

Smartphone Need-To-Know – December 2023

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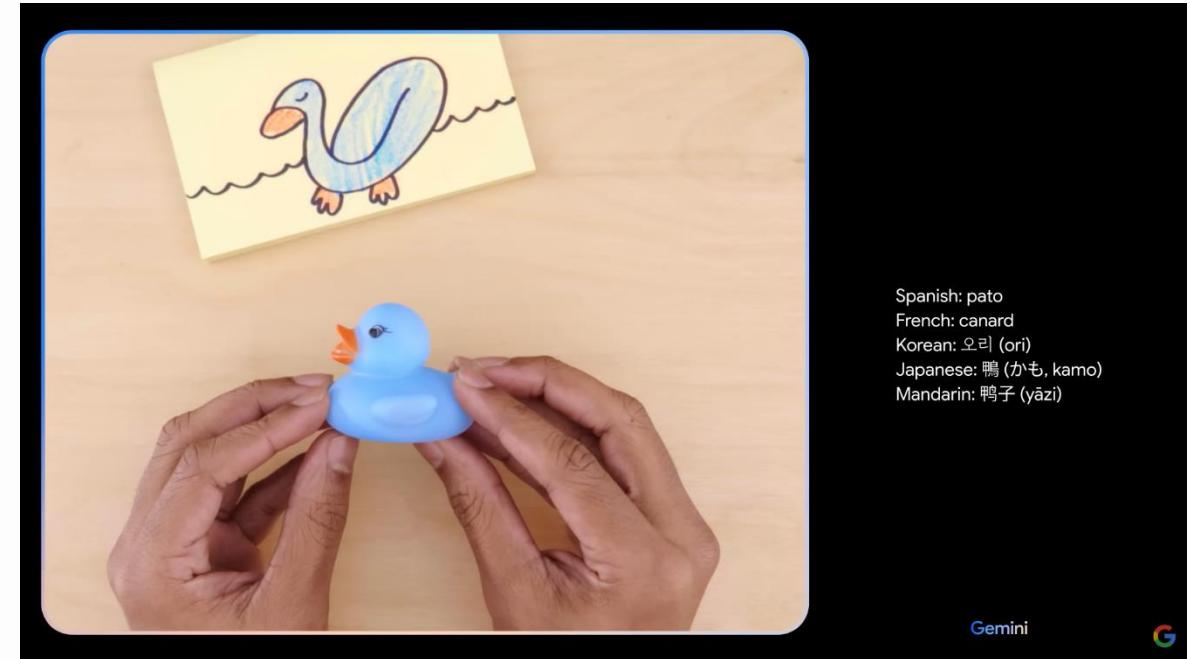
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Google announces new AI model Gemini; leaked Samsung One UI 6.1 AI features could be coming to new Samsung phones

- Google announced its own AI model, similar to GPT-4 from OpenAI, on December 6, 2023, called Gemini.
- Gemini is multi-modal, which means it can understand not just text but also images, video, and audio. There will be three different versions available:
 - Gemini Nano: A streamlined model made to run specifically on the Google Pixel 8 and 8 Pro, able to suggest replies in chat apps or summarise text.
 - Gemini Pro: A widely available model that will run from Google's data centers and will power Bard, the AI chatbot.
 - Gemini Ultra: Currently not widely available but will be the most advanced and is designed for more complex tasks.
- The company faced criticism over its use of edited footage and responses in the launch demo video that Google says were to reduce latency and make the output shorter for brevity.
- This comes as early leaks for the next update of Samsung's Android skin One UI 6.1 seem to show new AI-powered features similar to those that have just come to new Pixel phones.



