



## Consumer Reaction Report – Apple Keynote 2018

September, 13, 2018

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A screenshot of a tweet from a user named alex lee (@Mechace007). The tweet is a reply to @Nick\_Ackerman. The text of the tweet discusses the iPhone Max and XS, noting they are slightly above incremental upgrades over the iPhone X, and expresses excitement for the Apple Watch. The tweet is timestamped 10:56 PM - 12 Sep 2018. The interface includes a profile picture, a 'Follow' button, and a dropdown arrow.

 **alex lee**  
@Mechace007 Follow ▼

Replying to [@\\_Nick\\_Ackerman](#)

What I got from the event when it comes to the iPhone max and XS... they're both slightly above incremental upgrades over the iPhone X. Outside of processor and camera spec bumps, nothing major is added in... I feel ehh overall, felt more excited for the Apple Watch

10:56 PM - 12 Sep 2018

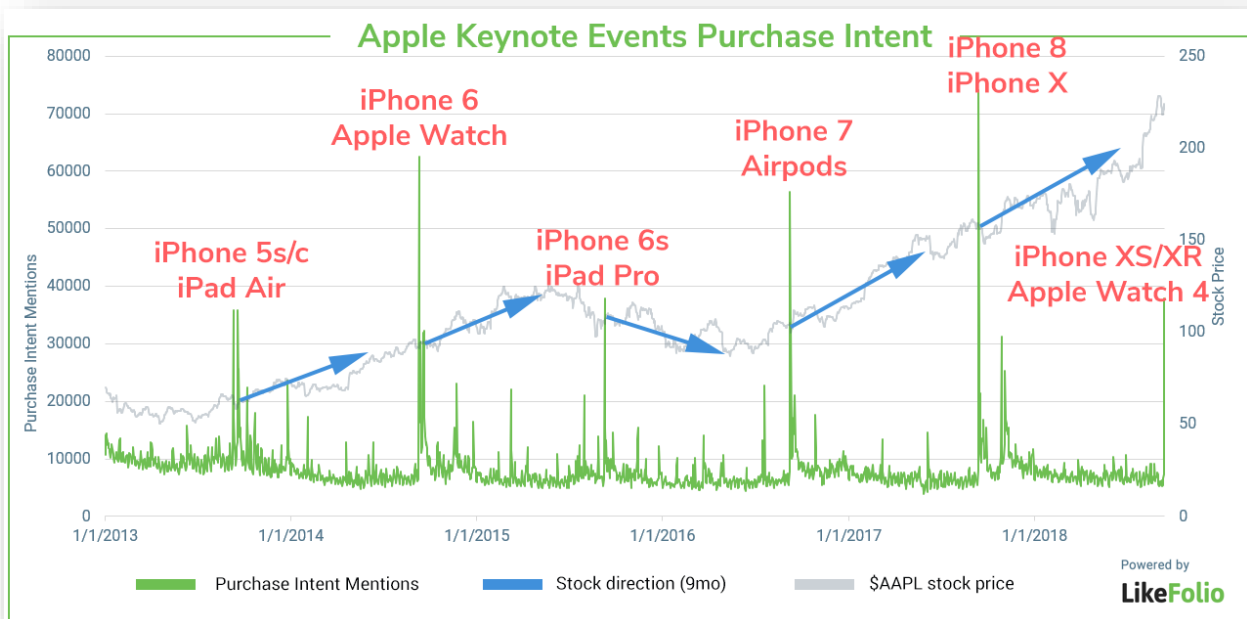
## GATHER ROUND – Apple Keynote results are HERE!

Apple is *buzzing*. In August they became the [first U.S. company to hit \\$1 trillion market value](#). On September 12, all eyes turned to Steve Jobs Theater to see what the creative behemoth would bestow upon consumers waiting to be dazzled.

Historically, the consumer reaction to the annual Keynote event has been [an incredible predictor of \\$AAPL stock](#), having predicted the movement of AAPL stock over the following 9 months for five straight years.

