

# Apple Pre-Order Report

*Sept. 19, 2019*



**Kaya Thomas** ✓  
@kthomas901



Honestly overall, I feel underwhelmed after today's [#AppleEvent](#) 🍏 ... I don't feel enticed to rush and buy anything. I may get the iPhone 11 (non-Pro) in Purple, but even that I feel meh about



2:44 PM · Sep 10, 2019 · [Twitter Web App](#)

# Pre-Order Report: Executive Summary

## Key Takeaways

**Number 1:** *Consumers are being successfully upsold during the checkout process.*

When buying a phone on a monthly plan vs. outright, the difference between the cheapest model and most expensive is ~\$13/mo.

**Number 2:** Consumers are generally happy with existing phones – *the feature set on new phones is unlikely to generate a “must upgrade” demand.* Many are willing to wait for the anticipated “big one” touting 5G and more in 2020.

**Number 2:** *Further updates are warranted as we move into Holiday gift giving season* – generally big for Apple Watch.

Bottom Line: With the stock over 200 we are cautious on \$AAPL until further data comes in. This just isn't a 2018-sized signal.

# Analysis

## Pre-Order Shift in Preference Detected

On the day of the Apple Keynote, the “bargain” iPhone 11 model represented more than half of Purchase Intent mentions. When pre-ordering opened (9/13/2019), a shift occurred, boosting the higher ticket models to 55% of total PI mentions. This is a positive sign.

## Sentiment Recovery noted but remains lackluster

Apple iPhone Consumer Happiness experienced the largest 1-day drop in LikeFolio history during the Keynote event. Sentiment is rebounding as consumers shop, but an overall lack of enthusiasm surrounding the product and perceived quality is apparent. MEH.

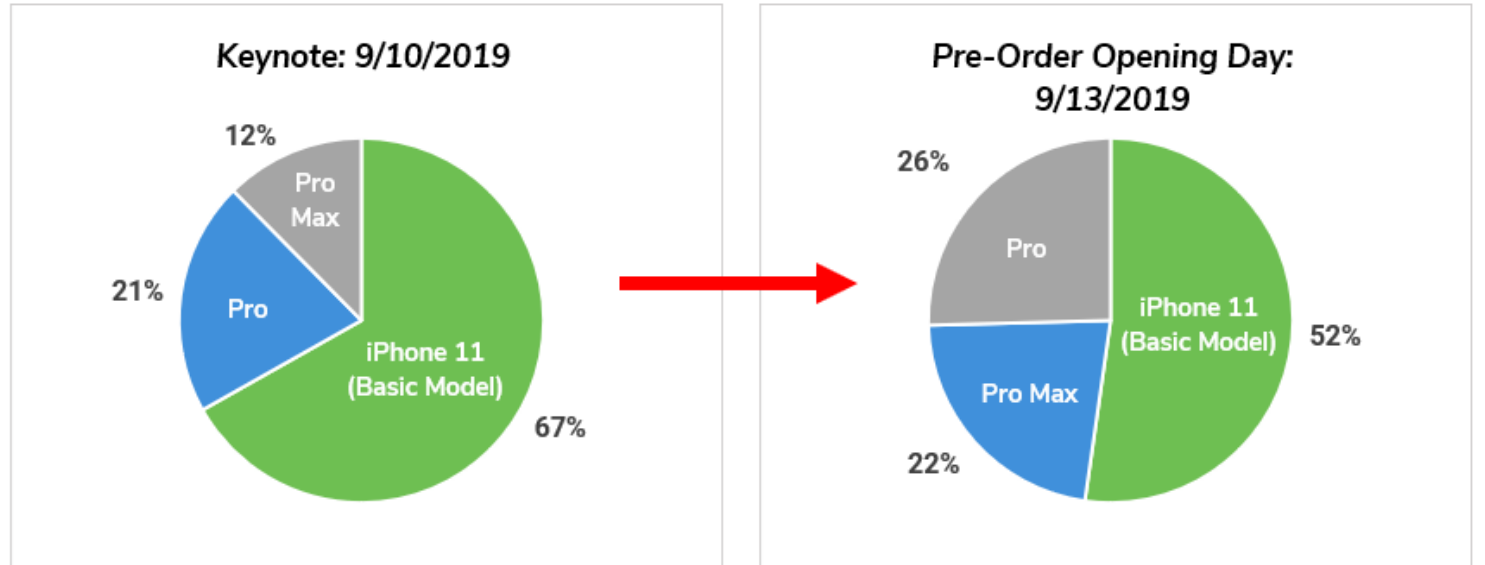
## Many Consumers will opt out of Upgrade until 2020

