

# Apple gears up for holidays with new Ipad Air

Michael Taggart October 22, 2013



Apple Ipad Air

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([Newswire.net](http://Newswire.net) -- October 22, 2013) San Fransisco -- Apple Inc. is refreshing its iPad lineup in hopes of reclaiming lost ground in the tablet market and slashing the prices of its Mac computers to intensify the pressure on the beleaguered makers of PCs running

Microsoft's Windows.

Tuesday's unveiling of Apple's latest products primes the company for a holiday shopping season onslaught aimed at a list of rivals that includes Google Inc., Samsung Electronics, Amazon.com Inc. and Microsoft Corp.

A thinner, lighter and faster-running tablet computer called the iPad Air highlighted the event in San Francisco. Apple Inc. also showed off a souped-up iPad Mini that boasts a faster microprocessor, a high-definition display screen and a higher price than its predecessor.

The iPad upgrades, coming a year after the release of the tablet's previous generation, fell largely in line with analyst expectations.

In a surprise, Apple is introducing slightly revamped MacBook Pros at prices 9 percent to 13 percent below the previous versions. What's more, Apple is giving away its latest Mac operating system — Mavericks — for free, as well as several pieces of software, including programs called iWorks and iLife that provide many of the same tools as Microsoft's Office.

"We are turning the industry on its ear," Apple CEO Tim Cook said of the company's strategy.

Technology analyst Patrick Moorhead predicted the discounted MacBook Pros will force personal computer makers to cut the prices of their machines by at least \$100 for the holidays.

And Ovum analyst Jan Dawson thinks Apple's giveaway of the operating system and software programs "is now teaching people to expect both of those things to be free. While this won't disrupt Microsoft's business overnight, it will create further pressure on Microsoft to bring down prices."

If that happens, it would be another blow for Microsoft, which has seen its Windows revenue suffer in recent years as personal computer sales sink amid a shift to smartphones and tablets.

Apple triggered the upheaval with the 2007 release of the first iPhone followed up with the 2010 introduction of the iPad.

While both products have a fierce following, Apple has been losing market share to rivals who primarily make mobile devices running on Google's Android software. As Apple is now doing with its Mavericks software for Macs, Google gives away Android to device makers who can afford to undercut the prices for iPhones and iPads.

Despite the competitive pressure, Apple has steadfastly refused to cut prices on its top-of-the-line products. Instead, it has sold older versions of its Phones and iPads at slight discounts to consumers who are willing to settle for something less than state-of-the-art technology.

The Cupertino, Calif. company is hewing to that philosophy with its latest tablets. The iPad Air will start at \$499, just like its predecessors, while the new iPad Mini will sell for \$399 — a 21 percent increase from the price of the first Mini. The price of the original Mini, which runs at slower speeds and lacks a high-definition display screen, is falling from \$329 to \$299.

As it has done for more than year, Apple will continue selling the iPad 2 — a tablet that came out two-and-half years ago — for \$399.

"Apple doesn't want to play in the mud with declining prices" on iPads, Moorhead said.

The strategy hasn't been a hit with investors who are unhappy with the Cupertino, Calif. company's slowing growth as it loses sales to lower-priced alternatives. Wall Street also is disillusioned with Apple's lack of another breakthrough product since the death of co-founder and chief visionary Steve Jobs two years ago.

Apple's stock dipped \$1.49 to close at \$519.87 Tuesday. The shares remain about 25 percent below their peak reached 13 months ago.

The iPad Air's main appeal is a more svelte design and a faster microprocessor, the same kind of chip in the iPhone 5S that Apple released a month ago. The new tablet weighs just 1 pound, compared with 1.4 pounds for the previous version. Apple marketing chief Phil Schiller hailed it as a "screaming fast iPad," noting that it is eight times faster than the original model that came out in 2010.

The iPad Air will go on sale Nov. 1. The new iPad Mini will be available at a still-to-be-determined date later in November.

They are coming out at a time when Apple needs to reassert itself in a tablet market. Google, Amazon.com and Samsung have been winning over consumers with flashy tablets that sell for \$200 to \$400. None of the rivals boast the 475,000 apps that Apple says are made for the iPad, but that vast selection hasn't mattered to many cost-conscious consumers.

The research firm Gartner Inc. estimates that Android tablets will end 2013 with a 50 percent share of the worldwide market versus 49 percent for the iPad. Just two years ago, the iPad commanded a 65 percent market share

compared to 30 percent for Android tablets.

Apple sold 14.6 million iPads during the three months ending in June, down 14 percent from the same time last year. It marked the first time Apple has posted a year-over-year decline in iPad sales.

It might have happened again in the latest quarter ending in September. Although Apple isn't scheduled to report its results for the latest quarter until next Monday, a statistic released at Tuesday's event gave a hint of how the iPad fared in the period.

Cook said Apple's total iPad sales since the device's inception surpassed 170 million units earlier this month. Given that Apple sold 155 million iPads through June, that means fewer than 15 million were sold in the quarter ending in September. Apple sold 14 million iPads in last year's quarter ending in September.

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Ortutay reported from New York.

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