

Apple Product Launch Reaction & Insights

HarrisX Overnight Poll fielded September 12-13, 2018



About the HarrisX Overnight Poll (HOP)



HOP is a new product by HarrisX launched August 2018. This flash poll runs overnight 365 days a year and samples the opinions of 1,000 U.S. adults and 1,000 voters.

Survey Methodology:

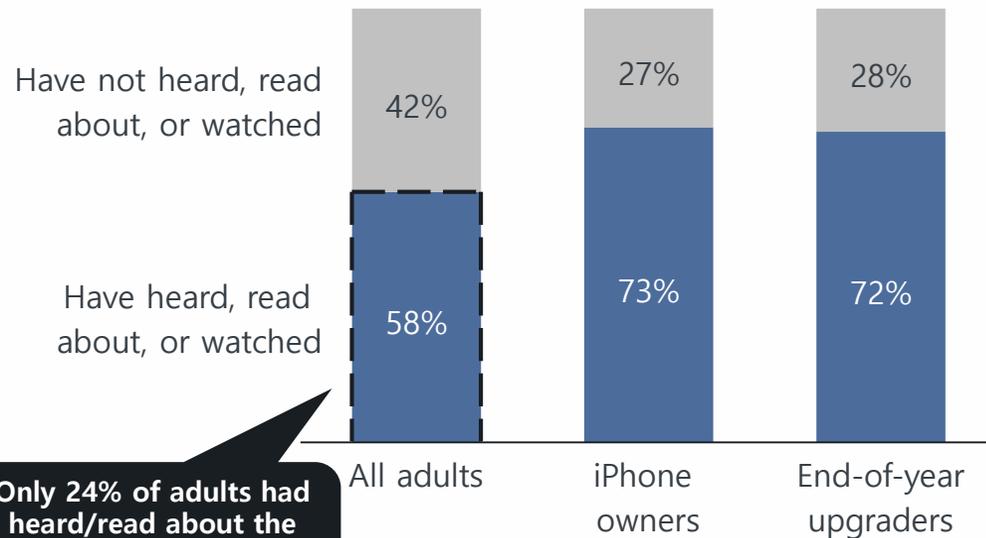
This survey was conducted online within the United States from September 12-13, 2018 among 1,000 adults by HarrisX. The sampling margin of error of this poll is plus or minus 3.1 percentage points.

The results reflect a nationally representative sample of U.S. adults. Results were weighted for age within gender, region, race/ethnicity, and income where necessary to align them with their actual proportions in the population.

Apple's product announcement was a big success in terms of audience reach and initial reactions

Coverage reached over half of US adults and 3 in 4 of those thinking about upgrading before end of year...

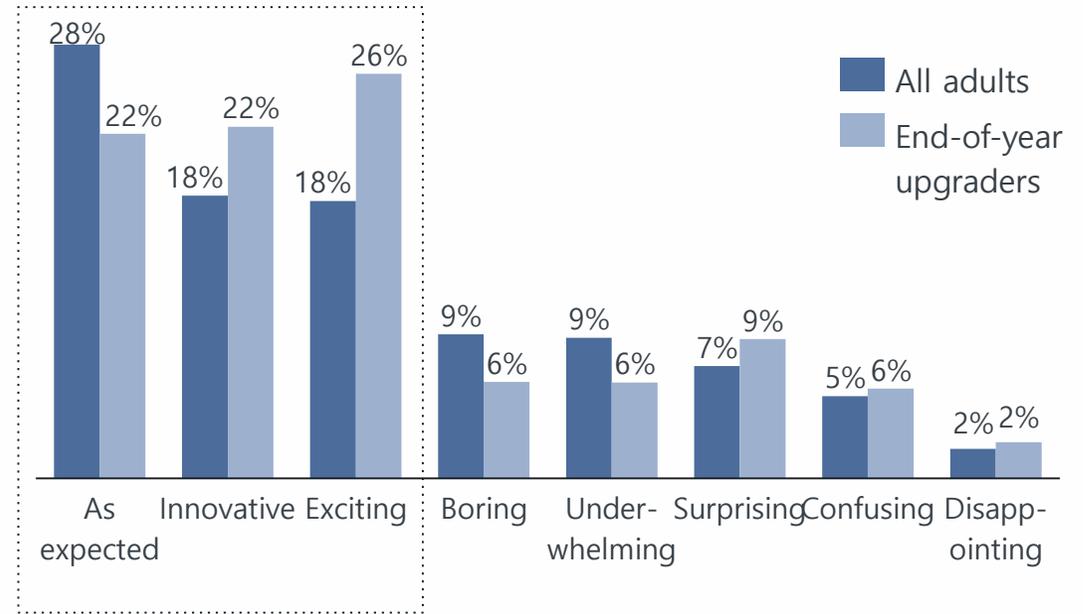
"Did you see, hear, or read about the Wednesday September 12 Apple device launch event?"



