location information, such as travel services.

Location capabilities mark the location of tablet and smart phone users.

Google Inc's Nexus 7 tablet, which competes directly with the Kindle Fire, comes with GPS receiver chips to support location and mapping functions.

The first Kindle Fire launched last year and at $199 costs half the price of the entry-level Apple Inc iPad [1], helping it rapidly gain consumer acceptance. On Thursday, Amazon said its Kindle Fires had completely sold out.

Analysts say the 7-inch device helps drive sales of digital media such as ebooks and music, which in turn propels core retail growth for the company.

Amazon may unveil larger versions of the Fire on Thursday in Los Angeles, analysts and media say, which will compete more directly with the iPad.

Although the Kindle now runs on an early version of Google's Android, which Amazon developed into its own operating system, it does not integrate Google Maps into the device. That means users had to access Google Maps via a Web browser, or download map apps from third-party developers.

A Nokia spokesman declined to comment and an Amazon spokeswoman did not

respond to requests for comment.

GOING NATIVE

Shares of the Internet retailer closed down 0.4 percent at $246.22 on Thursday, after hitting a record high of $250 earlier following the announcement that it had run out of Kindle Fires.

Cooperating with Nokia may help Amazon develop integrated, or "native," mapping functionality for the Kindle Fire without relying on Google Maps. Nokia is one of the world's largest mapping companies, through its 2007 acquisition of Navteq.

Apple took a similar step earlier this year, when it dropped Google Maps in favor of its own mapping features for its next mobile operating system, known as iOS 6. As part of the switch, Apple signed a global licensing deal with TomTom NV, another leading mapping company, for its map content and related information.

In July, Amazon agreed to buy mapping startup UpNext, which specializes in detailed 3D maps of cities and some sporting stadiums.

(Reporting By Alistair Barr; Editing by Edwin Chan and Bernard Orr)

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