

Apple launches iPhone trade-in program in US (Update)

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People browse at an Apple store on January 14, 2013 in New York City. Apple on Friday began letting US iPhone owners trade in their smartphones for credit toward buying new models.

Apple on Friday began letting US iPhone owners trade in their smartphones for credit toward buying new models.

The California company's trade-in program kicked off in the wake of unconfirmed reports of a September 10 event at which Apple will unveil

new iPhones, with rumors ranging from a gold handset to a low-price version aimed at emerging markets.

"iPhones hold great value," Apple spokeswoman Amy Besette said in an email to AFP.

"So Apple Retail Stores are launching a new program to assist customers who wish to bring in their previous-generation iPhone for reuse or recycling."

She would not specify how much Apple is paying for old iPhones, but they can fetch \$300 or so depending on the model at an array of websites or US consumer electronics shops that buy handsets.

The Wall Street Journal earlier this month reported that Apple had asked its Taiwan-based supplier, Hon Hai Precision, to begin shipping two new versions of the iPhone in September, including a lower-cost model.

Speculation has centered around whether Apple will shift its strategy of focusing on premium devices priced at the high-end of the market to include a lower-cost handset appealing to people with tight budgets.

A survey by Gartner said Apple's share of the smartphone market worldwide fell to 14.2 percent in the second quarter, while Samsung's rose to 31.7 percent.

Samsung has found global success with smartphones powered by Google's free Android software, which now dominates the market.

As the smartphone market in the United States and other Western countries matures, companies may have better luck encouraging upgrades rather than reaching out to first-time buyers, according to Gartner analyst Van Baker.

Motives for Apple's trade-in program likely include keeping iPhone users loyal to the smartphones as well as the lucrative iTunes shop for digital music, films, and books.

"Keeping people in the fold is what it is all about," Baker said.

"The question for me is whether it will be competitive with programs that already exist in the market."

Global Equities Research analyst Trip Chowdhry saw the trade-in program as Apple delivering product management instead of product innovation.

Analysts and Apple fans have been watching whether chief Tim Cook will live up to the legacy of company co-founder Steve Jobs when it comes to wowing the world with culture-changing devices.

"Tim Cook's Apple is very different from Steve Jobs's Apple," Chowdhry said.

"This is not the thing customers are looking for."

He said Apple lovers are more likely wondering "Where is my iWatch" and "Where is my Apple TV."

Cook took over as chief of the Cupertino, California company in 2011 as Jobs stepped down to grapple with illness that took his life later that year.

Cook is considered an operational mastermind with a relentless work ethic, and is believed to have played a leading role in the gadget company's turnaround.

Cook was Apple's chief operating officer until his elevation to CEO.

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