## Consumer reaction to the 2018 Apple Keynote was lackluster

Two hours and four products later, the end result was a lower level of [purchase intent mentions](#) for Apple products/services than we had seen in either of the two prior years.

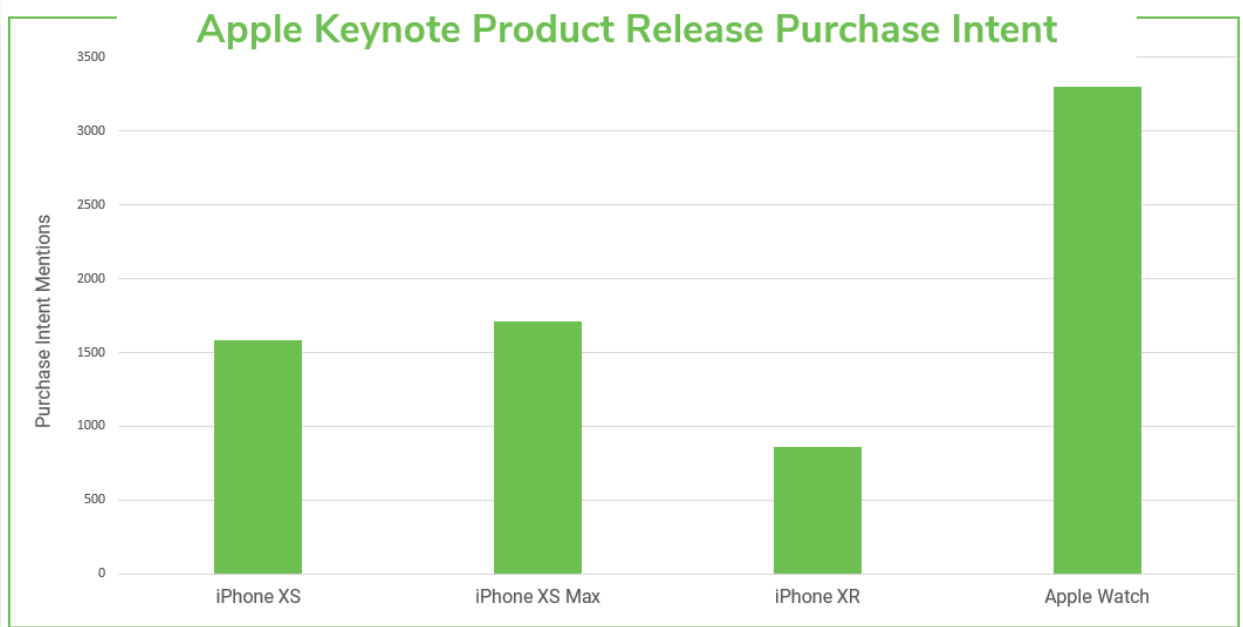


The green line on the chart above is a measure of consumer purchase intent of Apple products/services. Purchase intent for the 2018 Apple Keynote event was the lowest measured since 2015.

What does this mean? Frankly, it's not a good sign for Apple. The last time purchase intent was this low for a Keynote event, [Apple sales fell year-over-year for the first time in 13 years](#).

## New product breakdown – Apple Watch 4 steals the show

Apple released 4 new products: iPhone XS, iPhone XS Max, iPhone XR and Apple Watch Series 4. How did they fare?

