

Samsung reorganizes consumer, mobile businesses, may amp up competition with Apple

Article

The news: Samsung, the world's [No. 1 smartphone maker](#), is combining two of its three business units and appointing new leaders in the biggest management shakeup since 2017, per

Bloomberg.

Why it's worth watching: This is the first major move under new leader and Samsung heir **Jay Y. Lee**, who will oversee the merged consumer and mobile division along with newly promoted executives, per Bloomberg.

- “Today’s announcement shows the company keeps its performance-driven culture,” said **Kyungmook Lee**, professor of business management at **Seoul National University**.
- Jay Y. Lee has been actively expanding Samsung’s operations and was on hand to announce the **\$17 billion** chip plant in Taylor, Texas, which will create **1,800 jobs** in 2024.
- Samsung kept the No. 1 spot in Q3 2021 with **smartphone shipments increasing by 20% QoQ to 69.3 million units**, per Counterpoint Research. That’s a remarkable feat considering the smartphone industry has been rocked by the chip shortage.

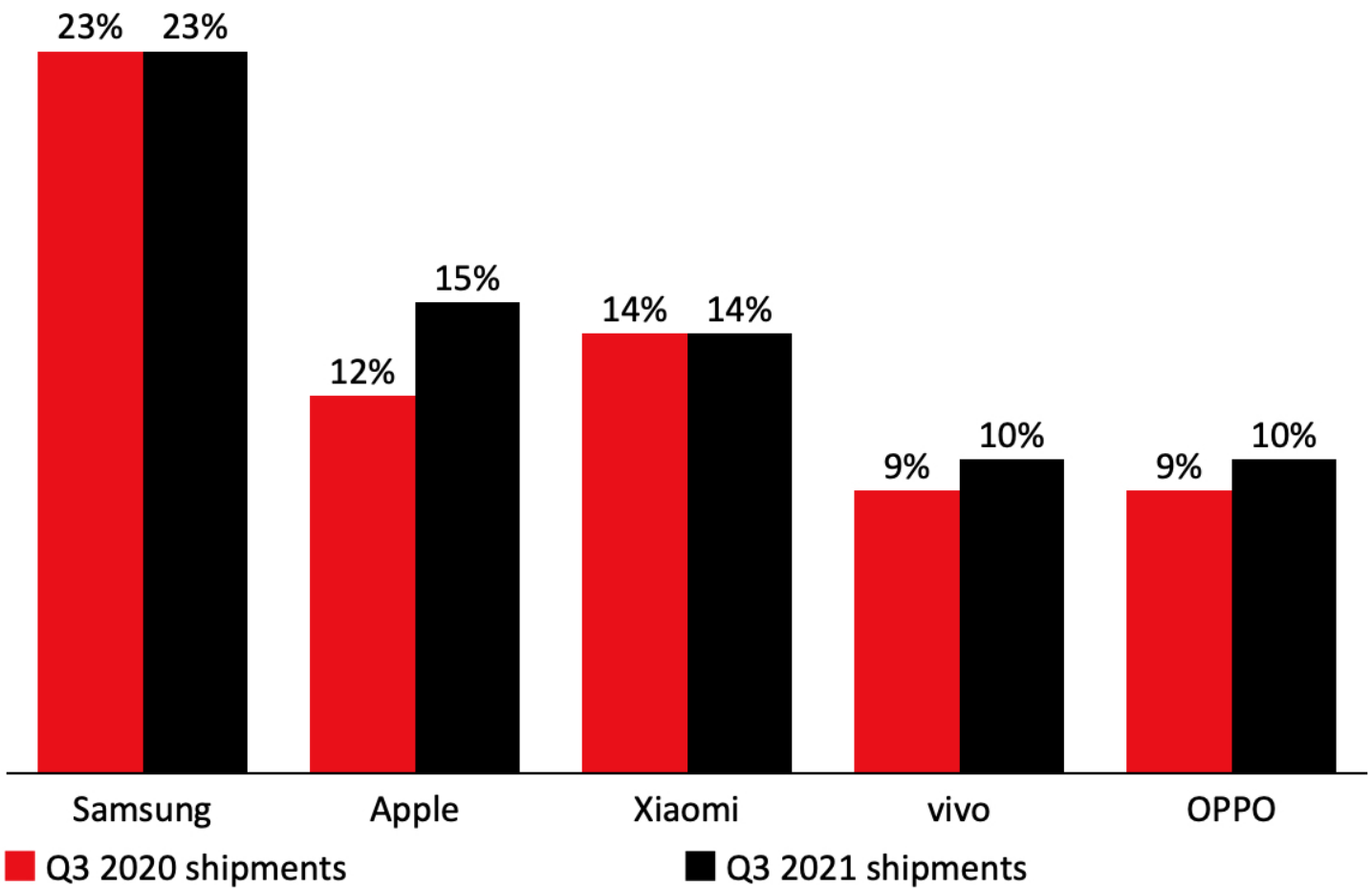
What's next? Samsung is positioning itself to be a better platform player to compete with Apple, whose phones, computers, and TV set-top boxes work with each other.

- **Consolidation helps Samsung enforce friction-free co-development of products and services** that work better together, ostensibly to facilitate its entry into a wider services and subscriptions model.
- Samsung’s advantage is that it makes more than smartphones, computers, and TVs, which means it can combine a wider range of consumer electronics and smart home appliances into a more unified ecosystem, an area that Apple has so far failed to successfully develop.

Why this could succeed: Samsung already has all the pieces necessary to evolve into a platform player.

- If Samsung can successfully weave together services and experiences that move from smartphones, wearables, PCs, smart TVs, and smart home devices, it can potentially rival Apple’s walled garden.

Worldwide Smartphone Shipments and Growth: Q3 2021 (% share)



Note: Canals Preliminary Smartphone Market Pulse: Q3 2021

Source: Canals Smartphone Analysis, October 2021

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