

# Taiwan's HTC hopes much-loved M8 will revive fortunes

June 8 2014, by Laura Mannering

---



Once a star of the intensely competitive smartphone sector, Taiwan's HTC has seen its fortunes collapse in recent years—but the success of its latest model provides a glimmer of hope.

The company started out as a contract [smartphone](#) manufacturer for major foreign players including Microsoft and only began developing its own brand of handsets in 2006.

It quickly built up a loyal following as the first to use Google's Android operating system—now the most popular OS for mobile devices and adopted by global smartphone leader Samsung.

But from stellar performances in 2011, HTC has nosedived as Samsung, Apple and strong Chinese brands like Lenovo and Huawei surge ahead.

In the first quarter of this year, it posted a net loss of Tw\$1.88 billion (US\$62.3 million) while sales hit a five-year low of Tw\$33.1 billion.

Now, though, there's a much-needed buzz around the brand once more, following the launch of the HTC One M8 handset in March.

"It's a mix of being genuinely functional, but also a real statement device," said Nic Healey of leading tech review site CNET.

"Something like the M8 is a real stand-out on the shelf."

Reviewers and consumers have praised the M8 for its high-quality design, with a brushed aluminium case, as well as powerful speakers and a dual-lens camera for special effects on photos.

The look and feel of HTC's on-screen menu system were previously criticised as over-complicated, but the M8 has improved the interface, says Healey.

Respected tech news site The Register described it as the "Alfa Romeo" of the smartphone world.

HTC would not comment on sales figures for the M8, but says it expects to swing back into profitability in the next quarterly results, doubling its revenues in the three months to June.

"We believe that we are on course for a strong 2014," said chief executive Peter Chou.

There was also a hint at a new collaboration with Microsoft at last week's Computex tech show in Taipei.

### **Mountain to climb**

"The M8 is selling fast across global markets," Sascha Pallenberg of technology consultancy Mobile Geeks told AFP.

"In terms of the build quality and the materials this is the most sophisticated phone on the market."

HTC took a leaf out of Apple's book by ensuring that the device was immediately available to consumers after its media launch in New York, London and Paris, rather than waiting to bring it to market, said Pallenberg.

Remedial action was urgently needed after HTC's [global market share](#) slumped from 8.8 percent in 2011 to 4.6 percent in 2012, according to data from market researchers IDC.

The firm has brought in Hollywood star Robert Downey Jr as its public face and become a sponsor of the UEFA Champions League and Europa League football tournaments.

It has also hired Paul Golden, who devised Samsung's highly successful Next Big Thing campaign.

But even with this added firepower, with a much smaller marketing budget than its major rivals, it will be a big ask for HTC to challenge their grip.

"They've made an attempt to be cleaner and clearer with the One M8, but we're still talking about a marketing budget that barely even scratches what Apple and Samsung can throw at a device," says CNET's Healey.

"HTC needs to emphasise its uniqueness. It's not being bold enough," added Pallenberg.

And where the Android operating system used to be a defining feature, some say it could now be a disadvantage.

Samsung took a step away from Android dependence last week, launching a new smartphone powered by its own operating system, Tizen.

While Samsung and Apple dominate Western markets, in China domestic players such as Xiaomi have built up a staunch following for quality devices at lower prices, says Pallenberg—making that another difficult nut to crack.

The M8 typically sells for around US\$600-700.

But though HTC doubtless still has a mountain to climb, the success of the M8 could still be a significant step in the right direction.

"The One shows you they're capable of doing amazing things," Pallenberg said.

"We'll see how the market reacts. A lot of people love this phone—the

emotional connection is very high and they're very loyal to this brand. The May results will be very interesting."

© 2014 AFP

Citation: Taiwan's HTC hopes much-loved M8 will revive fortunes (2014, June 8) retrieved 11 July 2024 from <https://phys.org/news/2014-06-taiwan-htc-much-loved-m8-revive.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.