

FOR IMMEDIATE RELEASE

What Happens to Old Smartphones, and Why?

iPhones Traded-In Much More Than Android Phones

CHICAGO, IL – Monday, September 13, 2021: Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of mobile phones for the twelve months ended June 30, 2021. This analysis features findings about the previous mobile phone of new phone buyers for Apple, Inc. (AAPL) and Alphabet, Inc. (GOOG). Please see the attached report, “What Happens to Old Smartphones, and Why?”.

CIRP finds a higher percentage of iPhones are sold or traded-in compared to Android phones. iPhone owners report old phone screens are in better condition, while Android phone owners report their old phones have better battery life.

“With the end of phone subsidies on two-year contracts, consumers now keep phones for longer,” said Josh Lowitz, CIRP Partner and Co-Founder. “Beyond wanting new features, we sought to understand at why customers retire old, paid-for phones. The usability of their old phone is one factor. Our data shows that less than 10% of retiring iPhones and Android phones have unusably cracked displays, with iPhones generally in better screen condition. Battery life is a slightly bigger problem. Around 40% of retiring phone batteries last less than a full day, with more iPhones than Android phones needing a charge every few hours or more.”

“Most retired phones still have some functional life left, which influences disposition,” said Mike Levin, CIRP Partner and Co-Founder. “Many are kept as a back-up or given to a friend or family member. Resale and trade-in greatly favors iPhones, however. Consumers trade-in or resell iPhones much more often than Android phones, with 31% of old iPhones traded in, compared to 10% of old Android phones. We expect the opportunity to trade-in an iPhone with a high residual value speeds the upgrade cycle.”

CIRP bases its findings on its survey of 2,000 US customers that activated a new or used phone in the July 2020-June 2021 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.

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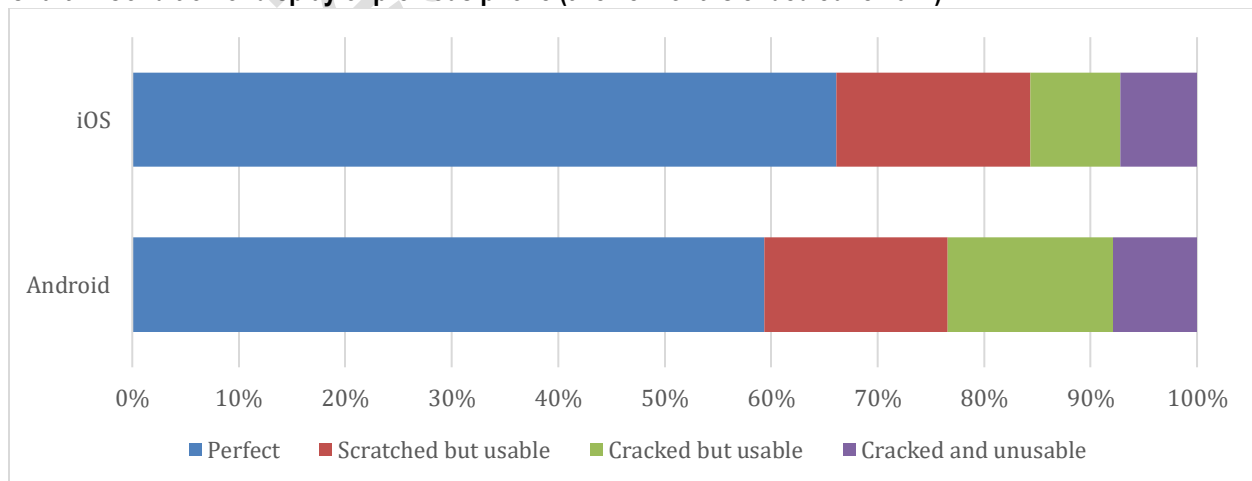
In the June 2021 quarter, CIRP analyzed mobile smartphones, to understand the lifecycle of the prior phones of new iPhone and Android smartphone buyers. CIRP has tracked age of previous phone for many years and analyzed the trend of consumers keeping a phone longer. Most recently, we found consumers keep previous phones for an average of over three years, up from under two years only a few years ago. We now analyze some of the underlying factors related to previous phones.

Most retiring phones are in good condition, with useable displays and batteries that last for all or most of a day. Consequently, many previous phones are sold or traded-in, passed along to a friend or family member, or saved for potential future use.

iPhones owners report their old phone screens are in better condition, while Android phone owners report that their old phones have better battery life. Still, a much higher percentage of iPhones are sold or traded-in than Android phones. Consumers report Android phones are recycled or lost, broken, or stolen at a much greater rate than iPhones, or merely kept for future use, compared to iPhones.

