



Pixel is a direct challenge to Apple – and a referendum on Google

After fighting long proxy war the two tech titans are now in same arena, as Google bets big on its new phone brand transferring to a market dominated by iPhone

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Google has just launched a new smartphone, the Pixel, and for the first time this isn't just another Android smartphone – it's a Google phone. The company is finally launching a direct assault on its biggest rival: Apple.

For years Google has been involved in a proxy war with the iPhone maker. It makes a rival operating system, Android, it buys up patents and it goes to court to protect them.

But until now it hasn't truly engaged in hardware itself. It licenses Android for others to use – and while that has made the operating system the world's most popular on mobile, ahead of iOS, with over 1.4bn devices active a month, it's not without downsides.

While there is a strength in the sheer number of different manufacturers using Android, filling almost any market niche, that multi-manufacturer strategy has also caused problems for the state of Android.

Unlike iOS devices, most Android phones do not receive updates for much longer than a year. Some do get monthly security updates, but others get Android version updates sometimes years after Google releases new versions, creating so-called fragmentation that makes it harder to develop apps and services.

This fragmentation is a problem. Francisco Jeronimo, market research firm IDC's research director for European mobile devices, says: "Many people care about updates. They recognise that getting the latest update is about getting something better, unless they've got an old phone. But it's about how easy it is to do. Going online and finding an update is something most will not do. If you present it as a notification, as Apple does, then most will jump on board."



Google's last attempt at a smartphone, the Nexus. Photograph: Google

The only Android devices to get similar updates to Apple's worldwide pushing out of iOS updates are Google's Nexus devices, which until now have been made in partnership with a big smartphone manufacturer. LG, Huawei, Samsung and HTC have all made Nexus devices with Google, but these differ from the Pixel phones - they haven't been sold as the flagship Android device, but more as developer curiosities, selling on average around 3m devices each time.

According to data from IDC, Google and its Nexus partners have only sold around 23m in total since 2010, making them only 0.2% of the total shipments of smartphones in that period. A curio, more than a mainstream smartphone. Samsung, on the other hand, has sold a total of 520m Samsung S models over the years, while Apple has sold 1bn iPhones.

Samsung has therefore been left as the premium Android champion, particularly as smaller players including HTC, Sony and LG have struggled. Samsung and Apple are currently locked in a war for the so-called floating voter: the 20% of users that ever actually switch platforms.

Now Google has decided to enter that battle and compete with Apple directly. No more proxies, no more relying on others to champion its mobile operating system or to make them in a partnership, and it will provide direct updates to devices in the same way Apple does. The Pixel is a Google phone, and a statement of intent.

This moment will reveal a lot about the strength of Google's brand. Marc Allera, chief executive of EE, Google's exclusive network partner in the UK, says: "Google has long been known as an innovative tech brand and consumers can expect it to now become a new and exciting player within mobile following this move."

For Google, the Pixel is about putting its brand and services - the Google Assistant - front and centre. Jeronimo says: "With the Nexus, Google attempted to bring the best device running the latest version of Android, but couldn't give priority to one of the tier two manufacturers that

were interested in making it when you have companies like Samsung and Huawei leading the market. It meant Google struggled to differentiate with its own device when its partners were already making very good devices that were good value.”

The benefits of having one company design hardware and software cannot be overlooked. That may also have an impact on other Android manufacturers who rely on Google for software.

Despite Google making an explicit play for iPhone users with a data import tool available for first time to switchers, the likelihood of Google enticing a serious number of users to move over immediately is small. In reality, the Pixel’s first users are likely to be current Android users, those with phones from HTC, Sony, LG, Samsung and Huawei.

Google’s vice president of global operations and the Google Store, Ana Corrales says the Pixel is a continuation of Google giving customers and users choice. “We’re not necessarily trying to compete against Apple. We’re just trying to provide choice at every level and continue our Android strategy.”



If users buy into the idea of a Google phone, then Google knows that its brand and services are a key attractor in a out in a competitive market. Photograph: Eric Risberg/AP

How third-party manufacturers react will be interesting. Samsung has been developing its own Tizen operating system for several years, and has both smartphones and smartwatches running it currently in the market. It’s unlikely Samsung will simply ditch Android in the near term, but should it decide to divert resources to alternative operation systems, Android’s marketshare could fall.

Jeronimo says: “Now is the time for Google to reset, start from scratch and deliver on the promise of the Nexus, which it never did. It needs to show the market what can be done with Android, not just with hardware but with software, so that third-party manufactures can take those features and adapt them, generating a stronger relationship with Google.”

So the Pixel phone becomes a referendum on Google: If users buy into the idea of a Google phone, then Google knows that its brand and its services are a key attractor in a like-for-like shoot out in a high competitive market. Should it fail to sell, Google could end up with a crisis over brand and users that affects more than simply a smartphone.

Either way, Google launching a smartphone is seen as a good thing by industry watchers, regardless of how Google’s sales battle with Apple goes.

“It keeps people interested in Android and it raises awareness that Google is not just developing one version of Android after the other without trying to be innovative,” says

Jeronimo. “An announcement like this is important to the market if it brings something different and innovative, something users can expect to use over the next year.”

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