

Motorola eyes 'aggressive' moves in smartphones: CEO

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The new low cost "Motorola Moto G" smartphone, is displayed in Sao Paulo, Brazil on November 13, 2013

Motorola is pushing all the buttons to regain prominence in the smartphone market, including aggressive pricing, chief executive Dennis Woodside says.

Woodside, in an interview Monday with AFP on the sidelines of the



Consumer Electronics Show in Las Vegas, said the Google-owned unit is seeking to gain ground against rivals including Apple and Google.

"Consumer tastes change, and we actually think that there's a huge undercurrent of <u>consumers</u> who are saying, 'I don't want to pay as much for my phone ... that's actually a great opportunity," he said.

Motorola is far behind the market leaders now but is "tapping into the next five billion consumers who can't afford a \$600 dollar phone," he added.

Since being acquired by Google, Motorola has introduced the Moto X, the flagship device aimed at the US market, and the Moto G, a less expensive <u>phone</u> geared to cost-conscious consumers worldwide.

"There will be different phones at different price points but we're going to be very aggressive there," Woodside said.

"When we priced Moto X at \$399 in the US as a promotion, we sold tens of thousands of units in a matter of eight minutes."

The Moto X was originally introduced at \$599 unlocked, without a contract, while the Moto G was priced at \$179 in the US.

Motorola, once among the leaders in the <u>mobile phone market</u>, has been struggling in recent years as makers like Apple and Samsung grab most of the market share and profits. Surveys indicate it is not among the global leaders in smartphones and has only around seven percent of the US <u>market</u>.

While some analyst see Motorola cutting prices due to weak sales, Woodside said the company makes a profit



"Costs are really important in the business and we'll always be focused on costs, but right now the priority is growing the top line," he said.

"This is a business where scale matters and what's been really important for us to start putting products out there that we're excited about and get consumers excited about. That's what we've done with Moto X and Moto G," he added.

"We've got more on the way and we're focusing on growing that base, the bottom line will take care of itself, once we get to the scale that we need to be."

He said that younger consumers appear to like to use Moto Maker, which allows for a custom design and color of the smartphone: 80 percent of those customers are under 35, he said.

Woodside declined to provide specific sales figures but maintained that since launching the Moto X and Moto G "we are seeing our best days ever for smartphones."

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