Note: Screenshot from Google's demo video of Gemini recognizing a blue duck and then being able to translate the words into different languages.
Source: Google

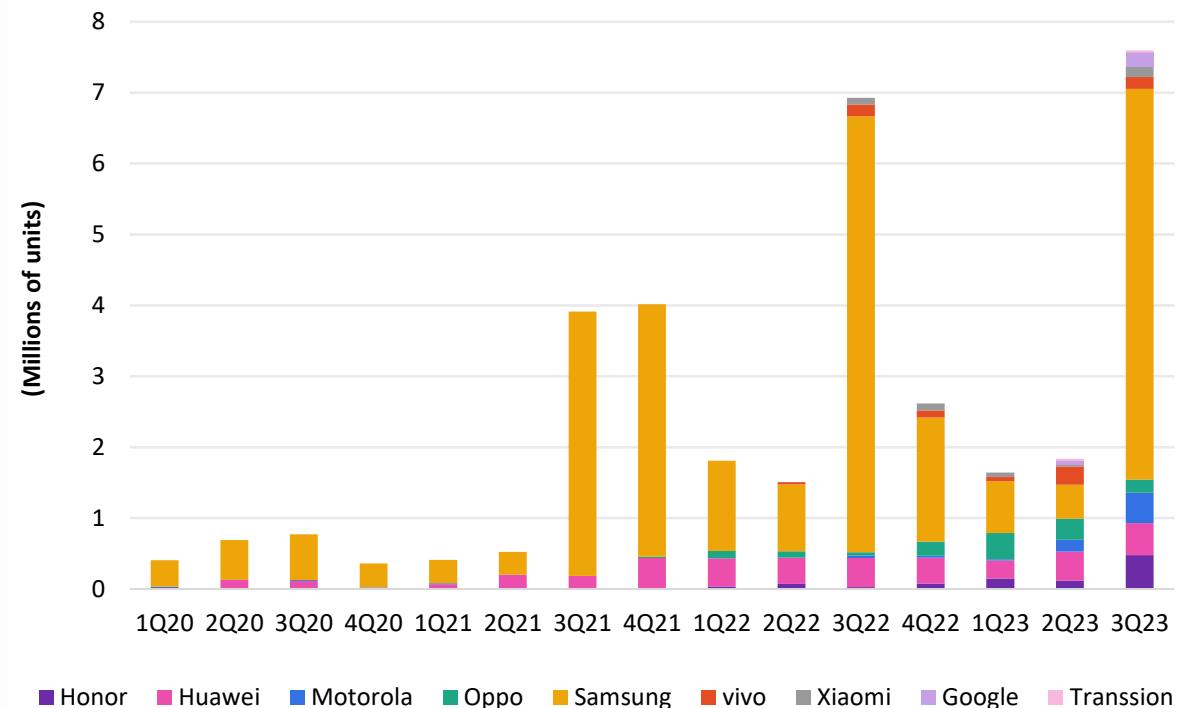
“Google’s Gemini showcases a big leap forward in the brand’s AI powers, after it has been playing catch-up with OpenAI for the past few years. Gemini Ultra is reportedly more advanced and capable than OpenAI’s latest GPT-4, but it’s not widely available, so there hasn’t been the opportunity to compare hands-on. The openly available Gemini Pro is less capable, so while this announcement may initially seem like Google has pulled ahead in the AI-race against OpenAI, it’s more complex than that.”

Aaron West
Senior Smartphone Analyst,
Consumer Devices

Foldable phone market hits highest point ever in 3Q23, as Chinese competitors take share from Samsung

- Foldable smartphone shipments reached 7.6 million in 3Q23, according to the latest Omdia figures, beating the 3Q22 boom off the back of the new Samsung Galaxy Z Flip5 and Z Fold5.
- Samsung's foldable shipments decreased year-on-year (YoY); the launch of its new foldable phones was not as large as that in 2022.
 - Of the Samsung foldable shipments recorded in 3Q23, almost two-thirds were the cheaper and smaller Z Flip5, with the remaining third being the much more expensive Z Fold 5.
- Compared with the same time in 2022, Samsung's foldable smartphones declined in both shipments and market share. Shipments were 6.1 million in 3Q22 and 5.5 million in 3Q23, meaning its market share dropped from 88.8% in 3Q22 to 72.6% in 3Q23.
- Thanks to increased competition with Chinese OEMs, total foldable smartphone shipments have reached their highest point ever, with Huawei and Honor both shaping up to be key competitors.

