

Motorola, which was a strong player in the Indian handset and network solution space till 2008, has been finding it difficult to keep a steady footing in the market. Lack of innovation and inadequate research and development has impacted the company's handset segment severely. The global giant is finding it difficult to compete with handset manufacturers like Samsung, LG and even new domestic players such as Micromax. Moreover, the company's enterprise and government solutions segment, which had suffered due to the recession in 2009, has yet to revive completely.

In an attempt to regain its market position, Motorola has taken some strategic decisions in the past one year. To focus on the core businesses of handsets and enterprise, the company sold off its wireless network equipment business to Nokia Siemens Networks (NSN) at a net payout of \$1.2 billion in July 2010.

Another key step was hiving off its handset division into a separate business. After the initial announcement in 2008, Motorola formally completed the partition of the company into two entities, Motorola Mobility and Motorola Solutions, in early 2011. While Motorola Mobility was incorporated with a focus on the consumer mobile phone and digital set-top box business, Motorola Solutions was established to manage the enterprise and government business with respect to communication, public safety and data capture technology solutions.

Motorola Mobility has been incorporated as a \$12 billion company. The decision to separate it into a new business came with a view to revive the ailing handset business. Dwindling market share and the inability to keep pace with competitors has emerged as a key challenge for Motorola. It is facing stiff competition from smartphone manufacturers like Apple, Research In Motion, Samsung and HTC in the premium handset segment, while the middle-to-low-end handset market has become more crowded with new entrants like Micromax and Lava Mobile.

In an attempt to arrest the slide, the company has launched a series of handsets in India in 2010. Trying to keep pace with the high-end handset business, Motorola launched four smartphones – Milestone, Backflip, Milestone XT720 and Motorola Charm – in 2010. These handsets run on the Android operating system, which is popular with the young Indian consumer. To remain competitive, the company has reduced the prices of the Milestone and Backflip hand-helds by 15 to 20 per cent.

In the low-cost handset segment, Motorola has introduced five entry-level handsets. These devices, branded the WX series, have been launched under the MOTOYUVA brand and are priced between Rs 1,490 and Rs 2,890. To counter competition from dual-SIM handset manufacturers like Micromax, the company has launched two such devices in India – the EX115 and the EX128.

The most recent development in the mobility business has been the introduction of Motorola's Zoom tablet in the Indian market. The company is upbeat about the growth prospects of tablets in India.

With all leading manufacturers bullish about the growth of the tablet segment in India, the Zoom device faces competition, especially from Apple's i-Pad, and also the Blackberry PlayBook and Samsung Galaxy Tab. In order to make inroads into an otherwise price-sensitive market like India, Motorola will have to strike a balance between cost and features, as currently Zoom comes at a dearer price compared to the other tablets.

Motorola may be better known to consumers for its handset business, but its enterprise and government business is an equally big unit, contributing almost 50 per cent to its total revenues.

These segments, which comprise the newly formed solutions business, were severely impacted by the global financial slowdown. However, with the advent of wireless broadband technology, the company is now aiming to capitalise on the increase in spending by carriers and governments, given the increased focus on network safety.

Also, Motorola Solutions anticipates growth from the digital radio segment in the country. According to the company, India's public safety system and network expansion is set to double every three years. "We are witnessing strong demand for radio-based systems from Indian police forces as well as sectors like oil and gas, coal mines and industrial production centres. The growth is driven by the rising security concerns across the country," says Balbir Singh, vice-president, sales and operations at Motorola Solutions Asia Pacific.

Currently, Motorola is working towards providing wireless solutions to the education sector,

wireless internet service providers, retail and logistics sector, metro transport, local and federal governments, hospitality and health care industries, etc.

“Wireless market growth in India is driven by the increasing adoption of mobile and portable computing devices such as smartphones and tablets. Also, enterprises and operators are looking to expand their networks using cost-efficient options,” says John Fogarasi, sales director, wireless networks solutions at Motorola Enterprise Mobility Solutions, Asia Pacific.

To make the most of this opportunity, Motorola Enterprise Mobility Solutions has launched eight products and solutions that cover the spectrum of indoor wireless local area network (WLAN), outdoor wireless mesh, point-to-multipoint and point-to-point networks, and voice over WLAN solutions. This has allowed the company to provide a complete wireless coverage solution to its customers.

Undoubtedly, Motorola has taken significant measures to get back on the growth track. However, it remains to be seen if these initiatives bear fruit for the ailing company.

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