Analyst: Dearth of Hero Phones Could Net $50-$100 “iPhone 6” Price Hike

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Apple might be able to leverage a $50 to $100 price hike for its upcoming “iPhone 6” given the lack of headline-grabbing smartphones hitting the market in 2015.

Jeffries analyst Peter Misek said [1] that the current state of smartphone saturation and low differentiation could mean the next iPhone, rumored to be significantly bigger, could be a big enough blockbuster that Apple can force carriers to bow to raised prices.

Citing telecoms analysts, Misek expected carriers would absorb much of the increase on plans with device subsidies in place but given the rise of installment plan pricing, there’s a good chance the cost increase will burden consumers. That could push buyers toward cheaper options, Misek said.

If unit sales hold steady for the iPhone, Misek said a $50 price increase would raise Apple’s revenue by two percent while a $100 price increase would bump up revenues six percent.

Rumors surrounding the next iPhone point toward two larger iterations: a 4.7-inch (released in September) and a 5.5-inch model (released at year’s end). Both sized-up displays would mark a big expansion on the 4-inch screens sported by the current generations of iPhones.

The iPhone 5s starts at $649 for the 16 GB model and climbs to $849 for the 64 GB version.

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Links:
[1] http://blogs.barrons.com/techtraderdaily/2014/04/14/apple-lack-of-headline-worthy-phones-may-fuel-iphone-price-hike-says-jefferies/