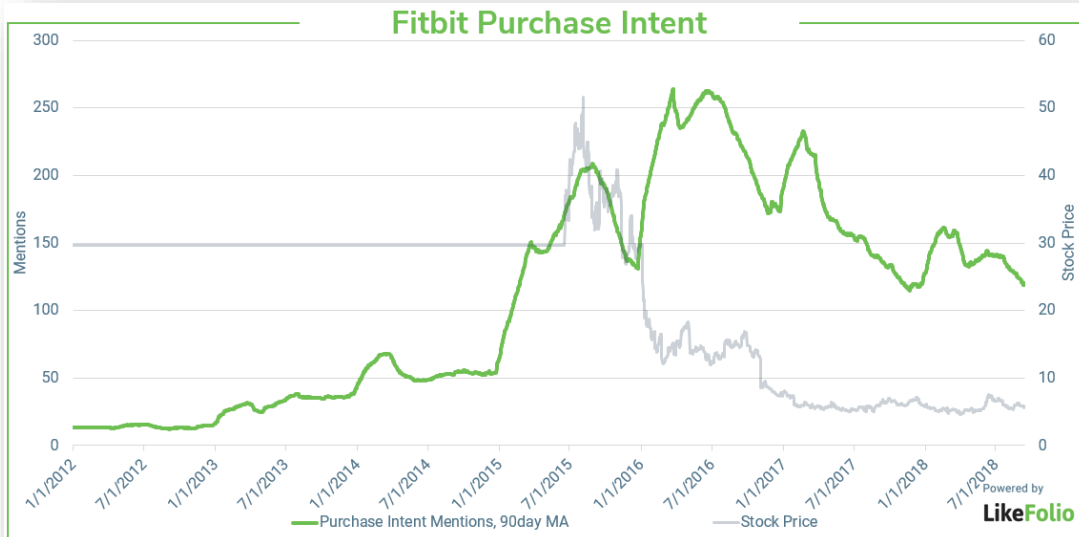


## Apple Watch Series 4 – a major threat to struggling Fitbit

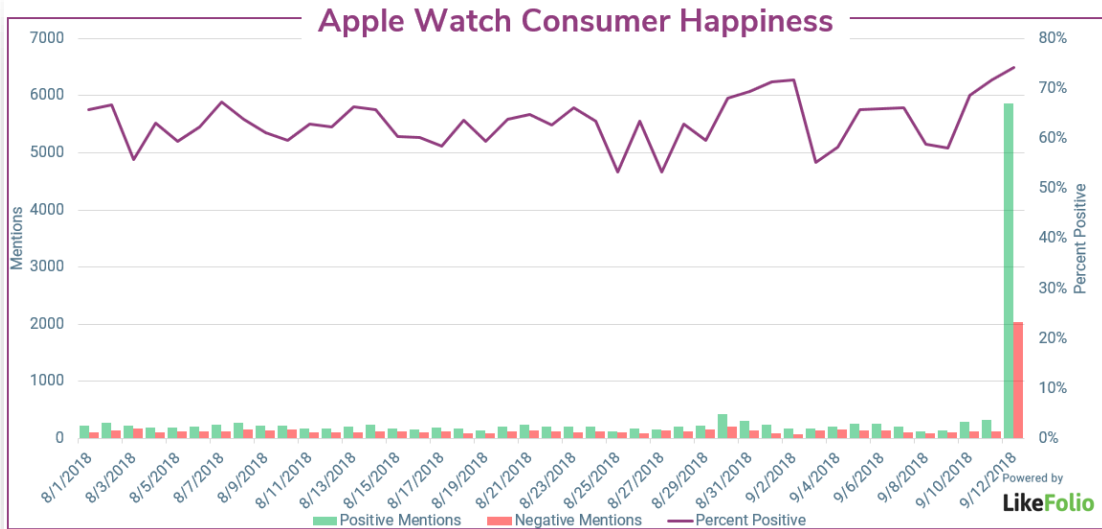
The Apple Watch Series 4 was the *clear* fan favorite. The new watch boasts [FDA cleared heart monitoring features](#), including the ability to take an EKG and detect an irregular heartbeat. The watch can also detect falls and alert authorities if you need help. It's like the data-connected lovechild of... Fitbit and Life Alert?



