

Samsung's new phones test consumer demand for pricey gadgets

August 5 2020, by Michael Liedtke



This photo provided by Samsung shows the Galaxy Note20 Ultra, from Samsung. Samsung aims to lift sinking smartphone sales with two new models that will test consumers' willingness to buy high-priced gadgets during the worst economic downturn since the Great Depression. The company's latest Galaxy phones, unveiled Wednesday, Aug. 5, 2020, during an online showcase, will cost \$1,000 to \$1,300. (Samsung via AP)

Samsung aims to lift its sinking smartphone sales with three new models that will test consumer willingness to buy high-priced gadgets during the worst economic downturn since the Great Depression.

The latest Galaxy phones, unveiled Wednesday during an online showcase, will cost \$1,000 to \$1,300. Such prices are have become standard for top-of-the-line phones in recent years. But they might cause sticker shock at a time of double-digit unemployment that could last through at least the end of the year, as the global economy struggles to recover from the coronavirus pandemic.

Samsung is touting the fancy phones, called the Galaxy Note20 and the Note20 Ultra, at a time that Apple is enjoying success with a \$399 iPhone released in April. Google is also rolling out a \$349 Pixel phone that has many of the same features as its more expensive model. Such phones are intended for buyers who are strapped for cash or unwilling to pay for pricey phones that don't offer big advances over their predecessors.

Samsung also gave a glimpse of its second attempt at a phone with a foldable screen, but said it won't have details on pricing and availability until Sept. 1. That phone, called the Z Fold2, is expected to cost in the range of \$1,500 to \$2,000, based on the price for last year's first-generation model.

"We know these are challenging times, and people are depending on technology more than ever," said TM Roh, president of Samsung's mobile communications arm. He joked that the new phones will help people "play harder when maybe they should be working harder," a reference to the millions of people now doing their jobs at home.

Samsung is already struggling with an unsettling downturn. Its smartphone shipments plunged 29% from last year in the April-June quarter, [according to the research firm International Data Corp.](#) That drop helped China's Huawei at least temporarily surpass Samsung as the world's top seller of smartphones while Apple remained in third place—although the cheaper iPhone SE did boost Apple's market share, IDC said.



The logo of the Samsung Electronics Co. is seen at its shop in Seoul, South Korea, Tuesday, July 7, 2020. Samsung is hoping to lift its sinking smartphone sales with three new models that will test consumers willingness to buy high-priced technology during the worst economic downturn since the Great Depression. The latest Galaxy phones unveiled Wednesday, Aug. 5, during an online showcase will cost \$1,000 to \$1,300. (AP Photo/Ahn Young-joon, File)

Like other phone manufacturers, Samsung is hoping that a transition to new ultrafast "5G" wireless networks will drive demand for new phones; its latest models are 5G-compatible. In other respects, however, smartphone innovation has largely stalled, a trend that predated the pandemic shock.

The upcoming foldable phone, meanwhile, is something of a do-over for Samsung. The Z Fold2 has a front display screen so it can be carried around like a phone with an interior screen that can be opened up so it can be used like a mini-tablet, depending on what a user needs at the time.

But Samsung's first foldable phone last year turned out to be a flop, partly because it proved fragile even after the company delayed its release by several months in an effort to deal with the problem.

Samsung is promises that the Z Fold2 will far more durable because it will have ultra-thin glass and tougher hinges for unfolding the device.

Consumer response to these phones might foreshadow demand for the next wave of iPhones. Apple has indicated those will come out in October, a few weeks later than usual because of manufacturing delays caused by the pandemic. The next generation of iPhones are expected to cost in the \$700 to \$1,200 range.

Samsung also announced its next generation tablet, smartwatch and wireless earbuds.

© 2020 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Samsung's new phones test consumer demand for pricey gadgets (2020, August 5) retrieved 10 April 2024 from

<https://techxplore.com/news/2020-08-samsung-consumer-demand-pricey-gadgets.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.