

Nokia cuts US price of flagship smartphone

16 July 2012, by JARI TANNER

(AP) - Nokia has halved the price of the Lumia 900 in the United States in an effort to boost sales of its flagship Windows smartphone, the cellphone manufacturer announced on Monday.

The device is now being offered for \$49.99 with a two-year contract with AT&T, down from \$99.99 when it was launched three months ago.

In a statement, Nokia spokesman Doug Dawson called the move "a normal strategy that is put in place during the life cycle of most phones."

He declined to reveal sales figures, saying they would be released in Finland-based Nokia's second-quarter earnings report on Thursday.

Hannu Rauhala, an analyst at Pohjola Pankki in Helsinki, said the price cut was a way for Nokia to "drive down inventories" of the Lumia 900 before the launch of the first devices using a newer version of Windows Phone software, expected in the fourth quarter.

Once the world's dominant mobile phone maker, Nokia is facing tight competition in smartphones from competitors including Apple Inc. and Samsung and has struggled to make an impact in the U.S. market.

The company had high hopes that the Lumia 900 would mark a turnaround in the U.S. but the device met mixed reviews. The handset's launch was hampered by software problems that prompted Nokia to compensate American users with \$100 in credit at AT&T.

Nokia's stock price has plummeted in recent years amid declining market share and profit warnings.

Nokia shares closed up 0.7 percent to $\$1.52$ (\$1.78) in Helsinki on Monday.

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

APA citation: Nokia cuts US price of flagship smartphone (2012, July 16) retrieved 21 November 2019 from <https://phys.org/news/2012-07-nokia-price-flagship-smartphone.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.