2019 experienced the largest spike since 2016 in mentions of consumers “waiting until next year” to upgrade. This is significant, as 2017 (iPhone X) was the top performing Keynote and product release cycle in our data. This suggests anticipation (and expectation) for the 2020 update is extremely high.

## Recommendation: Monitor Purchase Intent Through Important Holiday Season

The Keynote and Pre-Order event dates are important indicators for Consumer Demand. However, with a diluted signal emerging in 2019, it is most important to monitor Purchase Intent through the 2019 Holiday Season.

# iPhone Model Purchase Intent Comparison 2019 Keynote Event vs. Pre-Order Opening Day

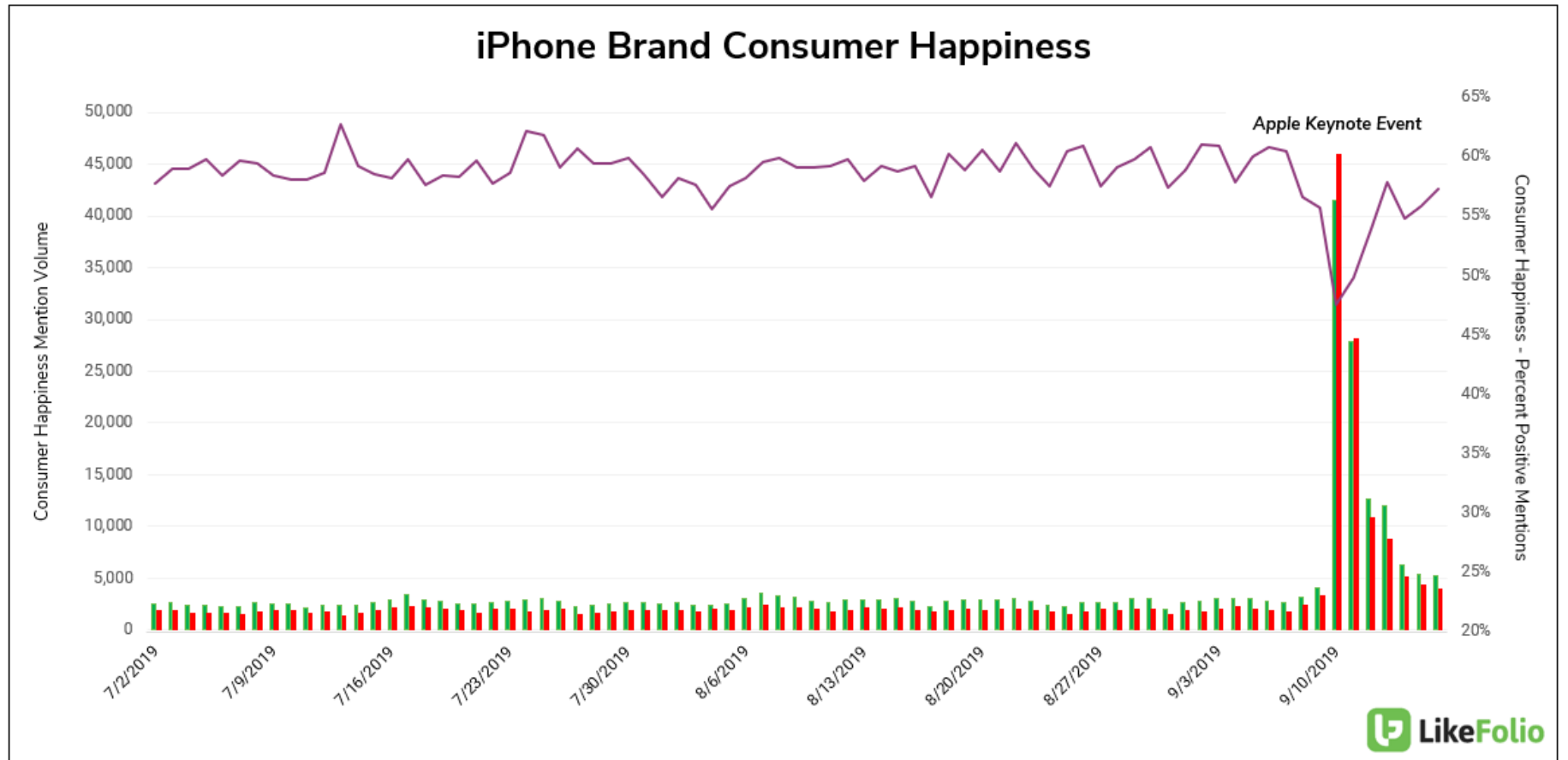


