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## iPhone 7, 7 Plus Improve Slightly Over Year-Ago Launch

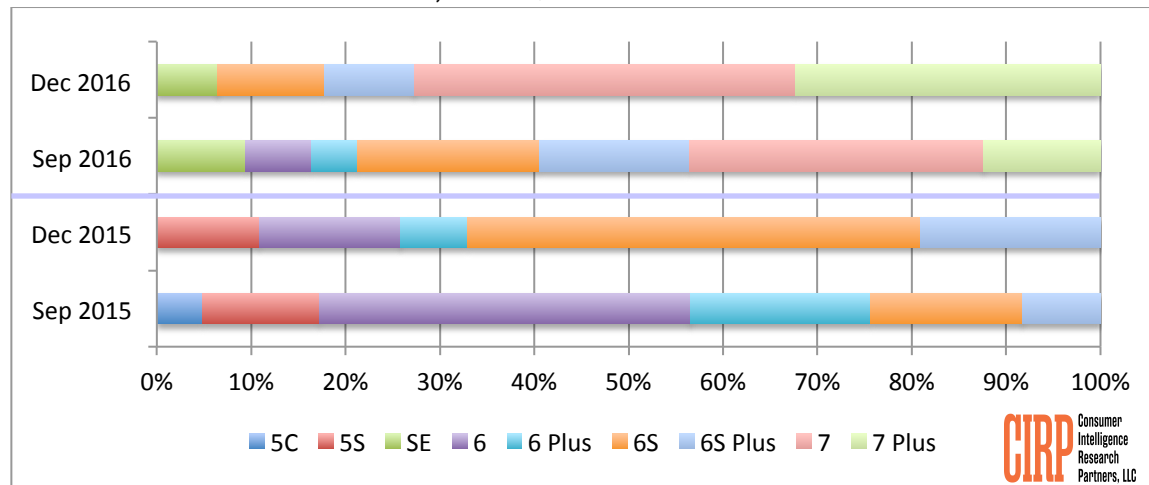
**New Models Attract Mostly Loyal iPhone Owners, Few Android Switchers**

CHICAGO, IL – Thursday, January 18, 2017 - Consumer Intelligence Research Partners, LLC (CIRP), today released analysis of the results from its research on Apple, Inc. (NASDAQ:AAPL) for the fiscal quarter that ended December 31, 2016.

The December 2016 fiscal quarter includes the first full quarter of sales of the new iPhone 7 and 7 Plus models.

CIRP finds that the new iPhone 7 and 7 Plus accounted for 72% of total US iPhone sales in the quarter, with iPhone 7 at 40% and iPhone 7 Plus at 32% (Chart 1).

**Chart 1: iPhone Models US Sales Mix, Fiscal Quarters**

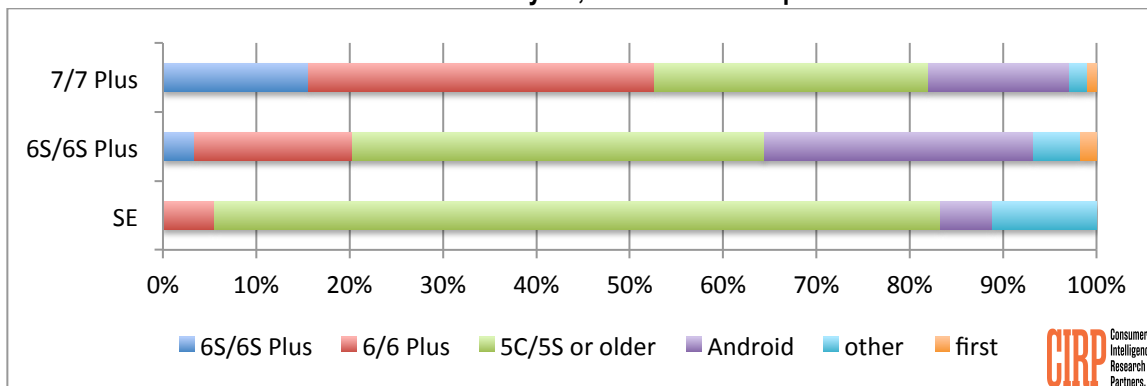


“In the first full quarter of availability, the flagship iPhone 7 and 7 Plus models accounted for a slightly higher percentage of iPhone sales than the iPhone 6S and 6S Plus did last year,” said Josh Lowitz, CIRP Partner and Co-Founder. “The entry level iPhone SE had a smaller share of sales than the similarly positioned 5S did a year ago, and the most expensive iPhone 7 Plus garnered a larger share than the 6S Plus did in the same quarter a year ago. The shift to newer, more expensive phones suggests that Apple

could see an uptick in average selling price for iPhones, at least based on US market dynamics.”

Among iPhone 7 and 7 Plus buyers, 16% upgraded from iPhone 6S and 6S Plus, and 37% upgraded from iPhone 6 and 6 Plus. In contrast, among iPhone 6S and 6S Plus buyers, 17% upgraded from the iPhone 6 and 6 Plus models, and another 44% upgraded from iPhone 5S/5C or older (Chart 2). 15% of iPhone 7 and 7 Plus buyers upgraded from an Android phone, while 29% of iPhone 6S and 6S Plus buyers came from Android. 15% of iPhone 7 and 7 Plus buyers upgraded from an Android phone, while 29% of iPhone 6S and 6S Plus buyers came from Android.

**Chart 2: Previous OS and Model of iPhone Buyers, December 2016 quarter**



“The new 7 and 7 Plus models attracted mostly loyal iPhone owners, rather than Android owners,” said Mike Levin, Partner and Co-Founder of CIRP. “Only 15% of 7 and 7 Plus buyers switched from an Android phone, consistent with the 14% of iPhone 6S and 6S Plus that came from Android in the same quarter last year. This continues the trend of new iPhone models attracting mostly repeat iPhone buyers. The lower-priced, one year-old models, attract a higher percentage of Android switchers, but on a smaller base. Interestingly, the entry-level iPhone SE has a very small Android switcher constituency, but is somewhat effective in attracting first-time smartphone buyers.”

CIRP bases its findings on its survey of 500 US Apple customers, surveyed from December 31, 2016-January 12, 2017 that purchased an iPhone, iPad, or Mac in the US in October-December 2016 period. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at [www.cirpllc.com](http://www.cirpllc.com).

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