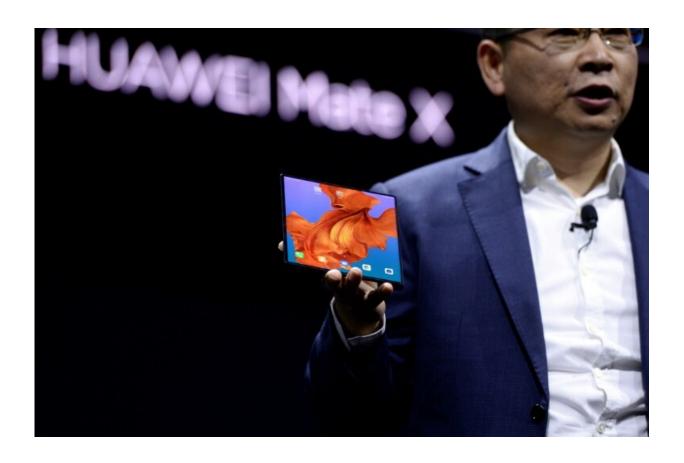


Foldable phone outlook hinges on price

February 25 2019, by Daniel Silva



Huawei's Mate X foldable phone will set you back \$2,600 when it goes on sale later this year

Handset makers are racing to launch their first smartphones with folding screens but analysts warn the technology is still too rudimentary—and expensive—to woo consumers in large numbers for now.



Samsung, the world's biggest seller of smartphones, unveiled a handset that folds open like a book to be a tablet at an event in San Francisco on Wednesday, becoming the first major manufacturer to offer the longawaited feature.

China's Huawei, the world's second biggest smartphone seller, immediately followed in its footsteps and presented its own <u>phone</u> with a folding screen—the Mate X—on Sunday in Barcelona at the start of the Mobile World Congress trade fair.

The Mate X's screen wraps around the outside so users can still view it when it's closed, unlike the Samsung's Galaxy Fold, which has a screen that folds shut.

Huawei's foldable phone will sell for 2,299 euros (\$2,600) when it goes on sale by midyear, even more than Samsung's which is priced starting at \$1,980 (1,745 euros).

The audience at both events gasped when the prices of the devices were announced.

China's Xiaomi, South Korea's LG and other handsets makers have said they are working on phones with foldable screens of their own.

Foldable handsets represent a significant break with the dominant shape smartphones have taken since Steve Jobs introduced the world to the iPhone in 2007—a dark black rectangle with a single touch screen.





Samsung's Galaxy Fold will be priced starting at \$1,980

'Stone Age'

Handset makers hope foldable phones will help revive smartphone sales.

Global smartphone shipments fell 4.1 percent in 2018 to a total of 1.4 billion as people hold on to their phones longer due to a lack of new features, according to research firm IDC.

But Ben Wood, an analyst at tech research consultancy CCS Insight, said the appeal of foldable phones would be limited for now to "gadget lovers" who want the latest tech.

"This right now looks like a solution looking for a problem. Most



consumers will look at it right now and go 'it is very, very expensive'. It is kind of an early stage product. I think we are kind of in the Stone Age of the flexible <u>device</u>," he said.

CCS Insight predicts foldable phones will remain a niche category until 2022.



The brick shape has dominated the industry since Steve Jobs unveiled the first iPhone in 2007

Aside from its steep price tag, problems with the devices include poor readability in sunlight, and a bulky design needed to protect the screen's fold, according to the research firm.



Durable?

Analysts have also expressed concerns over the durability of the devices since folds are typically areas where problems are most likely to develop in <u>electronic devices</u> over time.

"Generally the trend has been to have a design that does not have any mechanical elements in a smartphone to make them more durable," said Ian Fogg, a senior mobile industry analyst at OpenSignal, which collects and analyses data from mobile networks.

Both Samsung and Huawei said their devices can withstand the wear-and-tear of over 100,000 folds.

Analysts also questioned if the phones will work as well when they are folded up as when they are unfolded.





America-based Chinese company Royole also has a foldable mobile device: FlexiPai

IDC senior analyst Ryan Reith said he was sceptical that smartphones with foldable screens will work well since apps will need to be "tweaked" to ensure that they work on the smaller screen when the phone is folded up.

"It needs to make sure that there is seamless switch from one (screen) to the other. There is a lot of work that has to come with that," said Reith.

British technology market analyst firm Canalys said it expects foldable phones will remain "exclusively ultra-luxury devices", with fewer than two million sold worldwide this year.



"But high shipment numbers are not the priority. The goal is to capture consumer awareness, and each vendor wants to prove it can achieve the greatest technological advances with its new industrial designs," said Canalys senior director Nicole Peng.

Research firm Strategy Analytics forecasts worldwide sales of foldable phones will rise to around 64.9 million in 2023—but that would be just 3.5 percent of global <u>smartphone</u> sales that year.

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