The chart above displays a Purchase Intent comparison by model for the Keynote Event and Pre-Order Opening Date. When consumers could actually BUY the iPhone, more indicated they bought the more expensive Pro or Pro Max. It is important to monitor these model breakdowns moving forward to establish long-term consumer preference, as early days tilt to favor Apple enthusiasts. It is promising that when consumers had to open their wallets, they were willing to spend more.

# Pre-Order Report: iPhone Sentiment

iPhone Sentiment is showing signs of recovery as consumers actually purchase iPhones. It is worth noting that even the opening day of “pre-orders” exhibited lower-than-average levels of happiness.

I.E. consumers may be purchasing the device, but they aren't comparatively excited or happy about it.



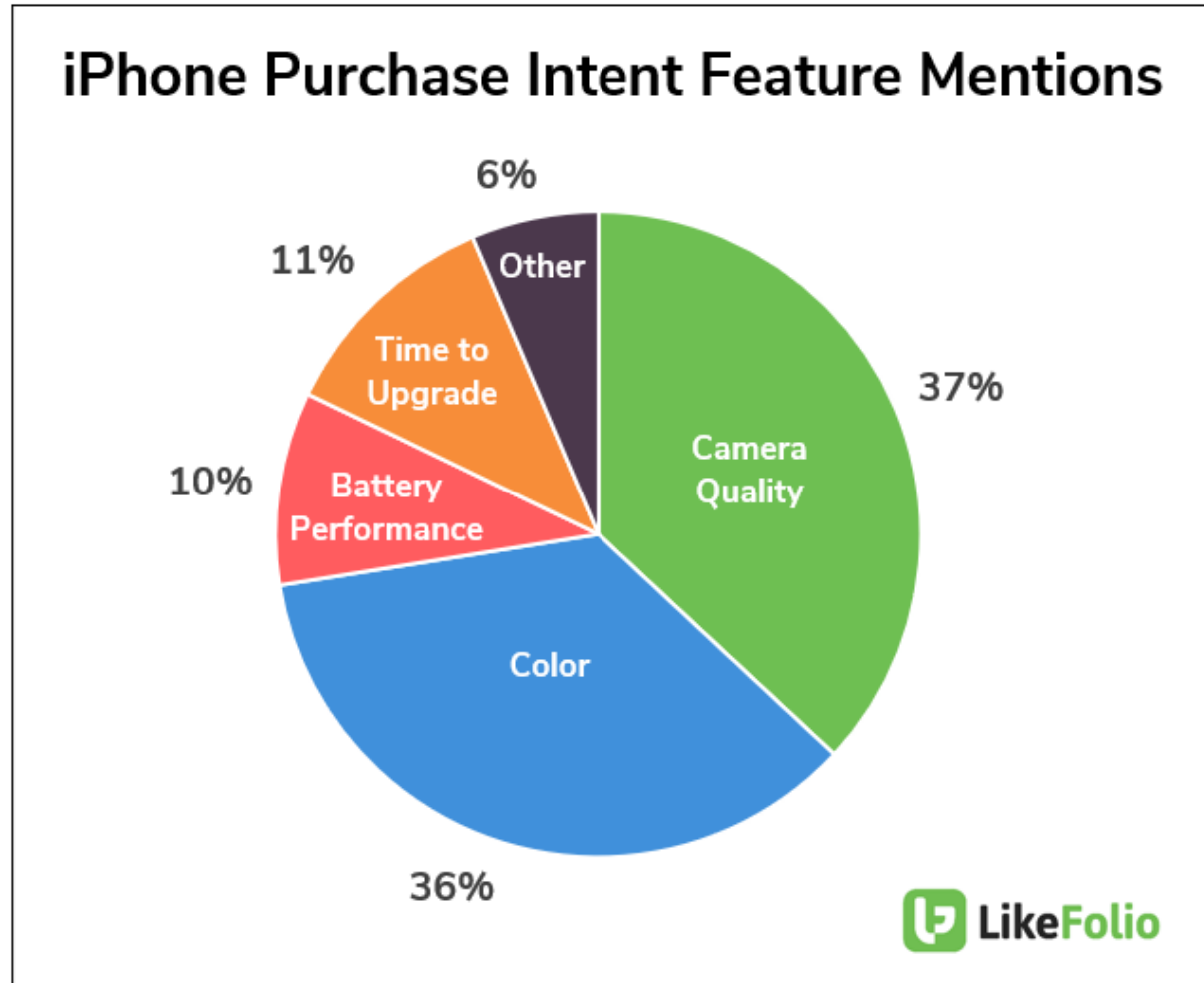
# Pre-Order Report: Driving Purchase Intent

