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Nokia's Gigantic App Store

By Elizabeth Woyke, Forbes Staff. From smartphones to tablets, Wi-Fi to...

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Nokia is about to shake up the app store world.

The Finnish company is planning to roll out an online store for mobile applications later this month. Though Apple , Research In Motion and Google already offer similar services, Nokia's launch promises to be the biggest app store opening yet and could re-shape the mobile applications market.

As the world's largest handset maker, Nokia is used to big launches. The store, which the company is calling Ovi Store after the Finnish word for "door," is no exception. Niklas Savander, Nokia's executive vice president of services, says it will debut with a catalog of 20,000 items. In comparison, Apple and RIM launched their stores with a few hundred apps; Google's opened with a few dozen.

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Users can access the store two different ways. It will ship pre-loaded on the company's new flagship handset, the N97, before July, and be included in phones released in the future. Consumers who own other, recent Nokia phones will also be able to download the store from the Web onto their handsets. The idea: People will buy more Nokia devices if they are paired with great services.

The store is so large because Nokia is stocking it with a broader selection of digital content. The company says there will be lots of entertainment and media files, including an entire category of short videos and "mobisodes." The store's 20,000 items will be across all of these categories, not just apps.

The store will also represent a wide range of languages and cultural content making it, potentially, the most global app store yet. Nokia typically ships products in more than 60 languages. So far, U.S. and Asian companies are providing most of the content, but many countries, languages and cultures are represented, Savander says.

Nokia is baking in other innovations. One is a custom-built "recommendation engine" that will recommend content based on users' preferences and those of their friends and family. Savander says such software will lend the Ovi Store a social dimension similar to a social networking site.

Thanks to the GPS chip in most Nokia phones, the store will also find content based on users' locations. Fly to London, for example, and your handset can highlight the most relevant apps, such as a video travel guide of the city. (Privacy-minded users will be able to opt out of this feature and the recommendation engine.)

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In fact, the store is much more than a store. Nokia also plans to use it as a distribution platform for other services, such as pushing software updates to users.

One thing the Ovi Store won't have is user-generated content. Savander says all developers must register with Nokia before creating apps. The rule, he says, should yield higher-quality apps. "People will take more responsibility if they are treated as a publisher of some kind," he says. Nokia will reject objectionable content like gambling applications and pornography, but won't block services that compete with its own products, Savander says.

As in other app stores, developers and content owners will be able to set their own prices. Nokia spokeswoman Leslie Morgan Nakajima says there will be a mix of paid and free content and reports that a lot of developers plan to offer free, "lite" versions of apps with an eye toward converting those users to paid customers.

For all its breadth, the store may suffer from entering the market late. Savander says Nokia wanted to tie the store's opening to the N97's release. But he also concedes that launching such a large service globally has taken longer than expected.

Working with certain companies, such as movie studios, has sucked up time. "Some of the larger content owners aren't as used to adapting their content for mobile," Savander says.

Setting up billing through operators has been the biggest challenge. "In a lot of international markets, it's not enough to have credit card billing; people might not have credit cards, so you need to be on the operator bill," Savander says. Nokia says the Ovi Store will eventually be supported by hundreds of carriers around the world. "We could have launched earlier on a smaller scale, but the goal was to go global," he adds.

No U.S. operators have signed on yet. Savander says Nokia is pushing hard for an agreement. "The U.S. is the world's biggest Internet market," he says. "If we want the Ovi Store to be successful, we have to be here too."

Some carriers worry they will lose control of their customers if they partner with Nokia. Indeed, Savander says the real payoff of the Ovi Store is that people will sign up "to have a digital relationship" with Nokia, submitting their names, e-mail addresses and phone numbers for notification purposes.

He believes the economic downturn will speed negotiations by spurring operators to adopt the Ovi Store rather than build app stores themselves. "The economy is putting a lot of pressure on the investments everyone makes, including operators," Savander notes.

Either way, the Ovi Store is coming soon.

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