

Apple seeks fresh momentum with iPhone launch

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Apple Senior Vice President of Worldwide Marketing Phil Schiller speaks on stage during a media event at Bill Graham Civic Auditorium in San Francisco, California on September 07, 2016

With new iPhones hitting the markets Friday, Apple is seeking to regain momentum and set new trends for the smartphone industry and tech sector.

The newest versions of the California-based technology giant's lifestyle-

changing iPhone aim to win over users with sophisticated camera technology, water resistance, more power and other improvements.

But Apple has raised eyebrows by eliminating headphone jacks in what executives heralded as an embrace of a wireless future for its new iPhone 7 and 7 Plus.

The devices with boosted memory capacity will be sold at roughly the same price as the models they replace, starting at \$649 for the iPhone 7 for US customers, with deliveries in some 25 countries launching Friday.

What remains unclear for Apple is whether it can generate the same kind of excitement that surrounded previous versions of the iPhone, amid stiff competition from Samsung and other rivals, and with many markets already saturated.

While at least one analyst has said buying smartphones will soon become as humdrum as buying a microwave, Apple is aiming to boost interest in its other products and services that make up its ecosystem, including an upgraded smartwatch, Apple Pay and streaming music.

Apple "provides users with an integrated, scalable, and seamless experience across multiple devices, which we believe will be difficult for competitors to replicate in scale," RBC Capital Markets analyst Amit Daryanani said.

Apple's launch may benefit from the woes of key rival Samsung, which has been struggling with a recall of some 2.5 million Galaxy Note 7 smartphones after faulty batteries caused some handsets to explode during charging.

Supply, not demand

Apple has said it will not provide figures for launch weekend sales as it has in the past. But there are indications of consumer interest.

US telecom carriers Sprint and T-Mobile have announced that iPhone 7 pre-orders were up significantly from what they saw for the prior version.

"It is like four times bigger than the iPhone 6 for us at the pre-order stage," T-Mobile chief executive John Legere said in a live-broadcast at Periscope.

Analysts expected sales of iPhone 7 models to be constrained by supply, not demand.

By eliminating the traditional headphone jack, Apple is looking to push more consumers to adopt wireless technology.

The new phone will allow them to use Apple's proprietary "lightning" connectors for headphones but will also connect to new wireless "AirPods" designed for the device.

The 3.5mm analog jack for wired headsets dates back more than a century, and it was time for someone to "break from the past and start pushing people into the future," Creative Strategies analyst Tim Bjarin said.

Wireless future?

Apple may be setting the stage for a dramatically different iPhone model to debut next year on the 10th anniversary of the smartphone first introduced in 2007, Bjarin said.

"It could be a first step for Apple making this completely wireless, and

maybe next year a new iPhone with wireless charging," he added.

Some analysts see improvements in graphics quality and processing power as signs Apple plans a radical new iPhone next year with a screen reaching rounded edges and pressure-sensitive spots to replace physical buttons.

Apple has made significant technology improvements in both hardware and its iOS software, a new version of which also launched this week, experts say.

"Apple wanted to make sure that the iPhone franchise was not going to fall behind the Samsung Galaxy S franchise," Mobilocity principal analyst J. Gerry Purdy said.

"While the hardware seems to always get the headlines, it's most often that the software is where the real innovations occur that appear to more greatly affect our overall productivity."

While Apple has touted total iPhone sales of one billion, the number sold in the quarter ending June 25 fell 15 percent from a year earlier, highlighting concerns over growth for the key profit driver.

Joining the lineup in Friday's launch will be the upgraded and water-resistant Apple Watch Series 2, which the company hopes will reverse a slump in smartwatch sales.

Apple has been under pressure to restore its luster as an innovator and rev its money-making machine with the kind of "next big thing" for which it was known when the company's late co-founder Steve Jobs was at the helm.

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