

# Google abandoning Nexus One online store

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Google said Friday it was closing down the online store for its Nexus One smartphone in a strategic shift that signals the failure of its bid to market the device directly to consumers on the Web.

The move comes just four months after the Internet search and advertising giant launched the touchscreen Nexus One as a rival to Apple's iPhone and the Blackberry from Canada's Research in Motion.

In a country where mobile phones are generally tied to specific wireless

carriers -- Apple with AT&T, for example -- Google took a novel approach to selling the Nexus One -- one that may have upset carriers.

"As with every innovation, some parts worked better than others," Google vice president of engineering Andy Rubin said in a blog post.

"While the global adoption of the Android platform has exceeded our expectations, the Web store has not," Rubin said of the open-source mobile phone operating system that Google offers for free to handset makers.

"It's remained a niche channel for early adopters," Rubin said of the Nexus One store. "But it's clear that many customers like a hands-on experience before buying a phone, and they also want a wide range of service plans to chose from."

When Google launched the Nexus One, which carries the Google brand but is made by Taiwanese handset manufacturer HTC, in January it said it would be supported by the major US wireless carriers.

Google's plan allowed customers to purchase the Nexus One for more than 500 dollars -- a price well above that of many carrier-subsidized smartphones -- and then sign up with a carrier of their choice.

Sprint and Verizon Wireless, the biggest US wireless carrier, declined, however, to offer the Nexus One, dealing a setback to Google's plans.

Rubin said Google would sell the Nexus One through existing retail channels.

"Once we have increased the availability of Nexus One devices in stores, we'll stop selling handsets via the Web store, and will instead use it as an online store window to showcase a variety of Android phones available

globally," he said.

Google does not release sales figures for the Nexus One but it reportedly trails far behind the iPhone and other handsets such as Motorola's Droid.

Android devices on the whole, however, are doing well according to Google chief executive Eric Schmidt.

Schmidt told shareholders on Thursday that manufacturers were shipping at least 65,000 Android-powered mobile phones a day.

Schmidt said Android is now being used on 34 models of mobile device in 49 countries and "is going to be either the number one or number two player" in the mobile phone market.

A number of analysts and technology blogs questioned whether the closure of the Web store could signal the end of the Nexus One and the foray into branded hardware by a company that has made billions through innovative software.

The move "makes me wonder if that's it for Google doing devices," Danny Sullivan, editor-in-chief of SearchEngineLand.com, said in a blog post, adding it now "seems likely that there won't be a Nexus Two."

"They may come back and try this again but clearly it's not their strength," said technology analyst Rob Enderle of Silicon Valley's Enderle Group.

"They just weren't very good at selling phones," he said. "They tried to bypass the carriers and that flopped."

Dan Frommer of BusinessInsider.com said pulling the plug on the online store was the right move by the Mountain View, California-based

company.

"Google should be supporting its carrier and other distribution partners, not competing with them," Frommer said.

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