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FOR IMMEDIATE RELEASE

What Other Things Do iPhone Owners Own?

iPhone Accessories and iPads, But Not Macs, Apple TV, or HomePod

CHICAGO, IL – Wednesday, August 25, 2021: Consumer Intelligence Research Partners, LLC (CIRP), today released analysis of the results from its research on Apple, Inc. (NASDAQ:AAPL) for the twelve months ending June 2021. Please see the attached report, “What Other Things Do iPhone Owners Own?”

To the extent iPhone buyers have other mobile electronics or accessories, they tend to own Apple products, including iPad, Apple Watch, and AirPods. Apple’s efforts to sell devices for home use has not gone nearly as well. While almost all iPhone buyers own a personal computer, relatively fewer own Apple Mac computers. iPhone owners own fewer Apple TV streaming devices than competitors’ products and many fewer HomePod smart speakers than Amazon Echos and Google Nest/Home.

“We looked at two related questions,” said Josh Lowitz, CIRP Partner and Co-Founder. “What sort of electronics do Apple owners own, and then what Apple products do they own. Things that pair with iPhones do well, like Apple Watch and AirPods. iPhone buyers have been drawn to both products, and Apple has a large and growing share in both markets. iPhone buyers also tend to own tablets, specifically iPads. Almost as many iPhone buyers have a tablet as have a PC, and Apple has a dominant share of those tablet sales.”

“Apple has failed to replicate its mobile success in selling home-based devices,” said Mike Levin, CIRP Partner and Co-Founder. “Almost all iPhone buyers have a PC, but Apple does not dominate, with only 41% of the market. Apple also has relatively low shares of the streaming TV device segment, where over two-thirds of iPhone buyers own one, but only 39% of them own an Apple TV box. As we’ve seen before, Apple has a very small share of the smart speaker segment, which has grown among iPhone buyers where 45% own one or more, but 75% of those smart speaker owners have a competitor’s product.”

CIRP bases its findings on its survey of approximately 900 US Apple customers that purchased an iPhone in the twelve-month period ending in June 2021. 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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Apple, Inc.

What Other Things Do iPhone Owners Own?

Apple has long sought to cross-sell its entire product line to its core customers. Almost twenty years ago, it introduced the iPod to Mac desktop and laptop customers as its first serious product outside of a personal computer. Since then, Apple has promoted a long list of consumer electronics to its existing base of users, with a wide range of hits and misses.

CIRP assessed the current state of this effort and finds current results have varied considerably. Obviously, iPhone has assumed the gateway role, so we looked at the other devices that recent iPhone buyers own. We analyzed what electronics iPhone buyers own generally, and what Apple products these buyers own. We surveyed approximately 900 Apple consumers in the US that bought an iPhone in the twelve months ending in June 2021.

Overall, Apple has succeeded in selling mobile devices, including tablets and smartphone complements. In short, iPhone buyers mostly own iPads, as well as iPhone accessories, principally Apple Watches and AirPods. Thus, to the extent iPhone buyers have other mobile electronics or smartphone accessories, they tend to own Apple products.

Yet, despite its early success in selling desktop personal computers to consumers, it appears Apple's efforts to sell devices for home use has not gone nearly as well. While almost all iPhone buyers own a personal computer, relatively fewer own Apple Mac computers. Ownership of streaming video devices and smart speakers overall is somewhat lower than that of personal computers. Among those devices, iPhone buyers own fewer Apple TV streaming devices and many fewer HomePod smart speakers.

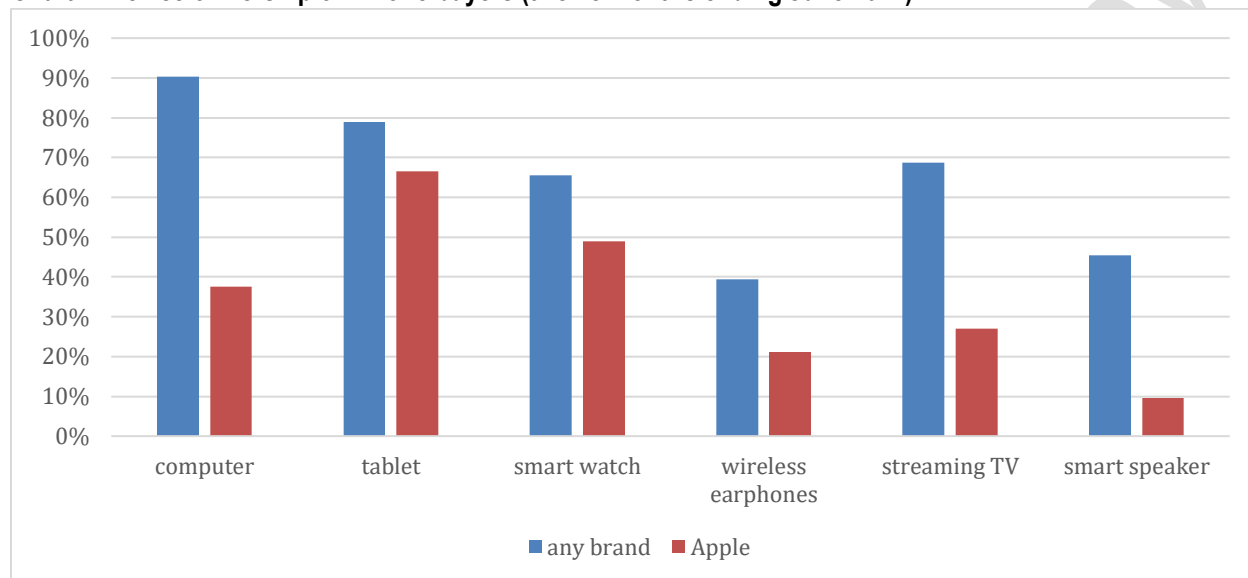
We analyzed the device ownership of US Apple customers that purchased an iPhone in the twelve months ending with the June 2021 quarter. We analyzed these devices:

