

# Speculation about new Apple products kicks into overdrive

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For Apple Inc. fans and investors, the future can't get here fast enough. Chatter about what revolutionary products the company has cooking in its laboratories is incessant and often overblown. But anticipation that, finally, Apple is about to launch something big this fall has kicked into overdrive in recent days thanks to two separate but possibly related developments.

The first clue came during the company's earnings calls, when executives gave an unusual wink-wink, nudge-nudge about a planned announcement in October. The second clue was the sudden and mysterious disappearance of one of Apple's highest-paid executives from the Web

page listing the company's top management.

Of course, this being Apple, nothing has been made explicit, and the Cupertino, Calif., company is doing its best to drape a cloak over all future products. But the [speculation](#) it has triggered is highlighting the growing pressure on Apple to deliver a revolutionary hit product that supercharges its growth and proves that it hasn't lost its innovation mojo.

"We are very hard at work on some amazing new products that we will introduce in the fall in across 2014," Peter Oppenheimer, Apple's [chief financial officer](#), said during a conference call last week. Later he added: "We are on track to have a very busy fall. I would like to leave it there and go into more detail in October."

Last weekend, a few days after Oppenheimer spoke, Apple quietly removed Bob Mansfield, [senior vice president](#) of technologies, from its website.

Mansfield is a popular figure inside Apple, credited with shepherding many of its hardware breakthroughs during his long tenure. Mansfield retired last year and then came out of retirement to take on a job created just for him overseeing the company's wireless and [semiconductor](#) teams.

With a pay package totaling \$85 million, he became one of the highest-paid executives in tech. Now he's moved into a new, narrower role for the company.

"Bob is no longer going to be on Apple's executive team but will remain at Apple working on special projects" and reporting to Chief Executive Tim Cook, Apple spokesman Steve Dowling said.

Although Dowling declined to explain the change, analysts said it

probably meant either that Mansfield was more focused on a single product to get it pushed out the door or had largely finished such an effort.

"It seems like they're finding a way to keep his expertise available and let him sit in on the things he likes and not have to worry about all the executive responsibilities," said Colin Gillis, an analyst at BGC Partners. "This is probably coming at the end of a product cycle."

But what product cycle could that be? And will it be "amazing," as Apple's Oppenheimer promised?

For starters, Apple's new mobile operating system, iOS 7, and its new Mavericks operating system for Mac computers will be available this fall. But those products are old news, having been announced weeks ago at the company's developers conference.

For October, analysts at Barclays Capital are betting that Apple will announce a new iPhone 5S that will feature a fingerprint sensor for added security. That may be followed by a new iPad Mini, complete with retina display, in late 2013 or early 2014, along with a thinner traditional iPad sometime.

But it seems that the biggest announcement in the next few months is likely to be the long-rumored "cheaper" iPhone. There is growing concern that the high-end market for premium phones, which Apple has dominated, has become saturated.

Some pundits believe that the company needs a lower-cost phone to entice new users in the U.S., as well as buyers in emerging markets where phone companies don't subsidize the cost of phones. On Monday, one tech blog, Business Insider, reported that this low-cost phone would be called the iPhone 5C - "C" because it will be available in many colors,

not because it's cheap.

Patrick Moorhead, principal analyst at Moor Insights & Strategy, said becoming more competitive overseas with such a phone is Apple's most pressing issue.

"I believe Apple will first focus on improving their success in emerging regions," Moorhead said.

But Mansfield's status change has also stirred up talk of something more dramatic, in part because he was rumored to be working on the company's iWatch. Analysts seemed to agree that a new category of product was still a bit further off, however.

Morgan Stanley and Piper Jaffray analysts wrote that they believe the iWatch and some kind of Apple TV set announcement are coming either later this year or sometime in 2014.

"Nothing about the report itself changes our belief that the key factors on the stock are the expected cheaper phone in the fall as well the potential TV announcement late this year and an iWatch in 2014," Piper Jaffray analyst Gene Munster wrote in a note to clients last week.

Just about any of these new gadgets, however, would be welcome news to Apple lovers.

Investors breathed a sigh of relief last week when Apple's third-quarter earnings report turned out not to be as bad as some had feared. The company reported higher-than-expected iPhone sales, primarily in the U.S.

Still, several analysts lowered their earnings target for the current quarter, which ends in September, noting that Apple still faced

challenges such as a lower average selling price for iPhones, weakness in international markets, slipping iPad sales and declining shipments of Mac computers.

Apple's stock rose \$5.53, or 1.3 percent, to \$453.32 on Tuesday. That's a nice climb from the close of \$418.99 just before earnings were announced July 23, but still well below the \$582.52 price one year ago.

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