

Yahoo and Nokia in mobile web deal

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Yahoo and Nokia, two companies under pressure from increasingly forceful competitors Google and Apple, have struck a broad alliance to strengthen their mobile internet offerings, particularly in emerging markets.

Yahoo will provide its e-mail and instant messaging services on all Nokia handsets, which remain the most popular smartphones worldwide. Nokia will supply its mapping services to help Yahoo fight against Google's similar applications.

The arrangement helps Yahoo in its drive to reach more consumers in emerging economies, where tens of millions of people access the internet only from mobile phones.

A large proportion of Nokia's 9m Ovi software users are in such markets, including China and India.

Yahoo wants to make inroads in such countries at an affordable price, so that when more advanced devices, speedier connections and penetration rates rise, it will be seen as the brand most synonymous with the web.

For Nokia, the most appealing part of the partnership is access to content that will buttress its application store and other services, where it badly lags Apple's iPhone and devices running Google's Android operating system.

Both of those offer more functionality than Nokia's feature phones and boast thriving ecosystems.

Mapping has been one of Nokia's strongest assets since its acquisition of Navteq, an electronic map company, for \$8.1bn in 2007.

But the Finnish group has struggled to profit fully from its expertise amid tough competition from Google.

However, analysts said the deal would fail to provide much of a boost to either company in the lucrative US and European markets.

Nokia officials said the deal was aimed in part at developed markets, where critics say the group has struggled to adapt.

Fonte: Financial Times, London, May 24th 2010, Companies, online.