- Personal computers, including Mac desktops and laptops
- Tablets, including iPad
- Smartwatches, including Apple Watch
- Wireless earbuds, including AirPods
- Streaming video devices, including Apple TV
- Smart speakers, including HomePod

While Apple sells a wide range of branded electronics and accessories, ranging from iPhone cases to the entire Beats line of audio equipment, these six represent the most significant products in the Other Products category that Apple reports.

Almost all iPhone buyers own a personal computer, either desktops or laptops (90%). The next most common are tablet devices (79%) and streaming TV devices (69%) (Chart 1).

Chart 1: Device ownership of iPhone buyers (twelve months ending June 2021)



Computers and Tablets

We see an interesting contrast between personal computers and tablets. Competing against less expensive devices with Microsoft Windows or Google Chrome operating systems, Apple has long had a smaller but meaningful share of the personal computer market. While almost all iPhone buyers have a personal computer, a relatively small share of these buyers have an Apple Mac. Apple has a 41% share of personal computers owned by iPhone buyers, primarily laptops.

In comparison, Apple essentially created the tablet category. After more than 10 years, iPhone buyers own a tablet almost as often as they own a personal computer. With iPad's defining position in this category, it follows that Apple has gained significant penetration into the iPhone customer base, with 84% of iPhone buyers with a tablet owning an iPad.

iPhone Accessories

Apple has succeeded in creating or expanding markets for devices that require a smartphone. Here we analyze Apple Watch, its smartwatch product line, and AirPods, its wireless (Bluetooth) earbuds. By seamlessly pairing them with iPhones, Apple has succeeded with these devices. With the slowing demand for wired headsets and increasing demand for health tracking and communication wearables, AirPods and Apple Watch were early entrants into growing markets. Apple designed both for easy adoption by the huge base of iPhone owners.

About two-thirds of iPhone buyers own a smartwatch, and three-quarters of those smartwatch owners have an Apple Watch. This represents almost the same market share as iPads. When it introduced Apple Watch, Apple had several smaller competitors, mostly fitness trackers such as Fitbit and Garmin, with limited smartphone integration. Apple Watch has become a useful accessory, with sophisticated health tracking technology, and many of the same communications capabilities as an iPhone.

AirPods have also gained traction among iPhone buyers. Almost 40% of iPhone buyers own a wireless Bluetooth earbud set, and AirPods account for more than half of them. Apple had the challenge of displacing the wired earbuds that it had included with iPhones from launch in 2007 until 2019. It also needed to compete with a range of established manufacturers of wireless Bluetooth earbuds.

Home devices

While Apple succeeded in selling tablets and sophisticated, pricey iPhone accessories to iPhone buyers, it has not experienced nearly the same success in selling devices for home use beyond personal computers. Apple TV streaming devices and HomePod smart speakers, along with desktop computers, represent Apple's efforts to sell products for home use.

Among iPhone buyers, 69% own a streaming video device, including Google Chromecast, Roku, and Amazon Fire TV. This is a larger group than own a smartwatch, yet only about one-quarter of iPhone buyers have an Apple TV streaming video device, representing a 39% share of such devices. Interestingly, Apple has produced a streaming video device for as long as it has produced iPhone, launching the first models of both in 2007.

Success with smart speakers has been similarly elusive. 45% of iPhone buyers own a smart speaker, which include Amazon Echo and Google Nest/Home. The market is the newest among the products considered here, with Amazon Echo launching in 2014, followed by Google Home in 2016. Apple first introduced HomePod in 2018, after Amazon and Google established a foothold in the market with a range of models and price points. Only 10% of iPhone buyers own a HomePod, representing 21% of the market for smart speakers among iPhone buyers. HomePod has both the lowest penetration into the iPhone buyer population, and also the lowest share of ownership in the category, among all six products analyzed here.

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