Foldable smartphone quarterly shipments by brand



Source: Omdia's Smartphone Model Market Tracker – 3Q23 Analysis

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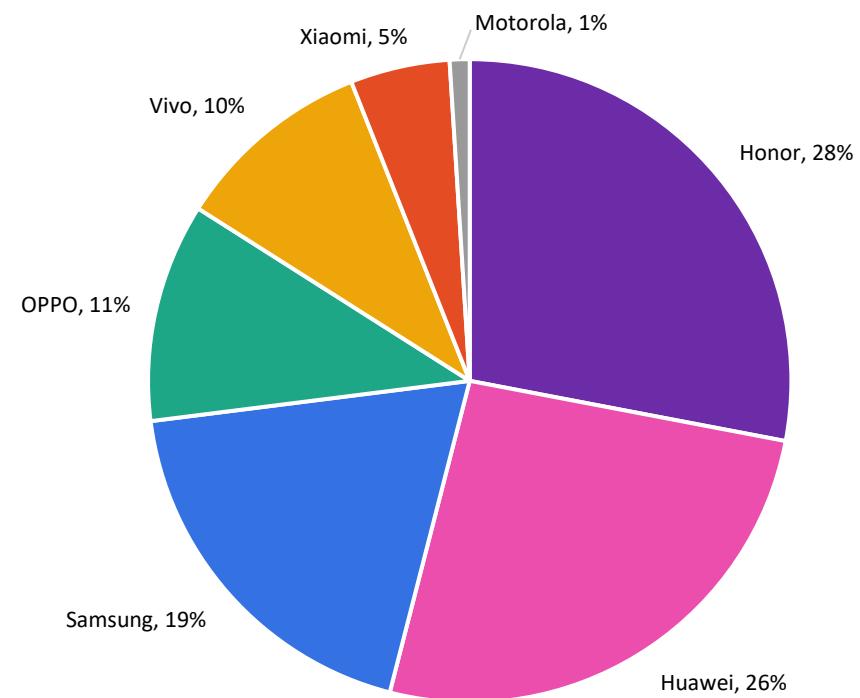
“Foldables are now entering a new stage of development, having passed early problems of poor reliability and portability. Brands are now testing foldables for hundreds of thousands of folds, with some going up to one million folds. Many newly released foldables are now lighter than top-end flagship ‘candybar’ phones such as the iPhone 15 Pro Max. The next stage is software. The Oppo Find N3 and OnePlus Open were both launched recently with new multi-tasking scrollable app dashboards that could become widespread in future foldables.”

Zaker Li
Principle Smartphone Analyst,
Consumer Devices

Honor's annual cumulative production of its foldable smartphones surpassed 1 million units in November, ranking first in China in 3Q23

- Honor has released several foldable smartphones in recent years, often breaking records for making the new thinnest and lightest book-style foldables.
 - Honor currently only makes book-style foldables, with plans around a flip-type foldable expected in 2024.
- Honor's annual cumulative foldable smartphone production exceeded 1 million units in November 2023. A whopping 80% of this production stems from the Magic V2, a new foldable product released in mid-July. The cutting-edge device broke the record for thinness and lightness in foldable smartphones.
- The Honor Magic V2's success helped Honor rank first in China's foldable smartphone market in 3Q23.
- According to Reuters, Honor is preparing for an initial public offering (IPO). While it has not specified a timeframe for the listing or where it would be, Honor has said in a statement that its market position has greatly improved in the past three years and an IPO would be the next step in its development.

Foldable smartphone market share by brand in the Chinese market, 3Q23



Source: Omdia

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“Chinese brands have taken the lead in crucial design indicators of foldable smartphones in 2H23. Owing to the gradually accumulating advantages of the foldable smartphone supply chain, Chinese companies are gradually leading their peers in the design of lightweight foldable smartphones. The development of the Chinese foldable smartphone market will also promote China’s transition from traditional manufacturing to high-end manufacturing.”

Zaker Li
Principle Smartphone Analyst,
Consumer Devices

Appendix

Appendix

Further reading

[“Honor’s annual cumulative production of its foldable smartphones surpassed 1 million units on November 23”](#) (November 2023)
[Smartphone Model Market Tracker – 3Q23 Analysis](#) (December 2023)

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