

# Reports of Cheaper iPhone Surface Again

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Rumors surfaced again Wednesday that Apple may be working on a cheaper iPhone. A [report \[1\]](#) published by the Wall Street Journal citing people familiar with matter, suggest Apple may be looking to recapture market share with a lower-end iPhone.

The new iPhone would be an alternative to existing higher-end models and could include a cheaper, polycarbonate shell and recycled parts, according to the report.

A cheaper iPhone would mark a big change in strategy for Cupertino, which under Steve Jobs' control sought to protect margins with premium prices on premium devices. Current CEO Tim Cook has relented on that score to some degree when Apple finally put out the iPad Mini, which seemed aimed at capturing back market shares lost to lower-priced 7-inch tablet competitors, such as the Amazon's Kindle Fire and Google's Nexus 7.

Apple's iPhone recently captured 53.3 percent of smartphone purchases during three month period that ended November 25, according to a report from Kantar Worldpanel ComTech. That's a big jump from the 35.8 percent in the same quarter a year ago.

But while the iPhone has done well in the United States, the iconic device has failed to catch on in economies where carriers don't subsidize the device, which start unlocked on Apple's website for \$649. Research firm IDC recently reported that Apple fell to the number six spot in market share in the third quarter in China, facing competition from lower-priced Chinese brands such as Lenovo and ZTE.

Apple's stock has fallen dramatically in recent months, as investors worry about slowing growth and decreased margins. Since reaching an all-time high of over \$700 in September, the company's stock has lost nearly a quarter of its value to just about \$525 today.

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<http://www.wirelessweek.com/news/2013/01/reports-cheaper-iphone-surface-again>

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[1] [http://professional.wsj.com/article/SB10001424127887324391104578230060513922882.html?mod=WSJ\\_Tech\\_LEADTop](http://professional.wsj.com/article/SB10001424127887324391104578230060513922882.html?mod=WSJ_Tech_LEADTop)