

# GPS maker Garmin hanging up on smartphones

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A Garmin Nuevi 255wT GPS navigation system. GPS maker Garmin is abandoning the smartphone business after failing to find its way in the highly competitive sector with a handset released a year ago.

GPS maker Garmin is abandoning the smartphone business after failing to find its way in the highly competitive sector with a handset released a year ago.

"We thoroughly analyzed the rapidly changing dynamics of the [smartphone](#) market and concluded that we cannot reach the scale necessary to effectively compete in the industry," [Garmin](#) chairman and chief executive Min Kao said.

"While this was clearly not the desired outcome, we must be prudent

with our ongoing investment in the category and have therefore redeployed research and development resources internally," Kao said.

Releasing Garmin's third-quarter earnings, Kao said the company had begun development of [mobile applications](#) for the smartphone market while "winding down our investment in mobile handset device development."

Garmin launched its own branded handset in the United States a year ago in a bid to compete with smartphones from other manufacturers which offer built-in GPS features.

But the Garmin device was judged to be too expensive at 299 dollars and failed to make an impact in a crowded market.

Garmin reported that [net profit](#) rose 30 percent in the quarter to 280 million dollars while revenue fell 12 percent to 692 million dollars.

It said revenue from its automotive and mobile segment fell 19 percent to 442 million dollars while outdoor and fitness revenue rose nine percent to 144 million dollars.

Aviation segment revenue increased four percent to 60 million dollars while marine segment [revenue](#) was up one percent to 46 million dollars.

Garmin shares were down 4.63 percent at 31.48 dollars in afternoon trading on Wall Street.

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