Only 24% of adults had heard/read about the event 1 day before launch – coverage led to 1.5x

...with positive reactions around Innovation and Excitement – especially for the Upgraders

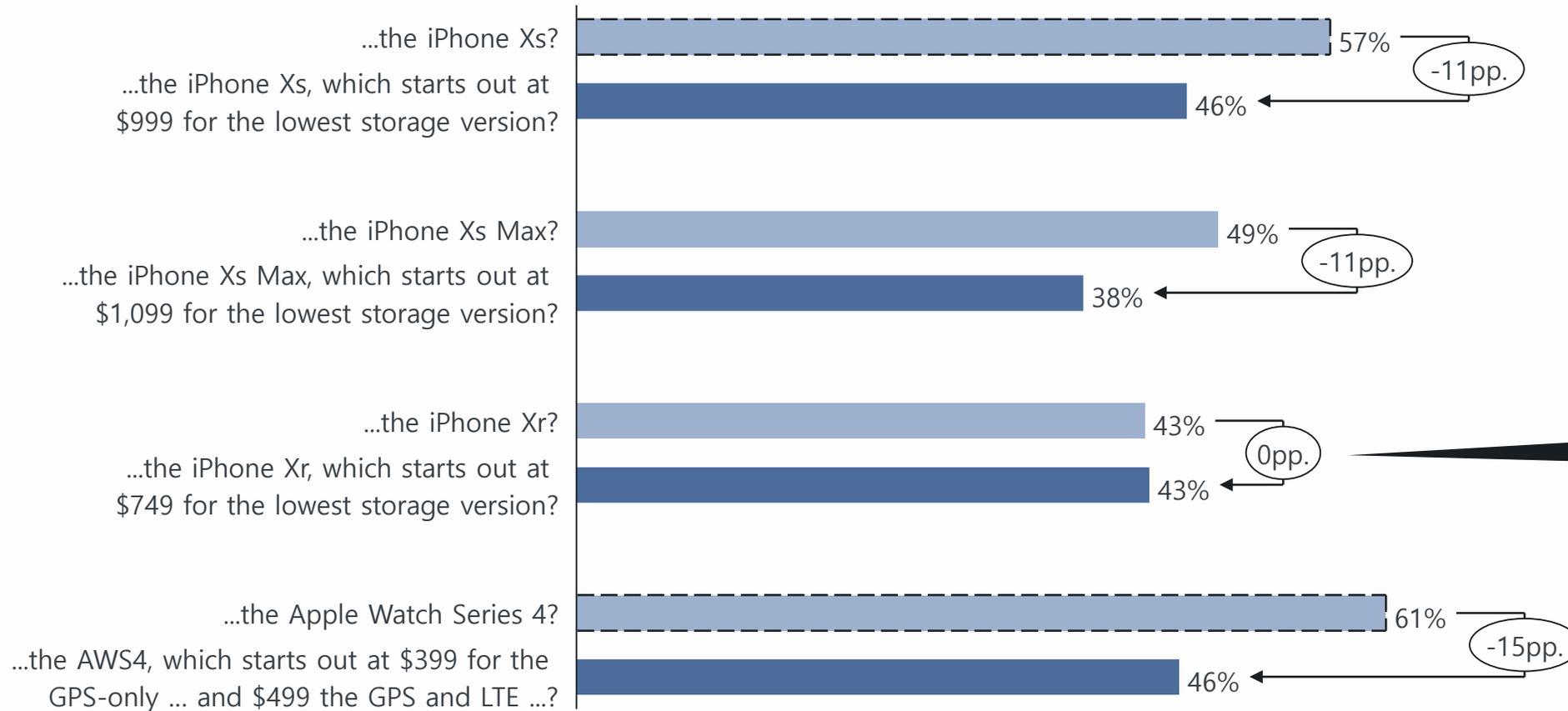
"Which of the following best describes your reaction to Apple's product announcements?"



