Samsung unveils new phones as premium market share shrinks

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The Samsung Galaxy S22 Ultra, with the S-Pen, is on display, on Tuesday, Feb. 8, 2022 in San Francisco. Samsung is trying to reclaim lost ground in the coveted high end of the smartphone market with a new lineup of Galaxy S models designed to appeal to consumers who are increasingly sharing videos of their antics on TikTok, Facebook, YouTube and other popular apps. Credit: AP Photo/Haven Daley

Samsung is trying to reclaim lost ground in the coveted high end of the smartphone market with a new lineup of Galaxy S models designed to appeal to consumers who are increasingly sharing videos of their antics on TikTok, Facebook, YouTube and other popular apps.

Although the Galaxy S22 phones unveiled Wednesday feature some improvements from last year's models, the differences aren't dramatic. Samsung is emphasizing new features on the phones that are supposed to produce more vibrant and more stable videos.

One of most most noticeable changes is the addition of a built-in pen to take digital notes and draw on the screen of the Ultra model that will cost $1,200. That "S Pen" had to be purchased separately for $40 on last-year's model, which didn't include a slot to hold it when not in use. The standard Galaxy S22, priced at $800, and the Galaxy S22 Plus, priced at $1,000, don't include the S Pen, which was popularized on its Note line of phones that were made more for getting work done than for leisure and entertainment.

All three of the Galaxy S22 models—available in stores Feb. 25—are supposed to have longer battery life and better cameras, particularly for pictures taken in dark lighting and for videos that Samsung estimates now account for about 80% of internet usage.

The camera improvements largely rely on advances in artificial intelligence technology that aren't easy to grasp, so the success of the Galaxy S22 models may hinge on how well Samsung's marketing campaigns can illustrate how the changes will enrich people's lives, said Forrester analyst Thomas Husson.

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Almost imperceptible improvements have become all too familiar across all major smartphone manufacturers since 2015, and are unlikely to spur consumers to shell out anywhere from $800 to $1,200 to buy a new one, unless their old device is wearing out, said International Data Corp. analyst Nabila Popal.

"These are fabulous devices," Popal said of the Galaxy S22 phones, "but they lack a 'wow' factor. Consumers are feeling like they aren't seeing anything really new in smartphones from one year to the next."

Samsung, not surprisingly, doesn't share that view. TM Roh, who oversees Samsung's mobile devices, hailed the new Ultra as the "ultimate smartphone that will rewrite the laws of innovation," during a prerecorded presentation that was streamed Wednesday to promote the latest Galaxy lineup.

But Samsung's most expensive phones have been losing some of their luster recently, even as its cheaper models continue to sell extremely well.

In the premium category consisting of smartphones priced at $800 and above, though, Samsung's global market share has shrunk from 28% in 2019 to 18% through the first nine months of 2021, according to IDC's calculations. Meanwhile, Apple's share of that lucrative segment, has climbed from 63% to 72% during the same period, based on IDC's figures.

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Apple's gains reflect the iPhone's loyal following, particularly in the U.S. and China, as well as the company's marketing savvy that has burnished its brand with a sheen of prestige, Popal said. Likening it to a luxury fashion designer, Popal dubbed the iPhone the "Louis Vuitton of phones."

The latest iPhones introduced last September have proven so popular that Apple supplanted Samsung as the worldwide leader in total market share across all price categories during the October-December period, according to IDC.

With the next generation of iPhones not expected to be released until late September, "Samsung has a great window of opportunity to raise the bar in premium smartphones," Forrester's Husson said.

Drew Blackard, Samsung's vice president of product management, disputed IDC's findings about the the shift in sales in the premium phone market and maintained the company is still holding its own.

"We are very comfortable where we are," Blackard told The Associated Press during an interview. "But we are very ambitious, and have a plan for growth."

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