

# Nokia pins hopes on cheaper Windows smartphone

February 27 2012, By ALAN CLENDENNING , AP Business Writer

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Struggling cell phone maker Nokia Corp. has unveiled two new handsets that it hopes will revive its fortunes at the start of the world's largest mobile phone trade show on Monday.

Chief executive Stephen Elop told reporters at the [Mobile World Congress](#) in Barcelona that the new phones - a low-price euro189 (\$254) [smartphone](#) that runs on Windows software and a handset with a high-resolution 41 [megapixel camera](#) - demonstrates "the actions necessary to improve the fortunes of Nokia."

"With great products for consumers, I think the rest will fall into place," Elop said.

Analysts said the new smartphone could attract users because of its low price but investors sent Nokia shares down more than 5 percent to euro4.10 (\$5.50) in afternoon trading in Helsinki, erasing a big boost it gained on Friday in anticipation of new announcements at the trade show.

Nokia has lost its once-dominant position in the global cell phone market, with [handsets](#) running on Google's [Android](#) software and iPhones enjoying booming popularity.

The Finnish company is attempting a comeback with smartphones using Microsoft's [Windows software](#) in what Elop has called a "war of [ecosystems](#)."

"We will accelerate our global reach with new mobile devices and services," Elop said.

Malik Saadi, an analyst at the London-based Informa Telecoms & Media, said the introduction of Nokia's new Lumia 610 smartphone means the company is "now one step closer to bringing its (Windows Phone 7) to the entry level smartphone segment" and "clearly shows strong dedication" by Nokia to its Windows strategy and smartphones for the non-U.S market.

Nokia launched its new Windows Phone 7 in October, eight months after Elop announced a partnership with Microsoft Corp., in a major strategy shift for the firm. Nokia said it would gradually replace the old Symbian platform used in its smartphones with the Windows operating system.

Neil Mawston, a London-based analysts for Strategy Analytics, said Nokia's new camera phone is impressive - but that markets were expecting more.

"Technologically it is 'wow' but they have integrated it into a Symbian phone which is viewed as, rightly or wrongly, yesterday's technology, whereas I think there was some expectation that it might be in a Windows phone which is tomorrow's technology," Mawston said.

The new phones were introduced less than three weeks after Nokia announced plans to stop assembling cell phones in Europe by the year-end as it shifts production to Asia and to cut another 4,000 jobs - its latest attempts to cushion itself from stiff competition in the smartphone sector. The job cuts follow nearly 10,000 layoffs announced last year.

Once the bellwether of the industry, Nokia has lost its dominant position in the global mobile phone market, with Android phones and iPhones overtaking it in the growing smartphone segment. It's also been squeezed in the low-end by Asian manufacturers making cheaper phones, such as ZTE.

Nokia became the leading handset maker in 1998 and reached 40 per cent market share in 2008, but the company has gradually lost share since then - falling to below 30 per cent last year.

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Citation: Nokia pins hopes on cheaper Windows smartphone (2012, February 27) retrieved 26 June 2024 from <https://phys.org/news/2012-02-nokia-pins-cheaper-windows-smartphone.html>

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