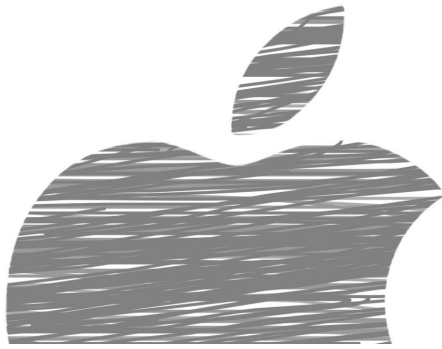


# iPhone to share the spotlight with services at Apple's big event

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The iPhone will be front and center at Apple's upcoming media presentation even as the California tech giant steps up its efforts in content and services for its devices.

In its trademark, tight-lipped style, Apple disclosed little about its plans for Tuesday's event at its headquarters in the Silicon Valley city of Cupertino.

For years now, Apple has hosted events in the fall to launch new iPhone models ahead of the holiday shopping season.

Speculation is that Apple will introduce three upgraded iPhones, including "Pro" models, and a successor to its more affordable iPhone XR, as premium handset prices hover around \$1,000.

Some analysts say services, subscriptions and online content will share the stage with the company's glitzy hardware as Apple seeks to shift its focus.

"I think it is going to be the first year the event is going to also be about services," Creative Strategies analyst Carolina Milanesi said.

"We might get to see what Apple looks like as a company when they are talking about services and hardware as one product."

Milanesi was curious to see whether Tuesday's presentation includes offers iPhone deals that "bundle" music, television or game services with new handsets.

"You have an opportunity to really bring value to the hardware with services," Milanesi said.

## TV+ turned on?

Apple recently released a smartphone-generation credit card in the US and is keen to launch its TV+ streaming service before Disney goes live with a rival service in November.

Many wonder whether the launch of Apple TV+ will be among Tuesday's announcements.

With Hollywood stars galore, Apple unveiled streaming video plans along with news and game subscription offerings as part of an effort to shift its focus to digital content and services to break free of its reliance on iPhone sales.

The company also plans to launch a new game subscription [service](#) called Apple Arcade internationally by the end of this year.

Apple managed to grow its overall revenues, albeit by a modest one percent, to \$53.8 billion, even as iPhone revenues plunged nearly 12 percent in the April-June period.

The company delivered strong growth from digital content and services that include its Apple Pay and Apple Music, along with wearables and accessories like the Apple Watch and Air Pods.

Some of those accessories could also get upgrades on Tuesday.

## China wild card

Analysts warn that Apple still faces challenges as rivals chip away at the smartphone market, in which the iPhone's share is less than 12 percent.

As the iPhone maker refines its handsets, other makers are pushing into new areas such as 5G devices and folding smartphones.

Wedbush Securities analyst Dan Ives said in a note to investors that he expected a "trifecta of iPhone 11s" that will help the company "put a fence around" its user base.

About a third of the 900 million iPhone users around the world are in an upgrade "window," meaning a strong potential for handset sales, according to Ives.

"While China remains a wild card, we are bullish into Apple's future" in the coming year, Ives said.

China accounts for about 17 percent of Apple sales overall, and has tremendous room for growth, according to Techspontential analyst Avi Greengart.

The trade war between the US and China has complicated Apple's effort to gain ground in that market, where gains by local titan Huawei have come partly at the California-based company's expense.

"Apple needs Chinese consumers to treat the iPhone as a preferred premium brand at a tricky geopolitical moment," Greengart said.

"Huawei's premium smartphone, laptop, and tablet sales have been surging inside China partly based on nationalism as a response to the trade war with the US and specific US government actions against Huawei."

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