

Nokia Needs Android, but Sticks With Meego?

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NEW YORK ([TheStreet](#)) -- All eyes in tech may be on **Apple** (AAPL) and the **Verizon** (VZ) iPhone next week, but something much bigger may be on tap between **Google** (GOOG) and **Nokia** (NOK) on Feb. 11.

Google's Android operating system, which has topped Nokia's Symbian as [the No. 1 phone software in the world](#) according to U.K. research shop Canalsys, is now on the verge of an even more dramatic global expansion run.



The mobile phone industry will be eagerly tuned in to hear Nokia's planned announcement of its new operating system strategy at its analysts' day next week. Analysts are split as to whether Nokia goes with **Microsoft** (MSFT) Windows or Google's Android.

Given Nokia's sliding market share in smartphones and its [hapless effort](#) to crack the U.S. market, new chief and former Microsoft executive Steve Elop has been forced to take drastic measures to turn the No. 1 phone shop around. Elop offered no details of his plan, but [hinted to analysts](#) last week that the operating system choice would be "elegant in its simplicity."

And while many industry watchers guessed Elop would select Windows as the software partner, a strong case is being made for Android.

"Windows Mobile has been kicking around in one form or another for 10 years without success," says Charter Equity Research analyst Ed Snyder. "The new version is better, but the train has left the station."

Android is the clear favorite in this race, says Snyder.

"For all its faults, Google is turning that operating system at lightning speed," says Snyder. "The cost, the time to market and the features are well ahead of most competing systems. And at the rate it's going, it will soon be the best."

But others say Nokia's own Meego effort has just gotten underway and that it's the most likely successor to the long Symbian legacy. Nokia's analyst day, they say, could be a showcase for a new Meego phone -- the first of its kind and a long-anticipated answer to the Apple iPhone and iPad software.

"I'm 92% sure they will announce the Meego phone for the second quarter," says MKM Partners analyst Tero Kuittinen.

Some other industry analysts agree that Nokia is too far down the Meego path to change course now. "I would consider a prediction of Nokia and Android wild speculation," says Gartner analyst Ken Dulaney.

If Nokia could develop its own software to run on top of Android, it would make sense, says Dulaney. But if they went pure Android, they'd just be one of the dozens of players in that market offering the same thing, he says.

And it's that global expansion that seems to be putting Android at the forefront of analysts' minds. There has been speculation that **Research In Motion** (RIMM) is considering some devices with [Android compatibility](#).

More clues of how widely and rapidly adopted the Google-driven software has become have been evident with the rise of China phone maker **ZTE**. Both ZTE and China rival **Huawei** make an enormous number of phones for the Asian market, and each has produced moderately-priced Android smartphones that threaten to challenge the growth of high-end Android shops like **Samsung** and **Motorola Mobility (MMI)**.

So as Apple gets set to sell iPhones to the other half of the U.S. market, Google Android is loading up momentum in the other half of the world.

--Written by Scott Moritz in New York.

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