Samsung buys US firm SmartThings

SEOUL, SOUTH KOREA: Samsung is buying a US home automation start-up SmartThings, as the South Korean electronics company seeks to expand beyond the increasingly saturated smartphone market.

Founder and Chief Executive of SmartThings has sold his start-up to Samsung as the South Korean company tries to expand away from its reliance on the smartphone market for profits. Image: The Sociable

The world's biggest smartphone manufacturer said it would buy the US company that produces apps that allow people to monitor and control their home appliances via mobile devices.

"With Samsung's resources and support, SmartThings will be able to expand its platform and become available for even more partners and devices," Samsung said.

It gave no details of the value of the deal.

"SmartThings will continue to operate independently under its Founder and Chief Executive Alex Hawkinson and will become part of Samsung's Open Innovation Centre," the statement said.

The centre is responsible for developing Samsung's new software and services.

SmartThings will foster growth for Samsung

"We are committed to maintaining SmartThings' open platform, fostering more growth, and becoming its newest strategic partner," the centre's Head," David Eun, said.

SmartThings, founded in 2012, has built an open platform that supports about 1,000 devices.

Samsung produces electronic products including handsets, memory chips, TVs and other home appliances like washing machines and refrigerators.

But the company earns more than a half of its sales and profits from its mobile business, which is faced with increasing competition in an increasingly saturated market.

Samsung last month reported a 20% drop in its net profit for the second quarter with analysts predicting a bleak future for its key mobile unit.

The firm has increased its efforts to promote Internet-enabled wearable devices like smartwatches, and its plan to buy SmartThings is in anticipation of the growing market for the Internet of Things, in which household appliances and electronic devices are connected through the network.

Source: AFP via I-Net Bridge

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