

Tech giants Samsung and Apple more friends than rivals

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An Apple iPad displayed next to Samsung's new tablet device, the "Galaxy Tab". Analysts say, the tech heavyweight rivals are not so much heading into battle as strolling hand in hand into an ever more profitable future.

Apple has the iPhone and the iPad, Samsung has several smartphones and its new Galaxy Tab computer -- wherever Apple goes these days, it seems, the South Korean giant is sure to follow.

But, analysts say, the tech heavyweight rivals are not so much heading into battle as strolling hand in hand into an ever more profitable future.

"Apple and Samsung have a very good relationship," Young Park, a tech analyst for South Korea's Woori Investment and Securities, told AFP.

"Samsung is both a provider and a competitor to Apple. But they have

very different strategies. Apple is aiming for the high-end market, whereas Samsung is geared more towards the mass market."

Up to a third of the components of the iPad and the iPhone are actually sourced by Apple from the South Korean firm, analysts say, meaning Samsung has a lucrative finger deep in Apple's pie.

"Apple is dependent upon Samsung to a certain extent for their components but Samsung is clearly benefiting from Apple's innovation," said Hong Kong-based Young.

"Apple has almost single-handedly created a new market for tablet computers, for instance, which Samsung will capitalise on. But Apple's products are dependent upon Samsung hardware."

Samsung Electronics refused to comment on its relationship with Apple but insists the company does invest in innovation and aims to "provide consumers with breakthrough technology."

It is also looking for an Apple-esque relationship with its customers.

"In 2009, we refined our brand story in an effort to bond with consumers more on an emotional level," a [Samsung Electronics](#) marketing spokesman told AFP.

"In 2010, we are continuing to spread our new brand story. Samsung is known for electronics, but has a more human mission as well.

"We are clear in our goals for Samsung. We are currently market leaders in a large number of product categories and business areas. In the future we want to be clear leaders in all of the categories and areas in which we compete.

"We want to be a loved brand, one with a loyal base and one that is in the front of consumer's minds as they make purchase decisions."



A woman tries out an iPad. "Apple and Samsung have a very good relationship," Young Park, a tech analyst for South Korea's Woori Investment and Securities, told AFP. "Samsung is both a provider and a competitor to Apple. But they have very different strategies. Apple is aiming for the high-end market, whereas Samsung is geared more towards the mass market."

However, it is what can be done with the [smartphone](#) or tablet that counts. A smartphone or [iPhone](#) is just a phone and an [iPad](#) or tablet just an elaborate slab of glass without the applications and games that run on it.

Samsung's suite of Galaxy S smartphones and its tablet run on Google's Android, with applications available from the Android Market [app store](#).

It has also produced a smartphone, the Focus, which will run on the new Windows Phone 7 platform.

Apple sells applications exclusive for its products through its own app store. Samsung also has its own fledgling app store, Bada.

And veteran Apple analyst Ashok Kumar, of New York investment bank Rodman and Renshaw, believes this is the true battleground.

"In the clash of the titans in this market, I believe there are only going to be two platforms standing in the end: Apple and Android," he told AFP. "And Samsung will be first among equals on Android.

"Samsung has a huge competitive advantage in the supply chain as it produces up to a third of the materials in smartphones and tablet computers.

"Purely on the hardware side of things, Samsung's products probably have the advantage but Apple's app store is where it stands apart.

Apple dominates the high-end market but, as the price of smartphones comes down, Samsung's market share will increase -- especially in emerging markets such as Brazil, China and India, Kumar says.

"Apple is a premium product, it is not really in their DNA to go for the mass market jugular. This is where Samsung can, and will, capitalise," says Kumar.

"Samsung may not have the "cool" factor that Apple has and Samsung is not really in Apple's league when it comes to innovation but they are a very, very successful follower. They are good for each other."

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