

Apple debuts discount watch, but no new iPhones ... yet

September 15 2020, by Michael Liedtke



In this still image provided by Apple from the keynote video of a special event at Apple Park in Cupertino, Calif., Apple's Chief Operating Officer Jeff Williams unveils Apple Watch Series 6 on Tuesday, Sept. 15, 2020. Apple is introducing the cheaper version of its smart watch in its latest attempt to broaden the appeal of its trend-setting products while more consumers are forced to scrimp during ongoing fallout from the pandemic. (Apple via AP)

Apple introduced a cheaper version of its smartwatch, its latest attempt to broaden the appeal of its trend-setting products while many consumers are forced to scrimp during the coronavirus pandemic.

The scaled-down Apple Watch follows on the heels of a budget iPhone the company released five months ago as the economy cratered and unemployment rates rose above the levels reached during the Great Recession more than a decade ago.

Apple also took the wraps off a new high-end watch model, a next-generation iPad and a couple of new subscription services during a virtual event held Tuesday. The company normally also rolls out its new iPhones at this time of year, but production problems caused by the pandemic have delayed their release until at least October.

CEO Tim Cook didn't mention iPhones during Tuesday's one-hour presentation recorded at the company's massive, but now mostly empty, headquarters in Cupertino, California.

The Apple Watch has never come close to rivaling the iPhone's popularity, but it does dominate the market for smartwatches. Canaccord Genuity analyst T. Michael Walkley estimates about 51 million Apple Watches will be sold this year, a 5% increase from last year. The research firm GlobalData pegs Apple's share of the \$64 billion smartwatch market at roughly 60%.

The new discount model, called the Apple Watch SE, will sell for \$279 and be available beginning Friday. The price is a markdown from the \$399 that Apple is asking for the next version of its higher end watch, the Series 6. Apple watches have been selling for an average of \$377, based on Walkley's calculations.

Apple added more features to help the watch monitor its owner's health,

including a sensor that can read blood oxygen levels. The feature, specific to the Series 6, could be timely, given that COVID-19 frequently attacks the lungs.



In this still image provided by Apple from the keynote video of a special event at Apple Park in Cupertino, Calif., Laura Legros, Apple's vice president of hardware engineering, unveils the all-new iPad Air on Tuesday, Sept. 15, 2020. Apple took the wraps off a new discount watch in addition to a new high-end model, a next-generation iPad and a couple new subscription services during a virtual event held Tuesday while the company puts the finishing touches on its next line-up of iPhones, its most popular and profitable device. (Apple via AP)

Apple also announced a new fitness subscription service tailored for its

watches for \$10 per month, as well as a new option that will bundle its existing music, video, news and gaming services into a package that will cost \$15 to \$30 per month.

Tens of millions of people already subscribe to Apple's various services, helping the company double its revenue during the past four years within a division that creates products for the more than 1 billion iPhones, iPads, watches and other devices that the people already use.

The services division also includes Apple's [app store](#), which is under regulatory scrutiny for charging a commission of up to 30% for products sold through other companies who have no other option but to use the store to reach the mostly affluent consumers who buy iPhone products.

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