The resounding driver of consumers indicating they just purchased or will purchase an iPhone is perceived camera quality.

However, a large portion of consumers indicated the range of color options informed their decision.

Color is significant because it tips the consumer hand re: the model of purchase. The overwhelming crowd favorite? "Purple" or "lavender", only available in the iPhone 11 base model.

The second most popular color was "Midnight Green", further supporting the breakdown displayed on the iPhone model breakdown chart.



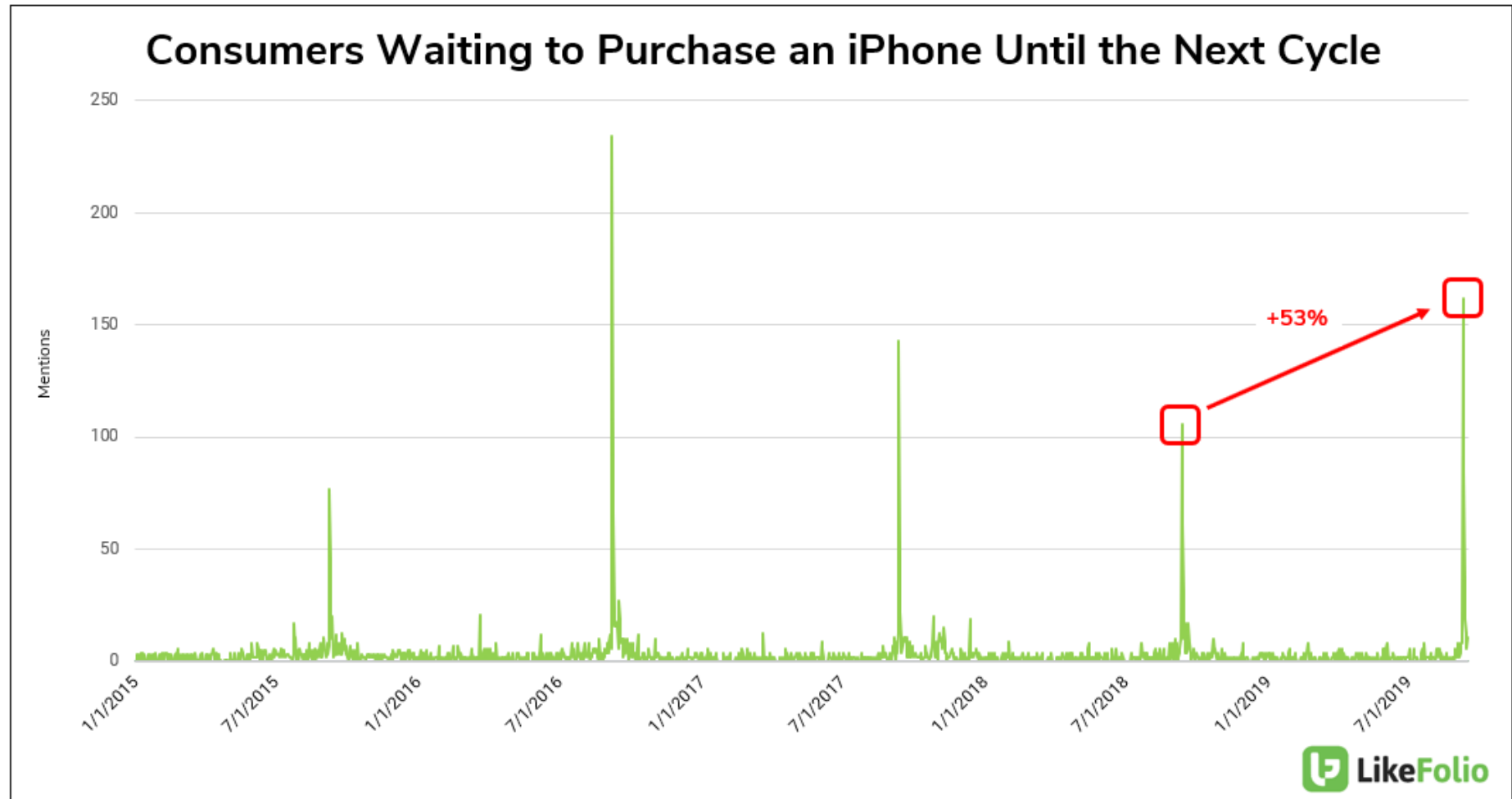
While camera improvements and color were on the top of consumer minds when completing purchases, it is important to note many consumers (11%) indicated they were buying a new phone simply because of their current iPhone cycle. "Other" mentions includes mentions of features like storage capacity and chip processing speed.

# Pre-Order Report: **The 2020 Effect**

Qualitative analysis of tweets surrounding iPhone purchasing decisions revealed an important theme: many consumers were “waiting until next year” to upgrade their current device.

It isn't unusual for consumers to wait to purchase a new phone, but the rate observed this year is something we're watching. This is the highest level we've recorded since 2016, which turned out to be a pre-cursor to the massive success of the iPhone X released the following year.

Many tweets specifically mentioned excitement for the potential upgrades 2020 could bring (in contrast with lack of “updates” in the 2019 line-up).