NOTE: In this report, "end-of-year upgraders are defined" as US adults "thinking about upgrading before the end of the year" (see p. 9)

iPhone Xs and Apple Watch 4 are likely best-sellers, while iPhone Xr pricing appears ideally positioned

“How likely are you to buy...” – End-of-year Upgraders (unaided vs. price-aided responses, top 2 box of 5)

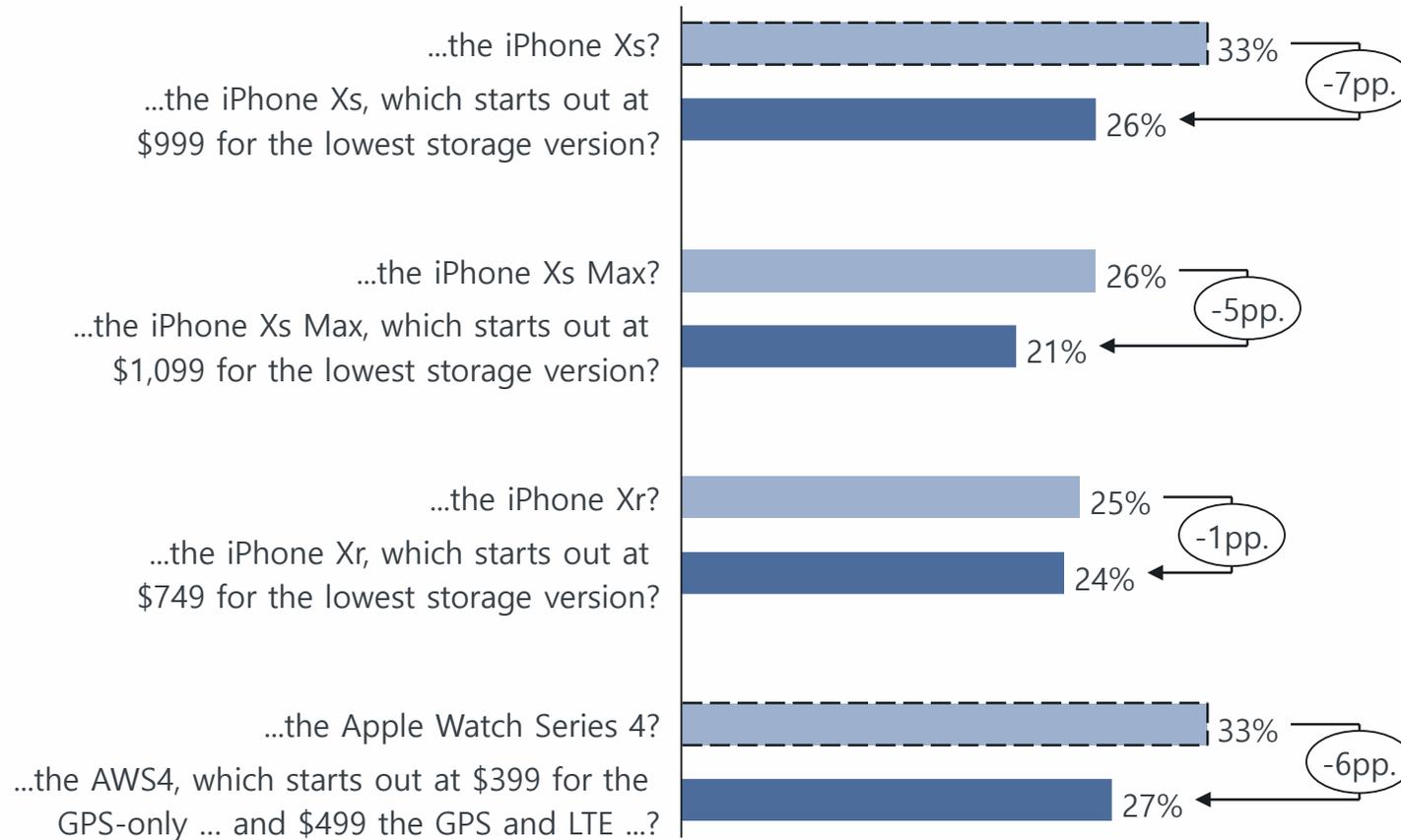


Overall interest is highest for iPhone Xs & Apple Watch 4, even accounting for price...
 ...However, iPhone Xr is only product for which price DID NOT decrease consumer interest...
 ...Showing that Apple has “re-priced” premium SP expectations to the \$750+ price range

