

## Samsung Boosts Tizen

Written by Nick Graves  
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Under increasing pressure from Android-based smartphone vendors, especially in China, Samsung is rumoured to be increasing its range of Tizen-based phones in an apparent attempt to take greater control of its platform.

Samsung was the only major smartphone vendor to experience declines in YoY shipments in Q1 2015, with IDC reporting a drop of 7%, from 88.5 to 82.4 million. This decline can be partly attributed to Apple, and the strength of its iPhone 6 launch and momentum, and partly to the plethora of Android-based phones from other vendors, in particular from China. These include Lenovo (now boosted by its acquisition of Motorola), Huawei and Xiaomi, as well as a growing number of strong regional players, such as India's Micromax.

As I have long predicted, Samsung is recognising the long term challenge to its mobile business this presents. Not only does the company struggle to compete with cheaper but largely feature-matched competitive devices at the low and mid range, but it also has little control over high-end functionality at the top end, being heavily dependent on Google.

The company appears to be taking two approaches to address these challenges, both of which are distancing it from Google. Firstly it is developing its own major functionality, such as Samsung Pay, which is a competitor both to Apple Pay and Google Pay. Secondly it is enhancing focus on Tizen, which is in many respects Samsung's own mobile OS - although technically a project within the Linux Foundation, Samsung is far and away the most active player.

Samsung Pay is due to take off later this year, and has a marked benefit over both Apple Pay and Google Pay, in that it will be compatible with the magnetic-swipe terminals that still dominate the US. Whether this is enough for long term success remains to be seen, as does

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the financial benefit accruing to Samsung.



Meanwhile Samsung's only Tizen phone shipping to date, the Z1, is largely confined to India and Bangladesh, but with the Tizen Store now expanded to multiple countries, and with Tizen powering its smart watches and all of its future smart TVs, it seems natural for more phones, and more countries, to be covered by Tizen in the future. This in turn opens up potential annuity streams which Samsung is largely losing to Google Play today. Whether Tizen can really establish itself as a viable mobile OS this late in the day remains to be seen - Microsoft is finding it hard enough to catch up.

Success in either of these initiatives is by no means guaranteed, but they are sensible bets on the long term by Samsung. What is clear is that profits are being squeezed out of the Android hardware business as it becomes increasingly commoditised, and it is unlikely that Samsung will want to let its smartphone business drift into loss.

[Go Samsung Z1](#)

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