

# After conquering the world, smartphone faces uncertain future

November 13 2018, by Rob Lever

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Smartphones have become ubiquitous around the world, but the next big thing remains unclear

What is next for the smartphone, which has become the hottest-selling consumer device around the world in just over a decade?

Even as top makers like Apple and Samsung unveil new handsets with new features and improved performance, [smartphone](#) sales have flattened with most major markets largely saturated.

The next catalyst for smartphones could be the possibilities offered by the forthcoming 5G, or fifth generation wireless networks, new form factors or advances in virtual and augmented reality.

But some analysts contend that something entirely different may supplant the smartphone.

Future Today Institute founder Amy Webb said in her annual report on technology trends that 2018 "marks the beginning of the end of traditional smartphones" and sees a transition to a new era of computing and connected devices based on voice, gesture and touch.

"The transition from smartphones to smart wearables and invisible interfaces—earbuds that have biometric sensors and speakers; rings and bracelets that sense motion; smart glasses that record and display information—will forever change how we experience the physical world," Webb writes.

Other analysts say the smartphone is not disappearing anytime soon, even if the market is pausing.



More than 1.4 billion smartphones will be sold this year, but many markets have become saturated, with consumers awaiting a new catalyst

"The smartphone is not going away, but it might change its shape and form factor," said David McQueen, an analyst on connected devices for ABI Research. "The [smartphone market](#) still has legs for many years to come."

McQueen said in a recent report that the mobile industry is evolving to devices with more immersive touch-less experiences, fueled by artificial intelligence, mixed reality and gesture control. New devices may also see improved biometrics such as face recognition, and changes such as foldable screens.

## Driving innovation

ABI Research says that "Google and Amazon will lead and drive innovation around smartphones and related ecosystems over the next five to six years" because of their strength in these emerging technologies.

Global smartphone sales are expected to decline 0.7 percent in 2018 to 1.455 billion units, according to research firm IDC. But IDC sees the overall smartphone market to slowly pick up again and reach 1.646 billion units by 2022.

"We still believe the smartphone market has some healthy growth in the years to come, although finding and competing in those markets and segments is increasingly more challenging," said IDC analyst Ryan Reith.

In the United States, 91 percent of adults under 50 use a smartphone and 95 percent of teens have access to one, according to the Pew Research Center.



Amazon has introduced an array of new devices powered by its Alexa digital assistant, which could be part of a "smart" ecosystem that replaces smartphones

Europe had some 465 million mobile subscriptions at the end of 2017, representing 85 percent of the population, with more than two-thirds of the devices smartphones, according to the mobile operators association GMSA.

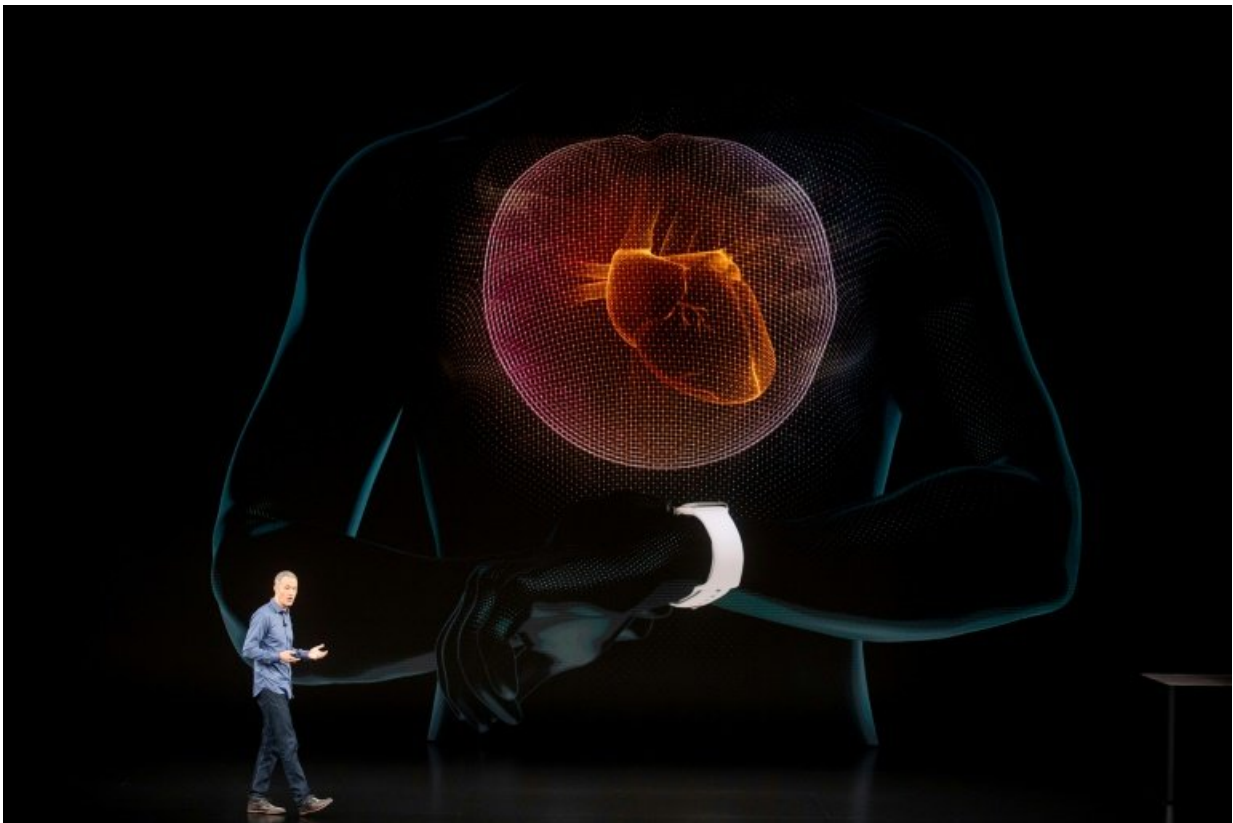
Bob O'Donnell, founder of Technalysis Research, said smartphone sales have slowed in the US and some other developed markets as a result of the end of carrier subsidies.

"Because people are paying full price for their phones they are holding on to them longer," O'Donnell said.

The market may get a boost in 2019 from 5G and a likely appearance of the first devices with foldable or bendable displays, according to O'Donnell.

"People have been talking about (foldable screens) for some time and I think we may finally see the first ones next year," he said.

"It will be interesting because it opens up the possibility of a larger screen in a smaller [device](#)."



Apple's Jeff Williams discusses the Apple Watch Series 4, capable of performing an electrocardiogram; it's among new smart devices entering the marketplace

## Getting even 'smarter'

O'Donnell contends that smartphones are still preferred by consumers despite the arrival of new devices like smart speakers from Amazon and Google.

But he said the next innovations are likely to be devices that are even "smarter" than the current generation of handsets, with artificial intelligence that is built in.

"If you have AI chips that are embedded in the device, you will be able to do a lot of things without a network connection," O'Donnell said.

The analyst said the competition among tech firms is now centering around the smart digital assistants like Amazon Alexa, Google Assistant, Apple's Siri and others.

This is becoming a "battle of power over platforms that could influence the smartphone market," according to O'Donnell, who noted that some things may change if the dominant player becomes Amazon, which makes a range of devices but not smartphones.

He it remains unclear what kind of device consumers will want, but that "at the end of the day is it going to look a lot like a smartphone."

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