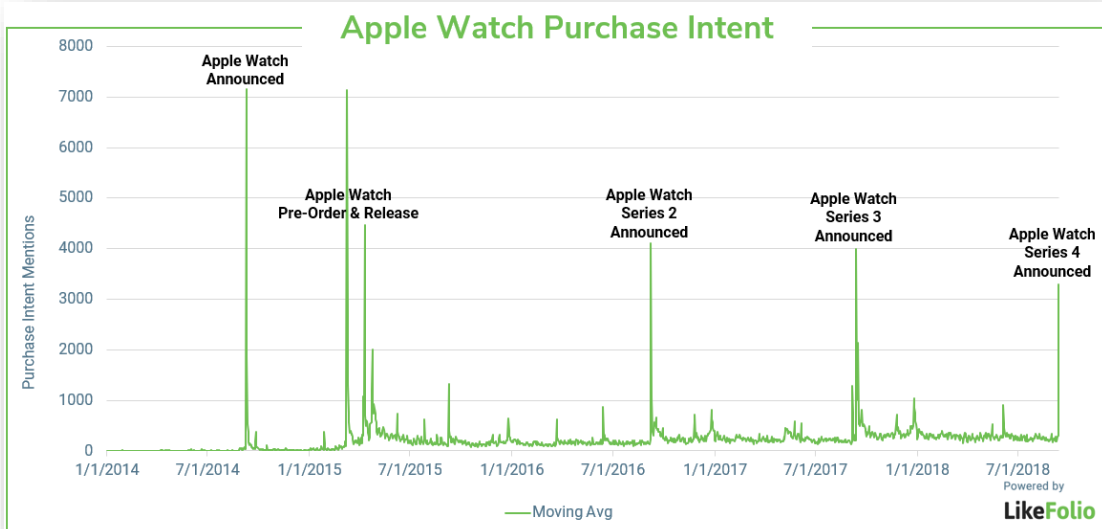
[Fitbit stock plummeted as Apple revealed](#) that the FDA had cleared significant new features on the Apple Watch. Fitbit is already struggling to keep up with an increased selection of wearable health trackers, as the declining purchase intent data in the chart below demonstrates.



Consumers often indicated intent to not only buy an Apple Watch for themselves, but also for relatives. Additionally, [Consumer Happiness](#) measures jumped following the announcement of new health features, as well as hardware upgrades.



While the Apple Watch was the most well-received product of the 2018 Keynote, it received the lowest purchase intent scores compared to previous releases. This is likely a symptom of a lack of overall enthusiasm for the event itself.



## iPhone XS, XS MAX – Roses by Another Name

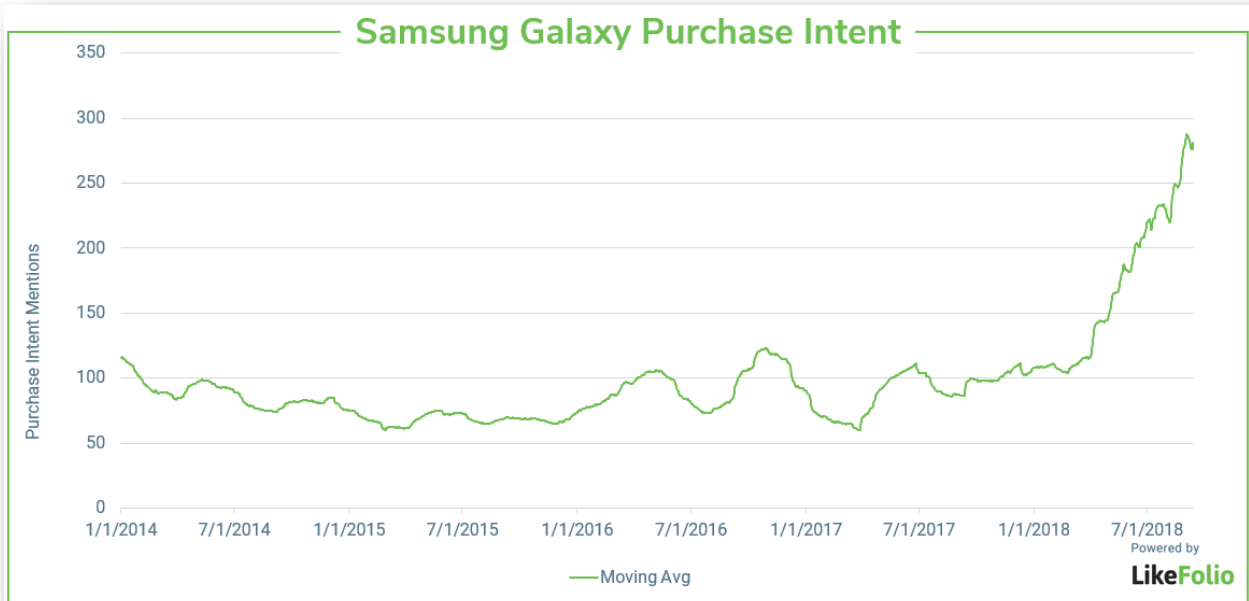
Consumer response to the iPhone XS, XS Max and XR was lackluster at best. These were all a tough follow-up to the iPhone X, the [best-selling phone in Apple history](#). The only real upgrades to the iPhone X include a fancy [OLED display, camera tricks and an alleged beer resistance test](#).



