

Panasonic to abandon consumer smartphones

TOKYO JAPAN: Japanese electronics company Panasonic says it will abandon research into new smartphones for retail consumers at home as it struggles to make inroads in a sector dominated by Apple and Samsung.

Panasonic

The move comes two months after competitor NEC said it was pulling out of the market citing tough competition.

"We will suspend developing new smartphones for the business-to-consumer market in Japan and instead pour our business resources into smartphones for the business-to-business market that is expected to grow," Panasonic said in a statement.

Corporate smartphones are devices used in businesses such as warehouses and hospitals where a number of people have to share up-to-date information across a large area.

Japanese electronics manufacturers have struggled to compete since the rise of smartphones and have been left behind by Apple and Samsung. The two companies' flagship phones have a large share of Japan's smartphone market.

NEC said in July it plans to exit its smartphone business, with chief financial officer Isamu Kawashima saying the company was late to enter the smartphone market, and unable to develop attractive products.

In the three months to June, Panasonic booked a net profit of ¥107.8bn up 742% from a year earlier. Operating profit was ¥64.2bn, up 66.3%.

However its mobile phone unit Panasonic Mobile Communications booked an operating loss of ¥5.4bn, despite a 86% rise in sales.

Panasonic and its domestic rivals, including Sony and Sharp, have been undergoing painful restructuring aimed at stemming years of record losses largely tied to their electronics units.

Source: AFP via I-Net Bridge

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