

## How Cheap is Cheap for an iPhone?

Written by Nick Graves  
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Multiple reports indicate Apple will announce both an upgrade to the iPhone 5, potentially called the iPhone 5S, and a new lower-cost version, possibly named the 5C. The latter is slated to be housed in a plastic case, and to ship in multiple colours. These reports remain based on speculation, backed up by numerous leaked photos, but confirmation waits for Apple's announcements, rumoured to be due on 10th September.



The rationale for a lower-cost iPhone seems sound. Apple continues to dominate the smartphone market in the US, but in other parts of the world it is faring less well. In particular it lags in the largest phone market, China, where the company posted a 14% year-on-year decline in revenues in its 3rd quarter.

The last few iPhone cycles have seen Apple seek to address this by retaining older models at reduced prices – the 3GS remained in the lineup for two iterations, and the 4 is the current entry point. However there are three reasons why Apple may have chosen to break this cycle: build cost, Lightning and iOS 7.

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