

# Apple in 2021: The iPhone is taking over everything

The tech giant, like the rest of us, will have to contend with COVID-19. But that's only half the story.

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Now that Apple's iPhones have 5G, and its Macs have M1 chips,  
what next?

Angela Lang/CNET

Apple has spent the last few years making headline-grabbing changes like its services push, with the \$5-per-month Apple TV Plus; its addition of 5G in the iPhone 12; and its hit AirPods wireless headphones, which carry a price tag of \$149.

For 2021, Apple will be making changes most of us won't see or care about, but they may be some of its most important moves yet. One example is that Apple is planning to start using custom chips inside more of its Mac computers, leading to thinner and likely longer-lasting laptops.

Apple is expected to debut more lower-priced alternatives to its premium products, too. We already have the \$279 Apple Watch SE, and rumor has it the company will take a similar approach with AirPods SE, which could sport a design close to that of the well-reviewed, \$249 AirPods Pro noise-cancelling earbuds but without the extras like simulated surround sound.

"Our mission is to create products that play a meaningful role in people's lives," Apple CEO Tim Cook said at one of the company's livestreamed presentations in November. For 2021, he proclaimed Apple will do even more.

It may all seem rather nerdy and even boring if you're used to seeing bold new announcements like superfast 5G wireless networks, or professional-looking portrait photos taken with your phone.

It's also hard for many people to find the energy to care about any of these things while the world struggles with the anguish of the coronavirus, which continues to spread, with more than 75 million people infected and more than 1.6 million people dead. At least we now have vaccines starting to make their way out to the most vulnerable and the most exposed.

Just as Apple's choice to announce its iPod music player mere weeks after the 9/11 attacks didn't stop the device's historic rise, these initiatives Apple has planned for 2021 may change how technology works for everyone, even the non-Apple people among us, regardless of COVID-19.

"In the midst of enormous challenges this year, our teams have remained focused," Cook said. "And they haven't stopped innovating."



Apple's new Macs look similar on the outside, but there are a lot of changes on the inside.

Dan Ackerman/CNET

## Mac computers

Apple is expected to pick up the pace of change to its Mac computers in 2021, after switching out the Intel chips in its \$999 MacBook Air, \$699 Mac Mini and \$1,299 MacBook Pro. Apple says its new custom-designed chips, which are similar to the chips inside the iPhone and iPad, offer better performance and use less energy than before.

So far, the chips mean the MacBook Air runs without a fan, the MacBook Pro gets better battery life, and the Mac Mini is more capable than it's been in years.

These new technologies could change how Apple thinks of its computers too. Mac computers can now run iPhone and iPad apps, making it possible for Apple to create a hybrid computer that's part iPad, part laptop.



Apple's M1, the company's first custom computer chip, is based on the chips in iPhones and iPads.

Apple; screenshot by CNET

"All of the sudden it doesn't matter what I'm using," said Technalysis Research analyst Bob O'Donnell. "It's about the experience I'm having."



So far, Apple has kept to just switching out the guts of the computers. But Apple watchers expect more-dramatic changes soon.

"They've surprised people with how well they've done," O'Donnell added.

He noted that Apple's transition period has some kinks, particularly as users wait for app developers to rework their programs to run on the new hardware. But even if the rollout hasn't been perfectly rosy, he said, "they've done a good job."



Apple TV Plus, the company's first push into making its own TV shows and movies, is more than a year old now.

# At your service

Apple's iPhone 12, which starts at \$699, appears to be a certified hit, with some models back-ordered to the middle of January. Analysts at Counterpoint Research said the iPhone 12 and iPhone 12 Pro, which launched Oct. 23, were the best-selling 5G phones in the world that month.

What Apple will do to follow 2020's highly anticipated release of the iPhone 12 and its 5G wireless capabilities is mostly speculation at this point. The biggest changes people had been waiting for were a new design and 5G. With the iPhone 12 Apple took care of both.

Some analysts point to the popularity of Apple's \$399 iPhone SE, which puts the chips of a modern iPhone into an older design, with a slightly lower-quality camera and screen. CNET reviewer Patrick Holland called the gadget the best value Apple's ever offered for a phone.

"The SE is not only a wonderful iPhone, but one of the best budget phones you can currently buy," he wrote.

Apple may feel more heat from Samsung too.

In the fall, the Korean tech giant released its \$700 Galaxy S20 FE, a lower priced variant of its \$999 Galaxy S20 phone, with a plastic back and slightly lower specs. Samsung also suggested it'll drop the price of its Galaxy Z Fold 2 folding phone from the initial eyebrow-raising \$2,000 price tag.



Samsung's Galaxy Z Fold 2 folding phone is pricey, launching at \$2,000. But it also has the drama of being new technology.

Juan Garzon/CNET

Analysts say one of the best ways Apple can stand out is through its services offerings.



"You can sweat a phone for a long time if you want to, and it doesn't feel that different," said Lopez Research analyst Maribel Lopez. "The phone's already changed your life, the question now is how does it make your life better?"

One way Apple could make its phones more appealing is by strengthening their relationship with Mac computers and the iPad. Offering developers ways to create apps that easily run across all of Apple's devices could make a difference for people looking for an easier time with their tech.

Another is through Apple's services. Between the \$5 per month Apple TV Plus, \$5 per month Apple Arcade, \$10 per month Apple Fitness Plus, and \$10 per month Apple News Plus, analysts say Apple has amassed a compelling lineup of subscription services to go alongside its existing Apple Music and iCloud data storage and sync services.

"For most people, if you have a 5G phone, you have all the camera you need and all the network you need," Lopez said. Apple's subscriptions offer something new, without having to replace the hardware.



Apple's offer of 0% interest on its products for 24 months makes the Apple Card an interesting prospect.

Sarah Tew/CNET

## Paying up

One of the biggest changes to Apple's business has come from a credit card. The Apple Card, announced last year in partnership with Goldman Sachs and Mastercard, is changing the way many people buy Apple products.

If you buy an iPhone, iPad, Mac computer or some other Apple products with the card, Apple gives you 24 months to pay it off, and at 0% financing.

"I have everything on it now," said Carolina Milanesi, an analyst at Creative Strategies.

In the short term, the Apple Card offers people an easy way to buy Apple products while blunting the sticker shock that often comes with them.

Apple also has a specific iPhone upgrade program, where you can pay a flat fee to upgrade your phone as often as every 12 months.



Apple is coming up with inventive ways to put an iPhone in your hands.

Sarah Tew/CNET

In the long term, some industry watchers believe all these efforts could come together into an all-in-one

Apple service. In that hypothetical future, you could perpetually pay a monthly fee to have the latest Apple gear, trading in your year-old devices for the latest and greatest.

The Apple Card isn't the only way Apple has moved in that direction. The company has also invested in refurbishment services that repair usable devices turned back in to Apple. And those devices that the gadget maker can't refurbish are torn apart to extract metals, glass and other parts to be reused in new devices.

For now Apple is still making all that work. And, Milanesi said, not all its TV, music, news and gaming services are available around the world yet either. "There's way more opportunity in markets where they don't have such strong competition for TV, for example," she said. "It'll be interesting to me to see how much of the push we will see more internationally from them."

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