# Pre-Order Report: Purchase Intent Barriers

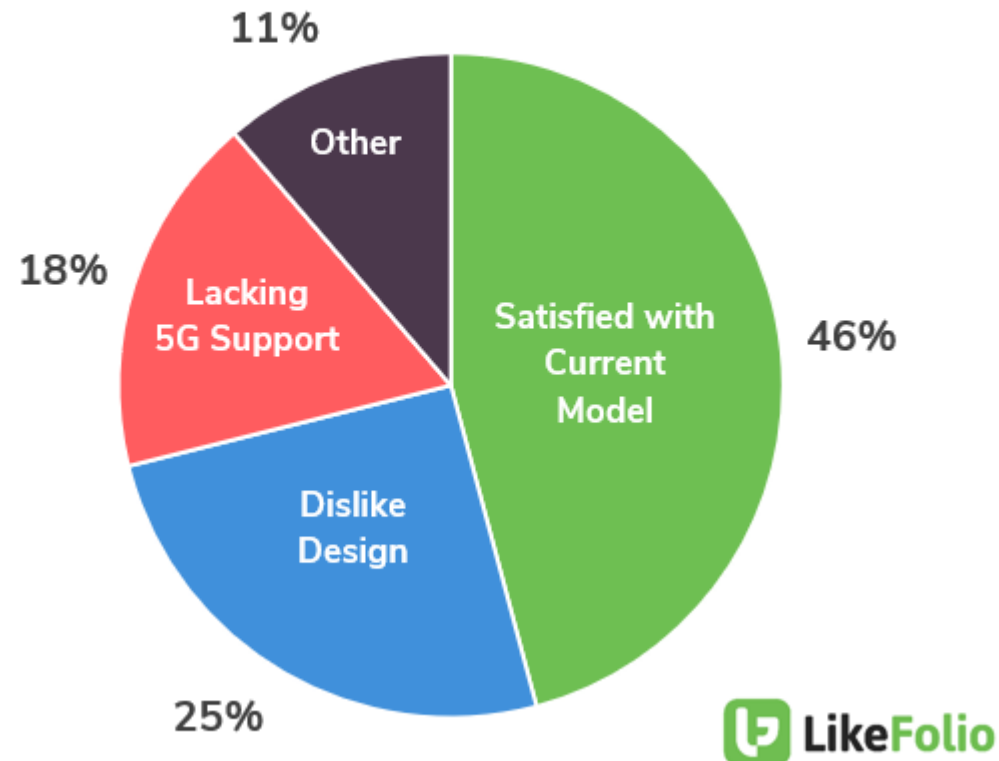
Consumers are holding onto their smart phones longer, across the board. Qualitative analysis of mentions of consumers opting out of an iPhone purchase confirmed this theme.

In addition, consumers expressed an overwhelming dislike for the design of the 2019 iPhone line-up, specifically mentioning the camera appearance, bezels, and notch.

Lastly, the lack of 5G support was disappointing for many consumers. As 5G connectivity becomes available in many networks, consumers want the ability to tap into the higher speeds. This is a macro trend we are tracking... (see next).



## Why Consumers Aren't Buying a New iPhone



Tweets of consumers indicating they were waiting to purchase an iPhone or would not be purchasing an iPhone most often contained a reference to satisfaction with a current model (specifically, iPhone X, XS, or XS Max). "Other" barriers include mentions of price, and technical components like usb-c support.

The YoY demand for 5G is increasing as the network expands nation-wide.

Many Apple competitors already offer 5G support, including Samsung, with the Samsung Galaxy S10 5G.

We will continue to monitor 5G demand and roll out to gauge ongoing impact on device purchase intent, and if it proves to be a deterrent for the average consumer.



# Pre-Order Report: 5G Demand

**Raj™**  
@iam\_raj888

As a "Apple fan boy" I'm not impressed this year with the product line up, if you have a iPhone X or newer you basically have zero reason to upgrade. Disappointed that the iPhone pro will not include 5G connectivity. #AppleEvent