Note: Aided and unaided versions were rotations, not sequential 4

Compared to upgraders, the story is very consistent but overall interest levels much lower among all adults

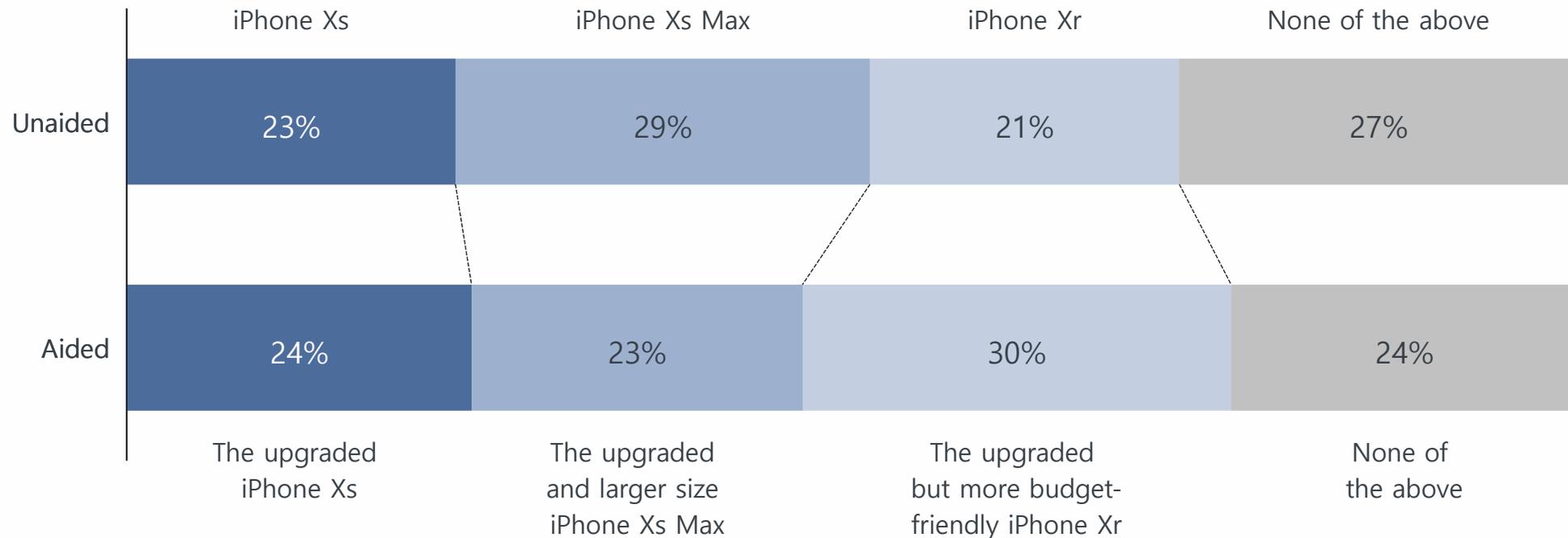
"How likely are you to buy..." – All adults (unaided vs. price-aided responses, top 2 box of 5)



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Across iPhone models, interest is split while product positioning benefits the budget-friendly iPhone Xr most

