

FOR IMMEDIATE RELEASE

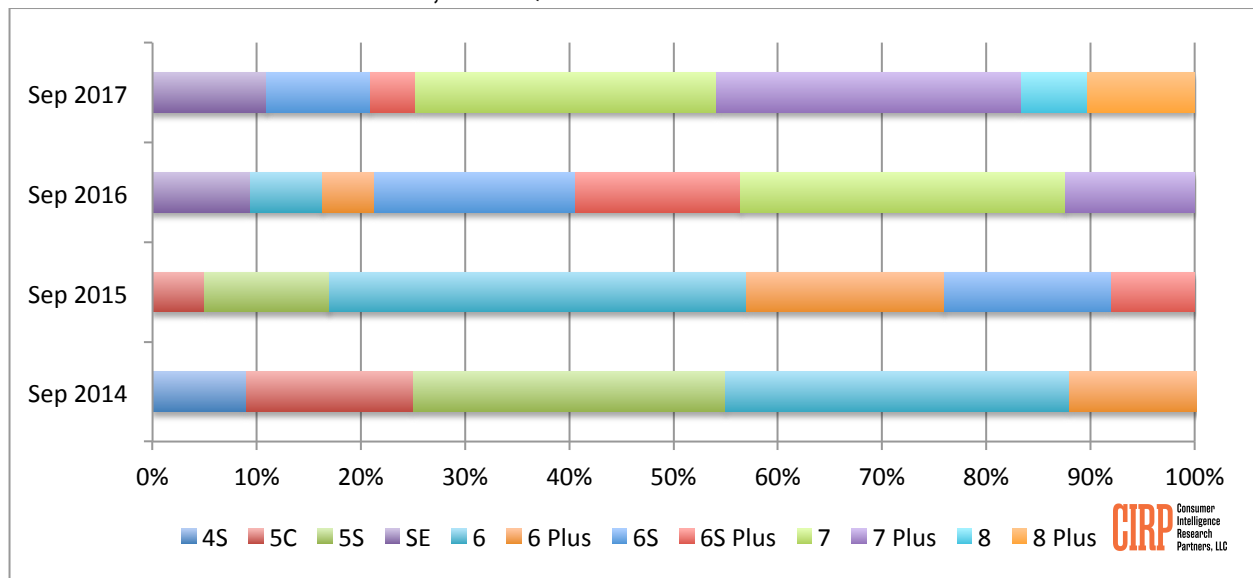
Did Apple Misname the iPhone 8/8 Plus? It Sells Like an ‘S’

Incremental Changes, iPhone X Expectation Depress Share of Newest Phone

CHICAGO, IL – Monday, October 23, 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 October 1, 2017.

CIRP finds that the new iPhone 8 and 8 Plus accounted for 16% of total US iPhone sales in the quarter, with iPhone 8 at 6% and iPhone 8 Plus at 10% (Chart 1).

Chart 1: iPhone Models US Sales Mix, Fiscal Quarters



“The newest iPhone models, 8 and 8 Plus, represented a relatively small share of total US iPhone sales in the quarter,” said Josh Lowitz, CIRP Partner and Co-Founder. “This of course makes perfect sense, since they were available for only a couple of weeks at the end of the quarter. On the other hand, in the same time frame last year, iPhone 7 and 7 Plus together accounted for 43% of sales. Two years ago, the iPhone 6S and 6S Plus represented 24% of sales. And, three years ago, the iPhone 6 and 6 Plus were 46% of sales in their launch quarter. So, in terms of consumer demand and reception,

the 8 and 8 Plus have a share of total sales that makes them look much more like an ‘S’ model, while the 7 and 7 Plus was closer to the very well-received 6 and 6 Plus. This is not surprising, as the form factor remained the same, and the improvements in features were incremental and internal.”

“It seems when Apple announced the the forthcoming iPhone X, it changed the market dynamic, and probably depressed demand for the iPhone 8 and 8 Plus,” added Mike Levin, CIRP Partner and Co-Founder. “Both the newly reduced-price iPhone 7 and 7 Plus and older iPhone models continue to see strong demand. The 7 and 7 Plus account for 58% of sales in the quarter, much higher than the 35% for the then year-old iPhone 6S and 6S Plus in September 2016, and exactly same as the share for the then-year-old iPhone 6 and 6 Plus in September 2015. And in the September 2017 quarter, older models, including iPhone 6S, 6S Plus, and SE, represented 25% of sales. This was higher than the shares for the then-oldest phones in either of the two previous launch quarters. So, rather than waiting for and buying the iPhone 8, it looks like buyers in this quarter either bought existing models, or decided to wait for iPhone X, later in the year.”

“We see evidence of waiting,” continued Lowitz. “iPhone 8 and 8 Plus accounted for only 16% of total sales, compared to a 24% share for the iPhone 6S and 6S Plus two years ago. While it’s a little early to know, it appears that this even lower share relative to that earlier ‘S’ model probably resulted from some buyers delaying a purchase, we think in anticipation of the new iPhone X.”

CIRP bases its findings on its survey of 500 US Apple customers that purchased an iPhone, iPad, or Mac in the US in July-September 2017 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.

- END -