Samsung bends over backwards to rev smartphone desire

20 February 2019

Samsung on Wednesday is expected to unveil new flagship smartphones including one with a screen that can fold closed like a book as it seeks to boost the moribund market.

Much of what is in store at a Galaxy Unpacked event that the South Korean consumer electronics giant is hosting in San Francisco has been revealed in leaks, including a Galaxy 10 television commercial accidentally aired.

New Galaxy models will mark the tenth-anniversary of the line, and Samsung is to show off wireless ear buds.

However, the spotlight is likely to be commandeered by a handset with a bendable screen that would allow it to fold from tablet-sized to a smartphone form.

The innovation would be arriving on a global smartphone scene that has cooled as the devices become ubiquitous and buyers put off upgrading from models they own.

"The industry is in flat to declines and we've reached a saturation point of smartphones," said Moor Insights and Strategy principal analyst Patrick Moorhead.

"What Samsung needs to do, no different from Apple, is give people a reason to get rid of a phone that might be perfectly fine for something different."

The argument for a phone that can fold open to provide a larger screen is an easy one—buyers have shown a preference for "more real estate" to watch videos, play games, work, and more.

Samsung was mocked when it introduced large-screen Note phones, only to wind up giving rise to a "phablet" trend that rivals followed.

"I am expecting there to be trade-offs," Moorhead said of a Samsung foldable phone.

"You can't take leading-edge technology and fold it, and have it not be thicker."

Along with perhaps being a bit clunky, a folding phone could come with a lofty price of $1,500 or so, but the point for Samsung is not to sell truckloads of the handsets but to establish a new category to kindle demand in a global market devoid of growth, according to the analyst.

"Samsung always does better when they have something that Apple doesn't have that is valuable to consumers," Moorhead said.

"This is Samsung's opportunity to take some
premium market share from Apple."

**Google on board**

Apple has revealed no sign of pursuing folding screens for iPhones. The Cupertino-based company has stressed efforts to ramp up sales of digital content and services to devotees of its devices.

"I do believe Apple will have a foldable screen at some point, but will wait until they perfect the experience," Moorhead said.

Google has made it clear that it is working to adapt its free Android mobile operating system to Samsung's folding screens so video, apps, and more perform as desired when displays change sizes.

The incentive for Samsung and Google goes beyond what is shown off at Unpacked.

While Samsung is the top smartphone maker in the world, the company makes a lot of money selling components such as screens and chips to other consumer electronics companies.

Igniting a folding-screen craze in smartphones would make Samsung a natural prime supplier of such displays.

Android software is the most widely used mobile operating system, giving Google incentive to ride a folding phone wave.

Samsung is opening three US retail stores to promote its Galaxy line of smartphones.

The move ramps up Samsung's efforts to compete on the home turf of Apple, which has hundreds of retail outlets in the US and around the world.

Samsung remained the number one global handset maker with a 20.8 percent share in 2018 despite an eight percent sales slump for the year, according to research firm IDC—which said last year showed the worst overall decline in sales for the smartphone sector.

Still, analysts don't see the sun setting any time soon on the smartphone era, seen as a must-have device for many people around the world.

"Mobile phones are here to stay," said Gartner analyst Werner Goertz said, while suggesting that consumers may be waiting for radical innovation in handsets.

"Foldable phones would represent a really nice disruptive feature," he said.

GlobalData research director Avi Greengart believes foldable phones will be a big trend this year.

He was among analysts that expected the challenge to folding smartphones to be on the software side, not with the displays, since applications will have to be designed to adapt to going from phone to tablet screen sizes.

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