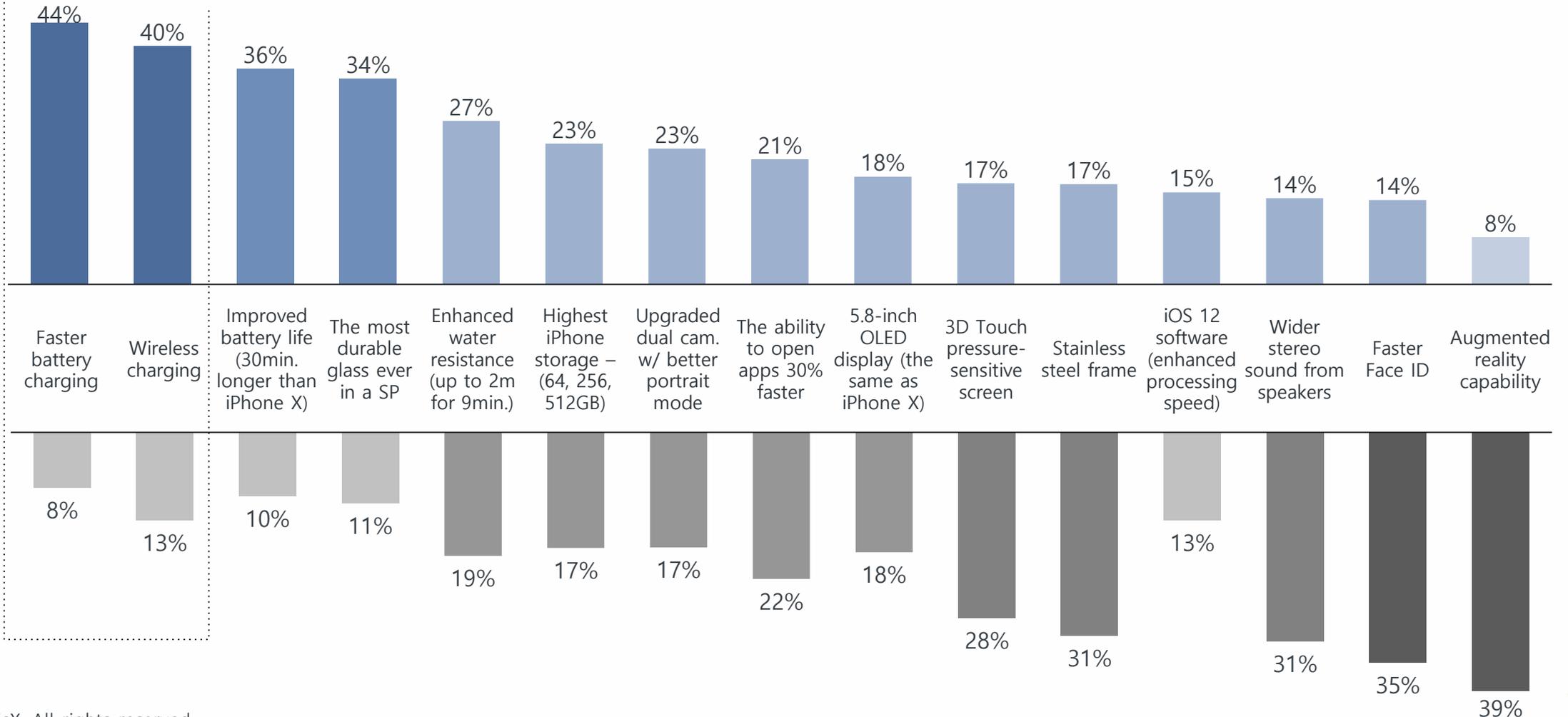
“Now that you have heard about them, which of the phones announced interests you the most?” – End-of-year Upgraders