#Apple #AppleLaunch #iPhone11Pro #iPhone

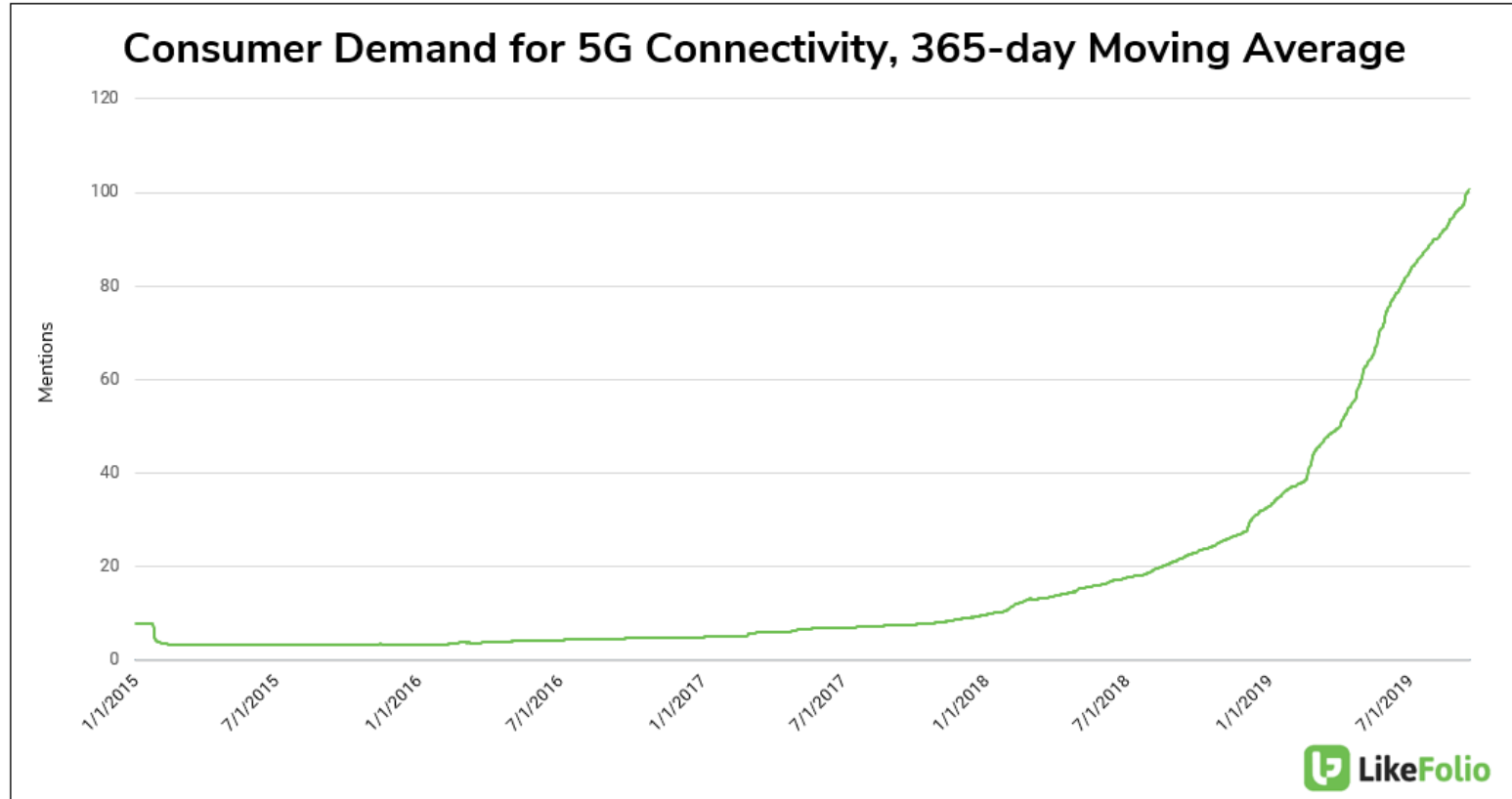
8:34 PM · Sep 10, 2019 · Twitter for iPhone

**smart behind scenes**  
@hotstreak567

Replying to @DJHed

If u have an XS, u don't need to buy the iPhone 11 and pro. I am waiting til next year when u have the 5G phones

