

Samsung Galaxy S5 makes global debut

April 11 2014



A Samsung Galaxy S5 smartphone is displayed at a store in Seoul on April 11, 2014

The latest version of Samsung's flagship Galaxy smartphone went on sale worldwide Friday, days after the electronics giant announced it was facing a second consecutive quarter of profit decline.

The Galaxy S5 has a lot riding on it to steer the South Korean firm's profit-making machine back on track as growth in [smartphone](#) sales slows, with mature markets like North America and Europe near

saturation.

Reviews of the S5 have mostly concluded that it is one of the best high-end smartphones on the market, but there is also a general consensus that it lacks the "wow" factor needed to differentiate it from its predecessors and competitors.

"It can swim, but it won't make any waves," was the verdict of the Wall Street Journal, referring to one innovation in the S5's waterproof covering.

"The Galaxy S5 is a good phone. It earns an unreserved recommendation," said the Washington Post.

"But the truth of the matter is that there's really nothing here that's worth breaking your contract to buy," it added.

Samsung's mobile unit has been the driving force behind the record profits of recent years, and it needs the S5 to perform well as a retort to doom-mongers who say the company lacks a clear strategy to flourish in an increasingly competitive, saturated market.



An Indian model showcases the new Samsung 'Galaxy S5' smartphone during a fashion show held as part of a consumer event in Bangalore on April 10, 2014

Samsung made more than 30 percent of all smartphones sold in the world last year, nearly twice the share of its arch-rival Apple.

But on Tuesday, the company estimated its first quarter operating profit at 8.4 trillion won (\$7.96 billion), marking a second straight year-on-year decline.

As well as the constant challenge from Apple, Samsung has had to face the rapid expansion of smaller rivals like China's Huawei, which has pressured it into rolling out cheaper handsets to woo consumers in emerging markets, especially China.

Falling smartphone prices

In a sign of the challenge the company faces, the S5 was priced lower at its commercial launch Friday than the previous S4 model.

Research firm IDC estimated the average selling price of smartphones will fall to \$265 globally by 2017 from \$337 in 2013 and \$387 in 2012.

Samsung is believed to have reduced its marketing spend on the S5 and is also under pressure to set aside more cash for legal bills as years-long patent battles against Apple continue.

The two have locked horns in patent suits in several nations involving design and technologies on their smartphones and tablet computers.

A fresh patent trial opened in the United States last week, with Apple vowing to prove that Samsung flagrantly copied iPhone features and should pay more than \$2 billion in damages.

Major handset makers have recently stepped up efforts to develop wearable devices, seen as a new source for growth—though few have managed to garner large consumer excitement or sales.

Samsung's first Internet-enabled smartwatch, introduced last September, was greeted coldly by consumers who viewed it unfashionable. Its second edition, the Gear 2, was launched in February.

Apple is believed to be planning its own smartwatch launch soon, while Google is moving towards a wider consumer launch of its Internet-enabled eyewear Glass.

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