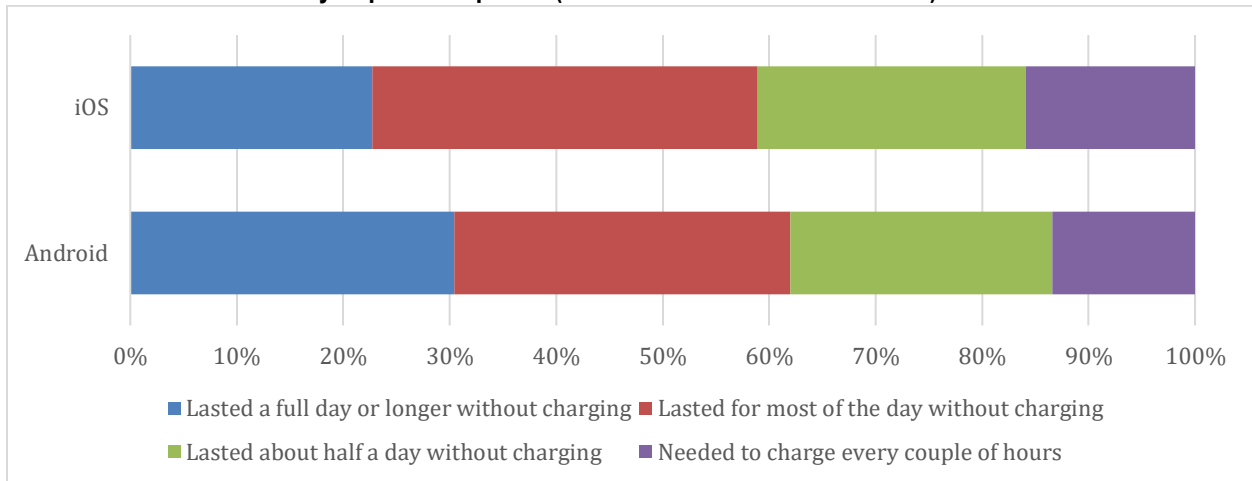
Overall, about 80% of previous phones have a display in good condition, either “perfect” or “scratched but usable”. 84% of buyers having an old iPhone report a “perfect” or “scratched but usable” display, compared to 76% of buyers having an old Android phone (Chart 1).

Chart 1: Condition of display of previous phone (twelve months ended June 2021)



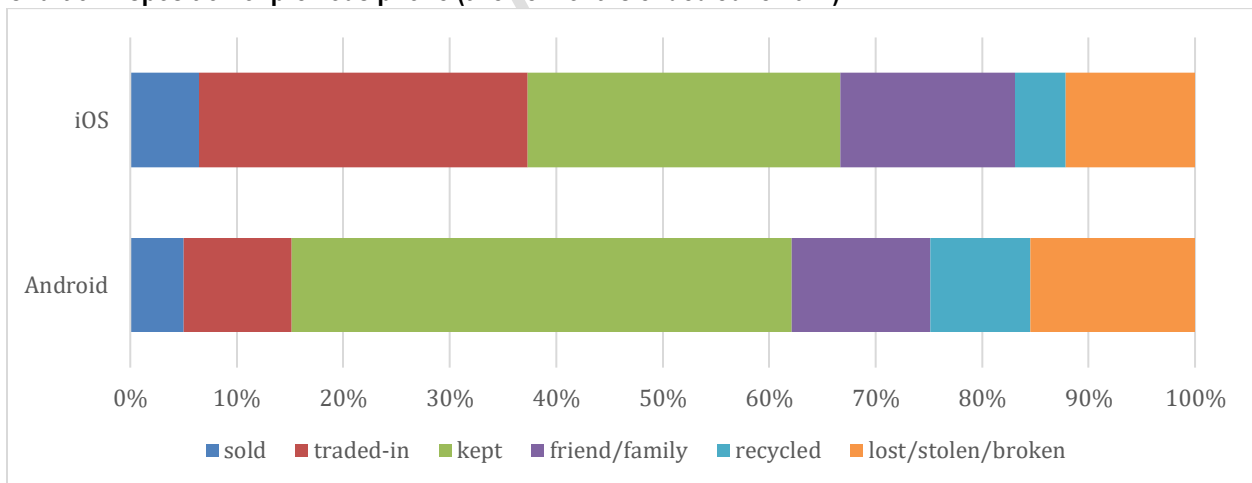
60% of previous phones have a battery in good condition, lasting either “a full day or longer” or “most of the day”. In contrast to displays, 30% of buyers with an old Android phone report a battery that lasts a full day or more, compared to 23% of buyers with an old iPhone (Chart 2).

Chart 2: Condition of battery of previous phone (twelve months ended June 2021)



Based on these conditions and also other factors, we find that overall, 80% of previous phones are repurposed in some way. 25% are either re-sold or traded-in for a new phone, while 54% are given to a friend or family member or kept by the consumer for possible future use (Chart 3).

Chart 3: Disposition of previous phone (twelve months ended June 2021)



We find some significant differences between iPhones and Android phones. Almost one-third of iPhones are traded-in for a new phone, compared to 10% of Android phones. In contrast, almost half of Android phones are kept by the consumer for future use, compared to only 29% of iPhones. And, 24% of Android phones are either recycled or reported as lost, stolen, or broken, while only 17% of iPhones are recycled, lost, stolen, or broken.

Methodology and Disclaimers

This analysis is based on 2,000 US subjects that acquired a new or used smartphone in the twelve months ending in June 2021.

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