

VTECH/LEAPFROG MERGER INQUIRY

Summary of hearing with Amazon¹ on 4 October 2016

1. Amazon told us that it recognised that parents and children demanded more [redacted]. Amazon told us that [redacted]. Amazon told us that children who were exposed to the their parents' tablets and the open ecosystems associated with these (eg Google Play, Apple app store and Amazon app store) demanded fresh content on a regular basis [redacted].
2. Amazon told us that their target demographic was children aged three to eight years for the device itself and children aged three to 12 years for the subscription service. Amazon told us that the LeapFrog Epic and VTech Innotab appeared to be targeted at a slightly younger age group compared to Amazon's offering which was targeted at slightly older children as well.
3. Amazon told us that the hardware used in the Fire and Fire Kids Edition was the same and that the Fire Kids Edition could be described as a bundle of the tablet; a child-proof bumper; one year of the Fire for Kids unlimited subscription service and a two-year worry-free guarantee.
4. [redacted].
5. Amazon told us that the digital subscription service for kids started out with parental controls which allowed parents to manage content, screen time, set educational goals and determine when the device could be used. This evolved into a content subscription service which gave children access to thousands of pieces of content, including videos, e-books and apps and games for a monthly subscription charge.
6. Amazon told us that this subscription service was available on all of the Fire tablet range portfolio and on the Fire Kids Edition tablets. [redacted].
7. Amazon told us that the Fire Kids Edition was featured in the toys category but was also part of its consumer electronics portfolio. [redacted].

¹ This hearing focused on Amazon as a competitor in tablets (the Fire Kids Edition tablet). See also summary of other hearing with Amazon focusing on being a retailer of VTech and LeapFrog products.

8. Amazon told us that the feedback it received from parents indicated that [REDACTED]. Amazon said that it had a lot of educational content (including learn to read programmes) as well as games available on the Fire Kids Edition. [REDACTED].
9. [REDACTED]. In relation to hand-me-downs, Amazon told us that some parents want the specific features that child tablets had to offer, like parental controls or access to appropriate content, which a hand-me-down tablet might not feature. In addition, older kids might not want an older device that might not be able to run the games they want to play.
10. Amazon told us that its offline retail team considered relationships with any retailer interested in selling the Kindle or Fire Kids Edition and these products were available at various retailers (eg Tesco, Dixons, etc).
11. [REDACTED].
12. Amazon told us that the Fire Kids Edition was sold in the UK, Germany and the United States of America (USA). Amazon said that there were some differences between countries [REDACTED].