

Apple starts a busy week with new iPhone launch

March 21 2016, by Brandon Bailey



The exterior of Apple headquarters is seen before an event to announce new products at the company's headquarters Monday, March 21, 2016, in Cupertino, Calif. (AP Photo/Marcio Jose Sanchez)

Apple is kicking off a busy week: Today the giant tech company will host reporters and analysts at its Silicon Valley headquarters for a product launch event. On Tuesday, its lawyers will square off with authorities in federal court over the FBI's demand for help unlocking a

San Bernardino killer's encrypted iPhone.

The tech giant's dispute with the government has commanded headlines for weeks, but it warranted only a brief mention at the company's product event. CEO Tim Cook noted the company's conflict with the FBI over what he termed the government's power to access the data of iPhone users. "We will not shrink from this responsibility," he told the gathering.

The bulk of the event, however, is expected to show off some new additions to the current family of iPhone and iPad devices.

Apple could use a lift. iPhone sales are levelling off, after surging last year to record levels that made Apple the world's biggest company, by stock market value. And many are wondering if Cook can come up with another big hit.

So far, however, there have been no hints of any dramatic announcements, such as last year's highly anticipated Apple Watch debut, or major initiatives like the company's long-rumored but yet-to-materialize streaming TV service.

And even though Cook has been outspoken about his opposition to a judge's order compelling Apple to write software that overrides iPhone security features, tech analysts say he probably won't risk overshadowing the company's products by discussing the case at Monday's event.



Media and invited guests wait for the start of an event to announce new products at Apple headquarters, Monday, March 21, 2016, in Cupertino, Calif. (AP Photo/Marcio Jose Sanchez)

While Apple has been mum about its plans, several analysts expect the company will introduce an upgrade to its older, four-inch iPhone 5S—aimed at consumers who haven't sprung for the bigger-screen iPhone 6 models that Apple introduced over the last two years. The new phone may come with features like Apple Pay and the company's fastest processor, which have previously been offered only on versions of the iPhone 6.

Analysts and tech blogs say Apple also may unveil a new model of the iPad Pro, which the company introduced last year with several features—like a detachable keyboard and stylus—designed for business users.

A four-inch iPhone isn't likely to see the kind of blockbuster demand that Apple enjoyed with its large-screen iPhone 6 and 6S models, according to several financial analysts, but it could help Apple boost overall sales. The smaller phone might also draw some additional users into the market for Apple's online services, including Apple Music, Apple Pay and the highly profitable mobile App Store.



In this Wednesday, Sept. 9, 2015, file photo, Apple CEO Tim Cook waves during the Apple event at the Bill Graham Civic Auditorium in San Francisco. Apple is expected to unveil some new additions to its current family of iPhone and iPad devices at the company's product announcement on Monday, March 21, 2016. So far, however, there have been no hints of any dramatic announcements, such as 2015's highly anticipated Apple Watch debut, or major initiatives like the company's long-rumored but yet-to-materialize streaming TV service. (AP Photo/Eric Risberg, File)

While shoppers bought a record 74.8 million iPhones in the final three months of 2015, Apple has signaled demand in the current three-month period will fall short of the 61 million iPhones sold in the January-March quarter last year.

Even with new features, analysts say the 4-inch iPhone should sell at a lower price than the larger models, which list at \$549 or more. That means it may appeal to some shoppers, especially in overseas markets, who want a premium phone at lower cost. It may also draw interest from owners of older iPhone 5 models who find the larger models unwieldy.

Many analysts expect Apple will release a more dramatically revamped new iPhone 7 in the fall.



In this Monday, June 8, 2015, file photo, Apple CEO Tim Cook speaks at the Apple Worldwide Developers Conference in San Francisco. Apple is expected to unveil new additions to its current family of iPhone and iPad devices at the company's product announcement on Monday, March 21, 2016. So far, however, there have been no hints of any dramatic announcements, such as 2015's highly anticipated Apple Watch debut, or major initiatives like the company's long-rumored but yet-to-materialize streaming TV service. (AP Photo/Jeff Chiu, File)

The proliferation of iPhone and iPad models may seem contrary to Apple's traditional focus—espoused by late Apple cofounder Steve Jobs—on producing fewer products that it believes are superior to competitors' offerings. By contrast, Samsung is known for selling a multitude of phones and tablets at various sizes and prices.

But Apple has gradually expanded its family of devices in recent years to reach consumers in different market categories, which also helps the company sell more online goods and services, said Gartner tech analyst Brian Blau.

"Tim Cook has said he thinks there's a lot of life left in the iPhone product line, despite the media and investor community pressuring Apple over the potential decline in premium iPhone sales," Blau said. "I think it's exactly these types of things that he has in mind."



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