iPhone X owners are unlikely to drop another grand on a new phone that does the same old tricks. Apple faithful who have been waiting for an update are faced with the decision to splurge on a MAX or save money on the bargain XR... also powerful device.

In addition, a recent competitor is knocking....

## Competitor Samsung is on the rise

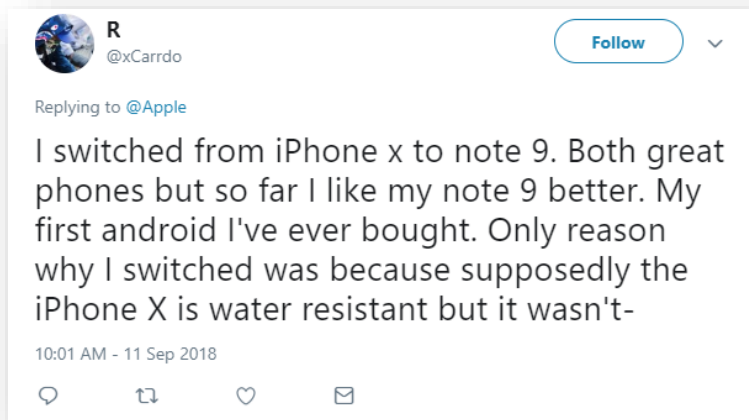


Purchase intent levels for Samsung Galaxy devices boomed ahead of the Apple release. Why?

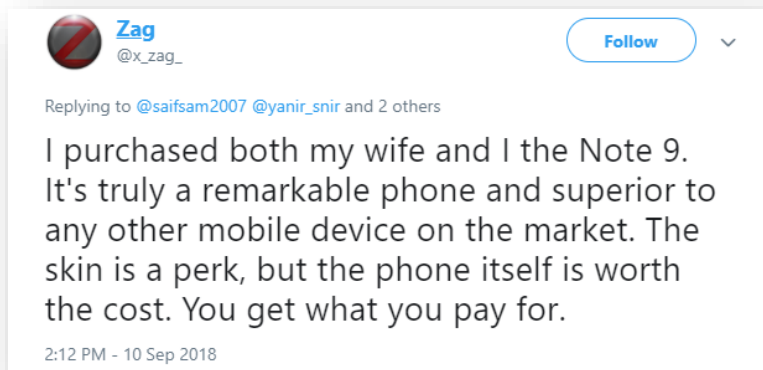
1. Galaxy phones gave the people what they wanted.



2. Samsung phones [have been waterproof for a while](#).



3. Gamers are making the switch via [smart gaming partnerships](#).





## Summary – Apple could be facing an uphill battle in 2019

- 1 The size of the PI Mention Spikes relative to each other varies drastically from one year to the next and has been a phenomenal indicator of the future performance of AAPL stock.
- 2 Apple's most recent product announcement keynote has been met with lackluster enthusiasm, and the total Purchase Intent Mentions for the day pales in comparison to the previous two years.
- 3 The Apple Watch Series 4 was the biggest winner of the day, capturing attention as both a cool wearable as well as a health-monitoring system. Fitbit's very existence may be threatened by this device.
- 4 iPhone updates were viewed by consumers with a collective yawn. Samsung's line of Galaxy phones is beginning to accelerate in terms of consumer attention and poses a threat to the iPhone user base.

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