

Nokia targets emerging markets with Android phones

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A man rides his bicycle outside the Mobile World Congress, the world's largest mobile phone trade show in Barcelona, Spain, Sunday, Feb. 23, 2014. (AP Photo/Manu Fernandez)

(AP)—Nokia is targeting emerging markets with three low-cost smartphones that use Google's Android operating system rather than the Windows Phone software from Microsoft, which is about to take over Nokia's handset business.

Nokia will ditch many of the Google services that come with Android

and use instead the Microsoft services such as Bing search, Skype communications and OneDrive file storage. Its home screen sports larger, resizable tiles resembling those on Windows phone.

"More and more people are buying smartphones for less than 100 euros," Stephen Elop, Nokia executive vice president, said Monday as he presented the new phones at the Mobile World Congress in Barcelona, Spain. "That sub-100 range is a massive opportunity for us. According to analysts, it will grow four times as fast as rest of smartphone market."

Once the No. 1 maker of cellphones, Nokia has been struggling to keep up with the iPhone and devices running Android. And even as competition intensifies for high-end smartphones, Nokia has been hit by competition from cheaper phones made by Chinese and other Asian companies.

The Nokia X is on sale immediately for 89 euros (\$122). The Nokia X+ will cost 99 euros and the Nokia XL will cost 109 euros, with both going on sale in early March.

The Nokia X and X+ both have 4-inch screens, measured diagonally, and a 3-megapixel rear camera. The X+ also offers SD card for storage. The XL has a 5-inch screen and two cameras, the rear one at 5 megapixels. Still, 8 megapixels or greater is typical for high-end phones.

"This may be a few years too late, but it is a much needed move by Nokia to recapture share of the smartphone market by becoming part of the Android ecosystem," said David McQueen, principal analyst at Informa Telecoms & Media, a London-based research firm.

Elop said all three phones will be "available broadly around the world, starting in growth markets." The aim is to make the Nokia X a bridge to high-end Windows smartphones under the Lumia brand.

They won't be available in the U.S., Canada, Korea and Japan in part to avoid competing with Lumia phones, which cost hundreds of dollars in the U.S. without subsidies from phone carriers.

Elop said that despite the use of Android, Nokia remains committed to Windows and Microsoft, which is buying Nokia's phone business and patent rights in a 5.4 billion euro (\$7.3 billion) deal expected to be completed next month.

Timo Toikkanen, Nokia's executive vice president for mobile phones, said Nokia went with Android in part because of the greater availability of apps, particularly those tailored for local markets. He said the aim is to lure customers who wouldn't have bought a high-end Windows phone anyway, but might have gone for a rival Android offering.

In a blog post, Microsoft said it is pleased that the new devices will include Microsoft's services, as it "provides the opportunity to bring millions of people, particularly in growth markets, into the Microsoft family."

Nokia announced two even cheaper phones on Monday, also expected to go on sale in early March:

- The Nokia 220 is meant as a starter phone for 29 euros (\$40). It will have Facebook, Twitter and some games already installed, but users won't be able to add apps.
- The Asha 230 will offer more options for apps. The 45-euro (\$62) phone is meant for people who are not yet ready for the Nokia X. It comes with a touch screen, but lacks the power and versatility found in smartphones.

For a first-time smartphone experience, Nokia Corp. is pushing the

Nokia X. Because it uses Android, it will be able to run most Android apps. However, app developers may have to tweak some of their software because the phone doesn't have key Google services.

For instance, location services will have to be designed for Nokia's Here mapping software rather than Google Maps. In-app payments will have to be tweaked to allow billing through mobile carriers rather than credit cards, which many people in emerging markets lack.

Both the Asha and the Nokia X will have a feature called Fastlane. It remembers your favorite apps and services and offers quick access, along with recent notifications, on a single screen that is one swipe away from the home screen.

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