

# **iPhone X is Apple's latest attempt at a Samsung killer. But it's coming late.**

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Apple pulled out all the stops Tuesday for its most important event in three years: The unveiling of the new iPhone X.

New corporate campus. New theater named after its iconic co-founder. New iPhones. New Apple Watch. New Apple TV.

With its flying saucer-shaped campus Apple Park as a backdrop, Apple gave a glimpse of the future with iPhone X—a shimmering, edge-to-edge glass model with OLED screen, facial recognition to unlock the phone, wireless charging and talking emojis.

Two LCD models, iPhone 8 and 8 Plus; Apple Watch Series 3 with LTE cell-phone connectivity; and Apple TV 4K, capable of streaming 4K-resolution content, rounded out the product-palooza at the Steve Jobs Theater here.

The new iPhone X (pronounced "ten"), with its sleek redesign and crisp screen, is "the biggest leap forward since the original iPhone" in 2007, Apple CEO Tim Cook boasted.

At \$999 for the lower-storage model, it is also the most expensive smartphone Apple has produced, albeit one that has created plenty of positive buzz among consumers and Wall Street analysts. It is available Nov. 3, weeks after the iPhone 8, after reports of production glitches.

News of its delayed release, and initial ho-hum reaction to the iPhone 8 and 8 Plus, sent Apple shares down slightly 0.4% to \$160.86 in trading Tuesday after they rose during the keynote. Since Apple announced solid third-quarter results Aug. 1, the company's stock has risen 7%.

The more affordable iPhone 8 and iPhone 8 Plus, with starting prices of \$699 and \$799, respectively, did not produce hoots and hollers from the typically boisterous Apple crowd here. Yet the new models could prove attractive to iPhone users who have not upgraded since iPhone 6 and iPhone 6 Plus in 2014. The iPhone 8 family ships Sept. 22.

"Those who held off the iPhone 7 upgrade are prime candidates" for the 8 with its improved camera and wireless charging, says Ross Rubin, principal analyst at Reticle Research.

Apple Watch Series 3 (\$399 with built-in cellular, \$329 without) and Apple TV 4K, at \$179, registered polite applause. Both are available Sept. 22.

The real enthusiasm was reserved for iPhone X. Not only is it the most eagerly anticipated from Apple in three years—iPhone 6 and iPhone 6 Plus made the company a player in the big-screen market in 2014—but perhaps the most crucial as Apple dukes it out with Samsung and Chinese manufacturers for supremacy in the worldwide smartphone market.

Samsung is the largest seller of smartphones and several of iPhone X's wow features, from charging wirelessly to facial recognition, are already familiar to Samsung users.

"For consumers, the iPhone X will do very well," says Patrick Moorhead, principal analyst at Moor Insights & Strategy. "But I do fear it overshadows the iPhone 8 and 8 Plus, and there will be mass shortages of X that holiday shoppers are trying to get their hands on."

How it fares in that market will go a long way toward determining Apple's financial health in the immediate future, since iPhone accounts for roughly two-thirds of the company's total revenue.

Apple expects sales of its new iPhones in the last nine days of September to lift its current fourth-quarter revenue to between \$49 billion to \$52 billion.

If it's a hit, as Apple and some analysts believe, iPhone X, 8 and 8 Plus

could propel the company to \$1 trillion in market value. No company has achieved that lofty figure. Apple is currently valued at \$834.2 billion.

But the long lag time until the X's availability—it arrives in the middle of Apple's lucrative holiday season quarter—could drive frustrated users to other brands or lower-priced iPhones, deflating revenue, according to marketing experts.

"There aren't enough OLED screens in the world to meet demand," says Daniel Ladik, a marketing professor at Seton Hall University. "How are customers going to react when they can't get the phone? And how does it impact shipments and its status on Wall Street?"

Tuesday's two-hour spectacle started on a somber note in the underground theater named after Jobs, who died in October 2011. A moving two-minute video tribute began with a voiceover from Jobs before Cook took the stage.

"One of the ways I believe people express their appreciation to the rest of humanity is to make something wonderful and put it out there," Jobs said in the recording.

"It's only fitting that Steve opened this theater," Cook said.

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