Report: Amazon Smartphone Coming in September

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Amazon will continue to expand its device ecosystem with a smartphone in the second half of the year.

According to a report [1]from the Wall Street Journal, Amazon will unveil a smartphone with 3-D capabilities in June, followed by a September launch of the device.

Amazon has reportedly been demonstrating the new phone to developers in San Francisco and Seattle.

While Amazon has been rumored for some time to have a smartphone in the works, such an offering now seems inevitable given the company's expanding line of hardware, which now include eReaders, tablets, and the recently launched Fire TV product.

A smartphone would put Amazon in direct competition with Apple. The online retailer has one of the most complete ecosystems in the industry, with a massive customer base, full cloud storage and services, extensive billing platform and content delivery platform.

Amazon, however, has chosen a business model that is almost the exact opposite of

Apple's. Apple's iTunes and iCloud platforms create a kind of stickiness that keeps customers coming back for the company's premium devices. Amazon meanwhile, sells devices nearer to cost in order to sell more digital and physical goods through its website.

This isn't the first time an Amazon phone has been rumored. Last September, Amazon denied a report [2] that it would be launching a 3-D capable smarpthone.

Amazon was up about 1.5 percent in early trading Monday to $316.49 after tech stocks saw a major selloff Friday.

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