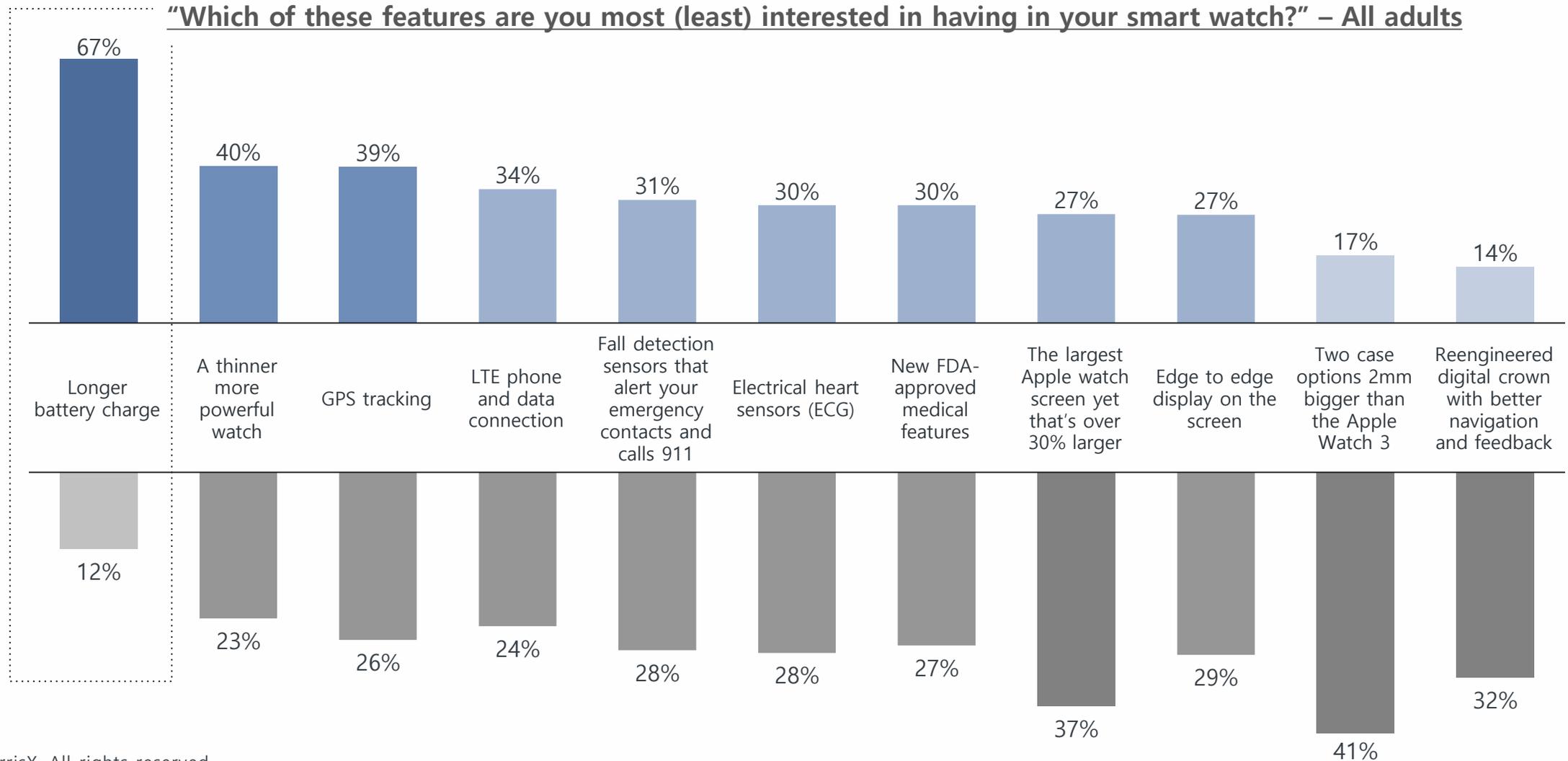
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Consumers are highly focused on bread and butter hardware improvements, like battery life and durability

“Which of these features are you most (least) interested in having in your smartphone?” – All adults



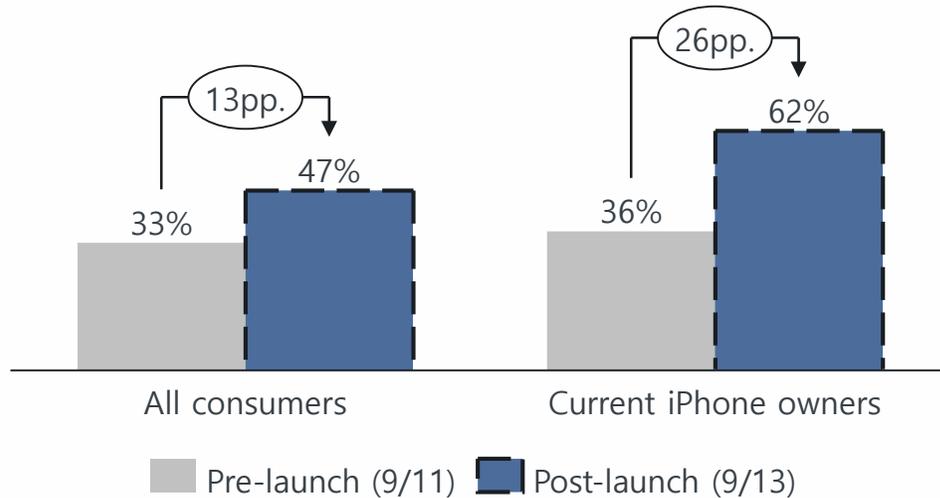
Battery life is also by far consumers' biggest concern for new smart watches, with form factor least important



