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Tomorrow, Apple Introduces Larger iPhones And A Smart Watch

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(New York Times) SAN FRANCISCO — When Apple wants to make a big splash, it returns to its history.

Thirty years ago at the Flint Center for the Performing Arts, a roomy auditorium in Cupertino, Calif., Steven P. Jobs introduced the original Macintosh. On Tuesday, Apple will return to the center to unveil a set of long-anticipated products: two iPhones with larger screens and a wearable computer that the media has nicknamed the iWatch.

The so-called smartwatch will be the first brand-new product unveiled under Timothy D. Cook, Apple's chief executive, who took the helm three years ago, shortly before Mr.

Jobs’s death.

It is expected to come in two sizes and combine functions like health and fitness monitoring with mobile computing tasks like displaying maps. It will have a flexible screen and, like the new phones, will support technology that allows people to pay for things wirelessly.

“I believe it’s going to be historic,” said Tim Bajarin, a consumer technology analyst for Creative Strategies who attended the original Mac event in 1984. He added, “The design of this product is all Tim’s fingerprints."Apple, which is highly secretive, has not officially commented on any of the new products. But multiple employees of Apple and its partners who were briefed on the products shared some details on the condition that they not be identified.

With its first wearable computer, Apple will enter a growing market for fitness-tracking gadgets and smartwatches from Fitbit, Nike and Samsung Electronics. And with the two larger phones, Apple will fight back against Samsung, whose big-screen Galaxy smartphones have wrested sales away over the last few years.

While the iPhones are expected to be released in the coming weeks, the watch is unlikely to be in stores until next year, several of the people with knowledge of the products said. The price of the new devices is not yet publicly known.

Some said the smartwatch was one of Apple’s most ambitious projects to date.

The company put an enormous amount of time and money into designing the wearable device’s sensors so that they can track movements and vital signs, like heart rate and footsteps, much more accurately than existing fitness devices, two employees said.

It has a flexible display panel that is protected by synthetic sapphire, which is tougher than glass, they said. The device’s circuit board, which includes its sensors and chips, was described as tiny, about the size of a postage stamp.

For replenishing the battery, the smartwatch will rely on a wireless charging method. Apple had at one point tested solar charging for the watch, but that experiment failed.

For software, the watch will take advantage of HealthKit, a set of tools for storing health data that Apple introduced in June. The device will also rely heavily on Handoff, a new software feature that allows users to push content between their Apple devices.

The bigger iPhones, which have been widely written about over the last year, will come in two screen sizes, one measuring 4.7 diagonal inches and the other 5.5 diagonal inches. The larger version will cost more. Unlike the older iPhones, which have somewhat sharp edges, the new ones have softer, rounded edges similar to those of the latest iPads.

To deal with concerns that a bigger phone will make typing with one hand difficult (the current iPhone has a four-inch screen), some changes to the design of the iPhones’ user interface will allow people to type or use apps with just one hand; there will be a one-handed mode that can be switched on and off, two employees said.

The wearable device and the smartphones will include hardware and software that support a technology called near-field communication, or NFC, which allows devices to exchange information wirelessly over very short distances. It could make paying for things with a phone less of a hassle.

Apple has teamed up with American Express, MasterCard and Visa to support the payment system, said several people involved in the partnerships. With the deal, these people said, iPhone owners will be able to use their devices as a sort of digital wallet, improving their ability to pay for items at select partner merchants without handing over cash or a credit card.

Along with these partnerships, the abundance of new NFC-enabled iPhones could jump-start mobile payment, which has so far failed to gain traction among American consumers. Google, for instance, released a digital wallet in 2011 that has achieved little success. And Isis — a mobile wallet backed by three major American phone carriers, which was renamed Softcard this week — never caught on either.

Molly Wood demonstrates how apps from PayPal, Starbucks and Google can help you make purchases with your phone, and explains why you can’t do it everywhere yet.

Some analysts think Apple’s entrance into the world of mobile payment will make all the difference.

“Apple owns the hardware and the software here, unlike Google,” said Josh Beck, an analyst with Pacific Crest Securities. “Not to mention Apple has this huge cache of customer credit cards, and an affluent customer base.”

Representatives of American Express, Apple, MasterCard and Visa declined to comment.

Even though Apple has continued to turn in healthy quarterly profits, investors have clamored for the company to deliver new kinds of products. They worry about the saturation of the smartphone and tablet markets, which could slow Apple’s profit growth.

With the bigger iPhones, Apple will be catering to a growing appetite for big-screen smartphones. IDC, a research firm, estimates that at least 20 percent of all smartphones shipped last year in China, the largest smartphone market in the world, were five inches or larger. It predicts that manufacturers this year will ship more “phablets,” or smartphones with screens measuring at least 5.5 diagonal inches, than laptops.

The iPhone, which is still Apple’s No. 1 source of revenue, will probably continue to be a cash cow. But Mr. Bajarin of Creative Strategies said the wearable device could also become a significant source of profit for Apple and could appeal to gadget and fitness enthusiasts as well as health care companies and people with chronic ailments.

“I would not underestimate the incredible earnings potential that could come from a wearable that really catches the fancy of the customer,” he said.