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Nokia's New Phones- Not Raising The Bar Enough?

Today in London at its big conference. Nokia's CEO Stephen Elop announced its next generation phones, Lumia (Windows Phone 7.5 based) and Asha (S40 based), which we were told means "Hope" in Hindi. Although Asha is an interesting device for many emerging markets, it's the Lumia that is most important to Nokia's future and the announcement the market was anxiously awaiting. So while Nokia did introduce two new Windows Phone smartphones of nice design (the Lumia 800 for the premium market and a slightly less costly version the 710), and three S40 devices meant for the market between feature phones and smart phones, overall the announcements at Nokia World disappointed on a number of accounts.

First, Nokia did not confirm when and what would go to North America – only that there would be a portfolio of devices released early next year (once LTE stabilizes they said). What does that say about the commitment from the carriers to Lumia? If you have a halo device (where Lumia is being positioned) and it's not being sold in the largest market, what does that say about your market position?

Second, there was no mention of how Nokia would differentiate from other Windows Phone vendors, other than with a better camera, navigation application and music services. Not enough. Samsung makes a nice Windows Phone, as does HTC. Why would a consumer choose a Nokia device?

Third, the pricing was set at a premium pricing level (420 Euros, or about \$599 US before subsidies). Nokia is competing against the market leaders at about the same pricing level. There is no advantage taken by Nokia in trying to get back into the marketplace at a reasonable price with a premium product. It's roughly the same price as iPhone 4S after subsidies and this could be a tough sell.

Fourth, what about the enterprise? There was no mention of how they would help with management and security for corporate customers other than pointing to Microsoft tools and capabilities. IT doesn't need yet another device to work with when there is already so much diversity from BYOD. IT wants help and expects some advantage from key suppliers. Microsoft management tools for mobile are inferior and especially so when looking at a diverse environment. Where were the partnership announcements with MDM vendors that would have indicated the serious nature Nokia places on business?

Fifth, what about Windows 8? That is the future (Windows Phone 7.5 is a place holder until the next gen devices come out in 12-18 months and bridge the PC, tablet and phone markets). This would have been a great opportunity to make a strategy statement at a high level at least, even if not a detailed statement. And it would have indicated an acknowledgement by Nokia of the importance it places in the partnership with Microsoft.

Finally, where was Microsoft's endorsement? No one from Microsoft spoke during the keynote. No doubt Microsoft wants to keep some distance to not offend its other OEMs, but if this is such a close partnership, where is the "love"?

So I'm left with many questions after the announcements. How do the new devices fit into a diverse environment in an enterprise setting? Where are the enterprise tools to deploy, activate secure and manage them? What is the Nokia Value Add on top of plane Windows Phone? What did they do to enhance the Windows Phone platform beyond what Microsoft offers? Nokia seemed to show once again that they understand how to make appealing hardware, but fell short in service offerings that could differentiate them in the market, especially with the important business user.

Bottom Line: Nokia World was really Nokia's coming out party. It was meant to show a revitalized company. They did offer a couple of new phone families (one Windows Phone, one Symbian). But they missed the opportunity to show what Nokia represents longer term, how it adds value to the Microsoft standard OS features, and what it will do to differentiate in the market from both other Windows Phone makers and the Android and iPhone market. Nokia missed an opportunity.

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