2:47 PM · Sep 10, 2019 · Twitter for iPhone





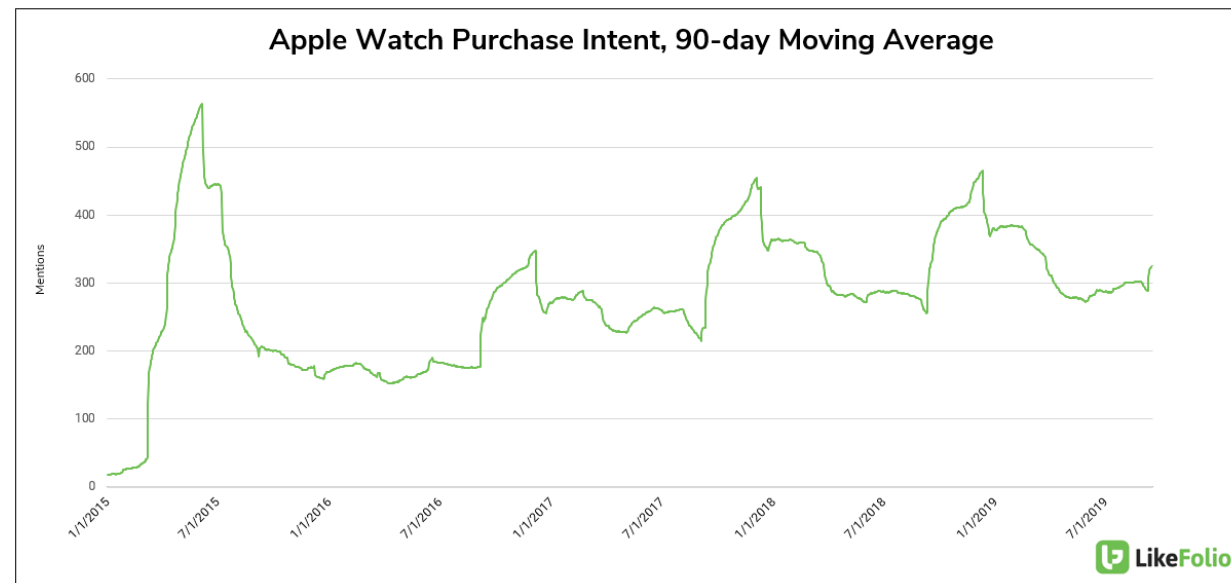
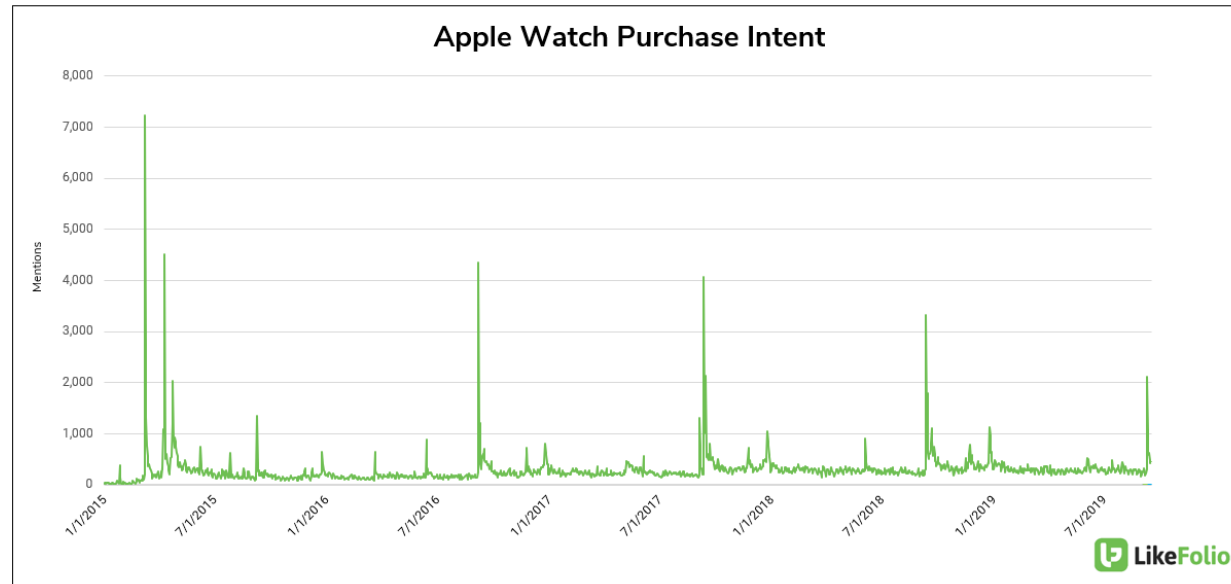
# Pre-Order Report: **Holiday Season**

For some lower-ticket Apple products like the Apple Watch, it is most helpful to watch Purchase Intent grow AFTER initial product release through the Holiday Shopping Season.

The top chart to the right reveals that initial Apple Watch Series 4 (2018) reception was lower than the prior year.

However, the bottom chart shows accelerating transactions through the Holidays elevated overall purchases to the highest levels we've seen since the product introduction.

We'll be watching PI metrics for all Apple products through the Holiday for growth or decline.



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