Wednesday's announcement generated substantial momentum for holiday-season upgrades

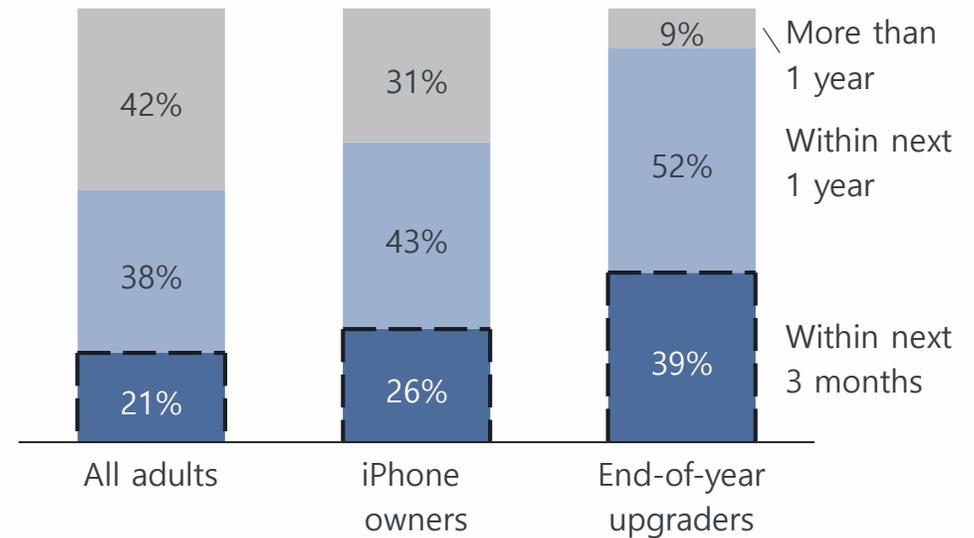
In just two days, Apple's event has spiked enthusiasm to upgrade – esp. among iPhone owners...

"Are you THINKING of getting a new smartphone device before the end of the year?"



...but the majority of upgrade considerers are "on the fence" between 2018 and 2019

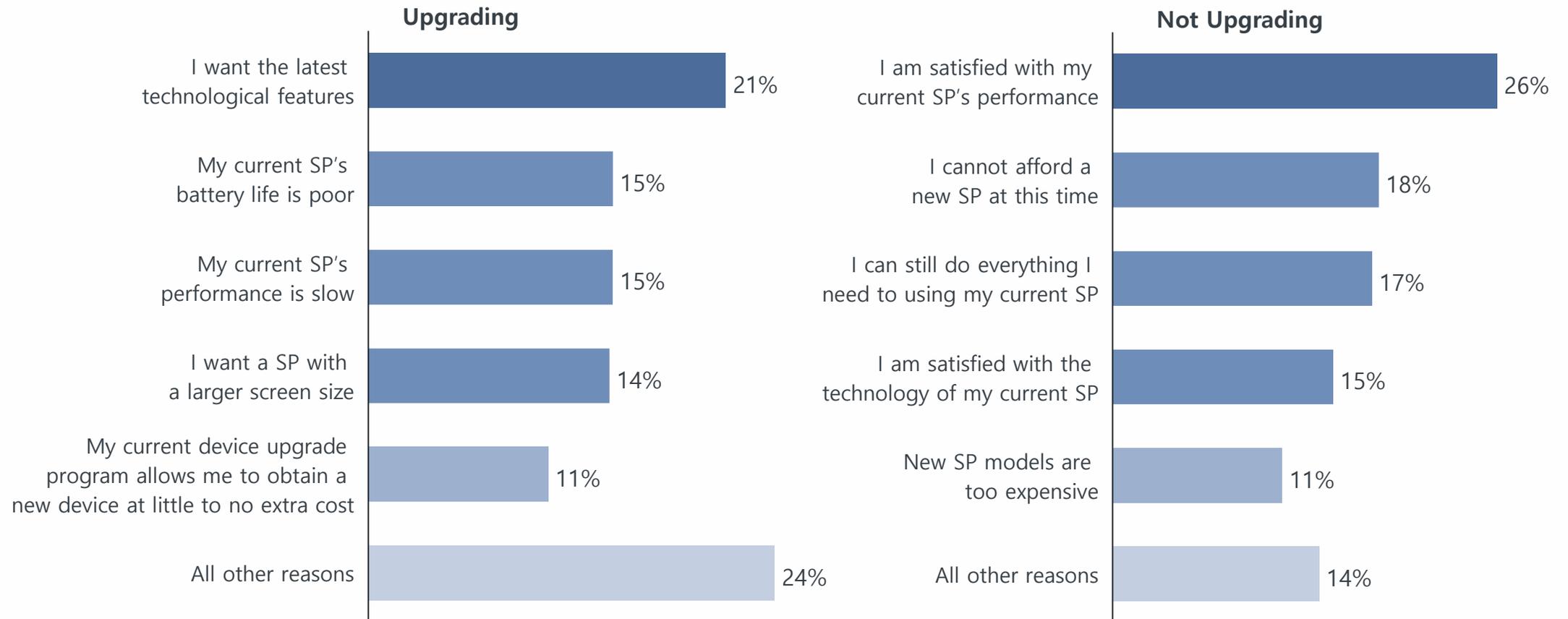
"How soon are you PLANNING on upgrading your current smartphone?"



