

Nokia plans new devices to catch up with rivals

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(AP) -- Nokia Corp. will launch new smart phones to "help close the gap" with competitors that have overtaken the world's top cell phone maker in the market for high-end devices, its chief executive said Thursday.

While Nokia still is a global leader in [smart phones](#), it's struggling to compete in the expensive segment with rivals such as iPhone-maker Apple Inc. and [Research in Motion](#) Ltd., which makes BlackBerry handsets.

Nokia CEO Olli-Pekka Kallasvuo conceded that the Finland-based company has "plenty of work to do," as the company's share price continued a two-week slide.

"This year, Nokia is planning to introduce a new generation of devices that is expected to help close the gap with the competition in high-end smart phones," he said.

The Nokia chief was speaking amid Finnish media speculation that he would be forced to step down as the company was seen as losing out against chief rivals.

Nokia stock continued its slide Thursday - closing down more than 1.5 percent at euro8.94 (\$11.38) in Helsinki - after it plunged 14 percent on the April 21 release of its first-quarter earnings report.

Although [net profit](#) in the period almost tripled to euro349 million, with strong growth in smart phone sales and 3 percent growth in total revenue, markets had expected a more upbeat forecast and saw increased competition as hurting Nokia.

"The recession coincided with our transformation as well as changes in our device portfolio," Kallasvuo said. "With all these factors together, it resulted in a decrease in [operating profit](#) and earnings per share."

Kallasvuo said that 83 million customers worldwide were registered as active users of Nokia's mobile services but admitted that it also has to improve in this sector.

"We are working hard to reclaim leadership in high-end smart phones and mobile computers," he said. "It is critical that we improve the customer experience with the usability of both our devices and our services."

Kallasvuo described the new models as a "new generation" of devices, but gave scant details.

"Our approach has been to concentrate on fewer, competitive products that bring the features of Symbian-based smart phones to more and more people around the world," he said. "And we are well on our way to doing that."

Kallasvuo said that 2009 was the 12th consecutive year that Nokia was the No. 1 mobile phone maker, when it sold 432 million handsets globally - more than its top three rivals combined.

[Nokia](#), based in Espoo near Helsinki, employs around 126,000 people worldwide.

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