

Amazon Kindle Fire Claims an Important Market Position

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SYNOPSIS

Could an e-tailer successfully compete in the tablet pc wars? Amazon seemed to think so.

Apple thought they had the tablet pc market all wrapped up for the 2011 holiday season with their popular iPad tablet posting record sales. That was until Jeff Bezos, CEO of Amazon, the Internet retailer, surprised the mobile computing industry with his introduction of the Kindle Fire, an entry level tablet priced for a mere \$199 compared to iPad's \$499. The leading e-tailer had unexpectedly introduced a new mobile device within the mobile device market that promised to be the first credible threat to the leading iPad.

LEARNING OBJECTIVES

The objectives of this case are:

1. To identify relevant product information needed to describe the firm's product line vs. product class.
2. To infer the product class and market for a new and different product.
3. To apply the concept of complementary products using product benefit information.
4. To use product class information to develop a product positioning that establishes membership in a market or segment.
5. To assess a market using opportunity analysis to evaluate against the four key elements of customer, technology, company and competition.
6. Apply the concept of convergence to new product introductions, especially in cases where the new products are breakthrough innovations.

APPLICATION

This critical incident is appropriate for principles of marketing, consumer behavior or strategic marketing and marketing management courses.

KEY WORDS

Positioning strategy, opportunity analysis.

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