Apple executive dismisses cheaper phone as a market share grab: report

Reuters

(Reuters [1]) - Apple Inc will not resort to a cheaper iPhone to expand its market share, marketing [2] chief Phil Schiller told a Chinese newspaper in an interview when asked about speculation the company is developing a less expensive version of its popular smartphone.Schiller pointed out that though Apple commanded just 20 percent of the smartphone market, it had 75 percent of the profit, according to an interview he gave the Shanghai Evening News.

The Shanghai Evening News, paraphrasing Schiller's comments, cited the Apple executive as saying the company will not develop a cheap smartphone for the sake of expanding its market share.

Apple confirmed the interview had taken place, but had no further comment for now.

"Originally, many in the Chinese market used feature phones (regular wireless phones). But now a few companies are starting to use cheap smartphones to take the place of feature phones," Schiller was cited as saying in his first interview with a Chinese newspaper.

"But this is not a direction that we want to be heading in with our products," he was quoted as saying in the Chinese-language report.

Apple rarely addresses rumors about upcoming products, which often invite intense speculation. This week, the Wall Street [3] Journal cited anonymous sources as saying Apple could release a cheaper iPhone as early as this year.

China [4] is Apple's second-largest market and an area of intense focus for the iPad [5] maker as it tries to sustain a rip-roaring pace of growth.

Chief Executive Tim Cook flew to China [6] this week for at least the second time in 12 months, meeting partners and government officials. On Thursday, he called on the chairman of the country's largest wireless carrier, China Mobile, raising hopes that a long-awaited deal between the two can proceed.

In an interview with the official Xinhua News Agency, Cook said he was confident China will someday become the company's single largest market.

(Reporting By Edwin Chan; Editing by Tim Dobbyn)

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