

iPad 2 prices fall with next model looming

March 2 2012, By Roger Yu, USA Today

Like a hot IPO stock losing its luster, prices of Apple's iPad 2 are falling as used devices pile up on resellers' shelves.

Apple Inc. is widely expected to unveil an updated [iPad](#) next Wednesday, a year after it introduced the second generation of the popular [tablet computer](#). To fund the upgrade to the coming model, more iPad 2 owners are looking to sell their used devices before [prices](#) drop further.

NextWorth, which buys used [electronic goods](#) from customers online or at Target stores, says customers who logged on to sell rose 300 percent Tuesday after Apple said it will host a media event on March 7 in San Francisco, likely to introduce the iPad 3.

An image with the invite sent to select media reads: "We have something you really have to see. And touch." The image features a finger tapping what appears to be an iPad.

Gazelle, a competitor of NextWorth, said customers selling back on its site rose 500 percent Tuesday.

"It was going up last week, but it's just taken off like crazy (Tuesday)," said Jeff Trachsel of NextWorth. "More people are starting to lock up their quote."

[Best Buy](#) also rolled back iPad prices by \$50 over the weekend, fueling speculation that it's looking to free up shelf space. The 16-gigabyte, Wi-

Fi-only iPad 2, the least-expensive model, sells for \$449.99.

Rumors of a March introduction for the iPad 3 have been circulating for several weeks, prompting some eager fans to slowly unload their used devices in the secondary market, including on [eBay](#) and Craigslist.

But "early adopters who want the latest and the greatest" are still relatively a small group, said Steve Baker, an analyst at consumer market research firm NPD Group.

"In the last year, tablet owners have gotten mainstream," he said. "Most users (won't) dump a product that works fine for them. Sales will jump, but that's because there's a broadening of the base of consumers who are interested in (tablets)."

Still, demand for new products will inevitably push iPad 2 prices further south. The prices for used first-generation iPads fell 20 percent to 25 percent in the four weeks leading up to the iPad 2 release, leveling at about \$370 for the basic 16-GB model, according to eBay sales figures monitored by NextWorth.

Customers interested in buying a used iPad 2 should wait, advised Anthony Scarsella of Gazelle: "After the announcement, you'll see a lot more inventory in the market."

Apple declined to comment on its March 7 event. Various reports speculate the next iPad will have a faster processor, a sharper display and run on the fastest 4G data networks.

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