Samsung to slash number of smartphone models

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A model holds Samsung's 'curved' smartphone Galaxy Round, at the Electronics and IT Industry Fair in Goyang, north of Seoul, on October 10, 2013

Samsung Electronics has announced plans to slash the number of smartphone models it issues next year by up to one-third as it tries to cut prices in the face of intense Chinese competition.

The strategy, confirmed by a company spokesman Tuesday, was

unveiled during a presentation in New York by the South Korean conglomerate's head of investor relations, Robert Yi.

Yi said the company—which last Thursday reported a near 50-percent plunge in third-quarter net profit following a 20 percent drop in the previous quarter—would reduce the number of smartphone models in 2015 by between one-quarter and one-third.

The strategy is expected to be accompanied by a significant increase in the production of remaining models that can be sold more cheaply to compete with cut-price Chinese rivals.

The recent nosedive in Samsung's fortunes followed several years of stellar growth and a seemingly endless succession of record quarterly profits driven by its all-conquering mobile unit.

Its flagship Galaxy S smartphone has suffered in the high-end market from the popularity of arch-rival Apple's new iPhone 6, while its dominance of the middle- and low-end handset segment has been challenged by Chinese handset makers such as Huawei, Xiaomi and Lenovo.

For the moment, Samsung is still the comfortable leader by sales volume, but its share of the global smartphone market has fallen from 35 percent a year ago to just under 25 percent, according to Strategy Analytics.

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