

Apple to Unveil High-End AirPods, Over-Ear Headphones For 2019

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[Apple Inc.](#) is about to pump up the volume on its audio-device strategy, planning higher-end AirPods, a new HomePod and studio-quality over-ear headphones for as early as next year, according to people familiar with the matter.

The Cupertino, California-based company is working on new AirPods with noise-cancellation and water resistance, the people said. Apple is trying to increase the range that AirPods can work away from an iPhone or iPad, one of the people said. You won't be swimming in them though: The water resistance is mainly to protect against rain and perspiration, the people said.

Slated for 2019, the earbuds will likely cost more than the existing \$159 pair, and that could push Apple to segment the product line like it does with iPhones, one of the people said. Apple is also working on a wireless charging

case that's compatible with the upcoming [AirPower charger](#).

The company has also internally discussed adding biometric sensors to future AirPods, like a heart-rate monitor, to expand its health-related hardware offerings beyond the Apple Watch, another person said. The current AirPods will be refreshed later this year with a new chip and support for hands-free Siri activation, Bloomberg News [reported](#).

There are over-ear headphones coming from Apple, too. Those will compete with pricey models from Bose Corp. and Sennheiser. They will use Apple branding and be a higher-end alternative to the company's Beats line. Apple originally [intended](#) to introduce the headphones by the end of 2018, but has faced development challenges, and is now targeting a launch as early as next year, the people said. They asked not to be identified talking about unreleased products. An Apple spokeswoman declined to comment.

Shares of noise-cancellation component maker [Cirrus Logic Inc.](#) rose as much as 10 percent after Susquehanna analyst Christopher Rolland wrote that the company would be working with Apple on the new AirPods.

The consumer-electronics giant uses unique accessories like the AirPods to round out its hardware and software

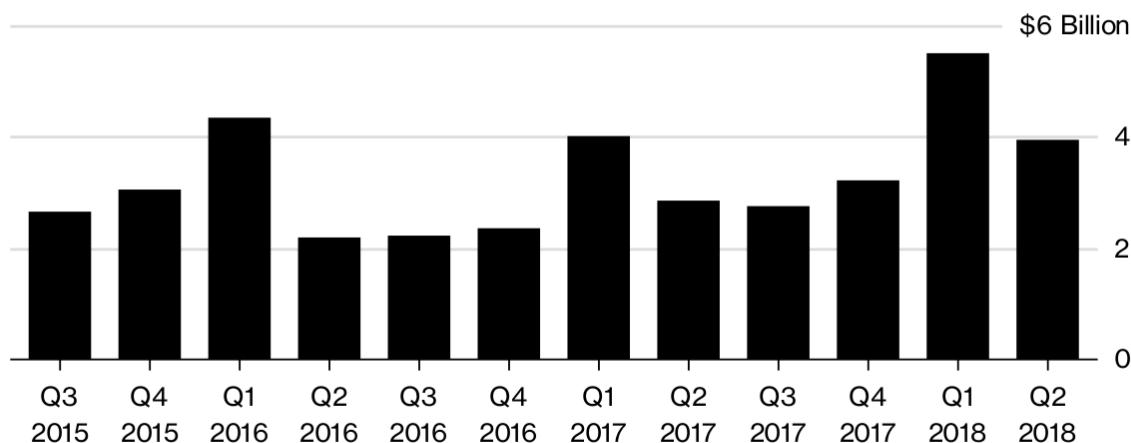
ecosystem. Accessories have become an important revenue source in recent years, helping Apple's Other Products unit generate sales of \$12.9 billion in the 2017 fiscal year. That's cushioned a slowdown in iPhone unit growth.

Apple's Other Sales Boom

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The upcoming audio push builds on Apple's earlier success in the field. The iPod and iTunes digital music store helped revive the industry and began a

transformation that turned the company from a computer maker into a mobile-device giant.

In 2012, Apple declared itself one of the largest shippers of audio speakers because of the earbuds that come bundled with its devices and the built-in speakers in iPhones, Macs and iPads. Two years later, Apple bought headphone maker and streaming-music company Beats for \$3 billion, its largest acquisition. An in-house audio-product team is run by Gary Geaves, formerly an engineer from [B&W Group Ltd.](#), a maker of speaker systems and headphones.

Apple is shaking up its supply chain in preparation for the latest audio products, expanding a partnership with iPhone manufacturer [Foxconn Technology Group](#) and decreasing its reliance on smaller hardware maker [Inventec Corp.](#), the people said.

Apple plans to ramp up AirPods production by working with Foxconn, people familiar with the arrangement said. So far, it has mostly worked with Inventec, but builds about 30 percent of the units with [Luxshare Precision Industry Co.](#) When the earbuds first came out in 2016, they were [delayed](#), and there was limited supply after the product finally went on sale. A Foxconn press official declined to comment.

Apple's latest music-focused device, the HomePod, was also delayed, and has seen [sluggish sales](#) so far -- although reviewers praised the sound quality. It was originally built with Inventec, but Apple has since expanded production to Foxconn. Apple is working on a new version of the HomePod for as early as next year, and it could switch production away from Inventec for the latest model, according to people familiar with the relationship.

Inventec executives met with Apple executives in California in recent weeks to discuss future HomePod orders, but a final decision on working with Inventec on the new model hasn't been made, the people said. An Inventec spokeswoman said the company "will try its best to secure new orders."

For the over-ear headphones, Apple has discussed working with Tymphany, a [Primax Electronics Ltd.](#) subsidiary that makes consumer and professional audio systems, according to a person familiar with the situation. Production hasn't started, and the deal isn't finalized.

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apple-is-said-to-amplify-its-audio-device-strategy-in-2019](https://www.bloomberg.com/news/articles/2018-06-25/apple-is-said-to-amplify-its-audio-device-strategy-in-2019)