

Apple eyes future course with new devices (Update)

September 9 2014, by Glenn Chapman



Tech trend-setter Apple charts its future course Tuesday amid expectations for new big-screen iPhones and possibly an "iWatch" which could shake up the world of wearable computing.

Apple has maintained its customary arch silence, but a frenzy of speculation suggests a push into a new segment as it seeks to broaden the appeal of its iconic iPhone.

Forrester Research analyst James McQuivey said a widely predicted iWatch launch would "be one of its most important and brand-reinforcing launches in years."

According to new Forrester data, 25 percent of US adults online anticipate purchasing a wearable device in the next year, and 42 percent are specifically interested in a wrist device.

"Apple will show again how computing platforms are won or lost on the one-two punch of eager consumers and hungry ecosystem partners," McQuivey said.

Regaining its old magic

Apple is seeking to show that it hasn't lost its magic and to shift attention from a recent celebrity photo theft scandal.

Tuesday's event is at a performing arts center where late Apple co-founder Steve Jobs introduced the Macintosh computer 30 years ago, fueling talk that a new "big thing" is on the way.

"I'm expecting a few surprises, despite all the pre-event reports," said Yankee Group analyst Carl Howe in a tweet.

Work on a wrist-worn computing device with a health theme is believed to have begun years ago at Apple, inspired by Jobs and his battle with an illness that took his life in 2011.

Apple is fine-tuning a new mobile operating system that could allow for mobile payments and includes a health platform, which could mesh nicely with an "iWatch" for tracking activity, sleep, pulse and more and connecting to an iPhone or iPad.

Observers say the timing is right for Apple to introduce a generation of iPhone 6 models with screen sizes stretched to tap into love for "phablets" combining the features of smartphones and tablets.

An Adobe Digital Index report found that people prefer screens larger than five inches when browsing the Internet on mobile devices.

Browsing the Internet on smartphones with four-inch screens, like those on iPhones, dropped 11 percent during the past year, according to the report.

Apple has seen sales growth for iPhones, but slower than its rivals like Samsung, which sells an array of big-screen smartphones.

Dave Hoch at the research firm Localytics predicts a wave of upgrades because roughly one-fourth of the Apple devices in use are the iPhone 5—which was released two years ago preceding the 5S and 5C—and are likely to be replaced.

"This is likely because most iPhones come with a cheaper price if the consumer locks into a two-year contract, putting the average consumer on a two-year upgrade cycle," Hoch said in a blog post.

'Blockbuster' demand

Greg Sterling at Opus Research said this data suggests potential sales of 50 million units of the iPhone 6 for the US alone.

"These numbers argue it has the potential to be a blockbuster for Apple," he said in a post on the Marketing Land blog.

The iPhone has a leading share in the US market of some 40 percent, but its worldwide share of the smartphone market is less than 12 percent, according to surveys.

Gartner analyst Van Baker predicts Apple will unveil an iPhone 6 with a screen increased to 4.7 inches, and that odds are strong for a 5.5-inch

version.

"There is gigantic pent-up demand for a larger iPhone," Creative Strategies president Tim Bjarin told AFP.

"Apple will likely have a monster fourth quarter."

New iPhones are expected to feature near-field communication chips that will let them be used as mobile wallets, challenging services such as Square or Google Wallet.

Apple would be asking people to trust it with health and financial data after taking a bruising over the release of nude photos of celebrities including Oscar winner Jennifer Lawrence from its cloud.

Apple says there was no breach of its iCloud and that the celebrities had their accounts hacked by using easy-to-guess passwords, or by giving up their personal data to cybercriminals posing as Apple.

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