39% of those "thinking" of getting a new smartphone this year are "planning" to upgrade in two ways – one question looked at whether a consumer was an end-of-year upgrader or not; a second question looked at how soon respondents planned to upgrade. 52% of self-reported end-of-year upgraders are inclined to wait up to 2019 to upgrade, which suggests the need for sustained advertising.

Reasons for upgrading and not upgrading in next year

“Which of the following best describes why you are (are not) considering upgrading your smartphone in the next year?”



Consumer willingness to pay increased across products following launch, while “won’t buy” decreased by ~50%

“Which of the following describes the highest price you would pay for each of these devices?” – End-of-year Upgraders

	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1000 or more	Any price	Won't buy
iPhone Xs (aided description)	20%	13%	11%	10%	11%	8%	5%	22%
iPhone Xs Max (aided description)	17%	10%	12%	9%	12%	12%	6%	22%
iPhone Xr (aided description)	26%	10%	14%	8%	8%	8%	4%	22%
	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	\$600 or more		Any price	Won't buy
Watch Series 4 (aided description)	16%	16%	13%	15%	11%		5%	24%

“The price does not matter, I will eventually buy this new iPhone”

In the case of iPhone Xr, a majority of respondents (53%) who would consider buying are WTP at or over the \$749 price tag

Apple 9/12 Pre-Launch Expectations

HarrisX Overnight Poll fielded September 9-10, 2018



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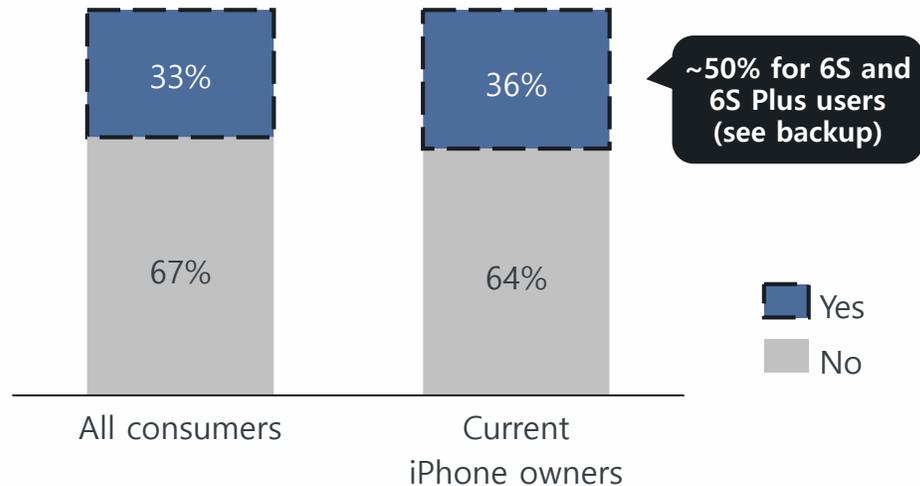
This survey was conducted online within the United States from September 9-10, 2018 among 1,001 adults by HarrisX. The sampling margin of error of this poll is plus or minus 3.1 percentage points.

The results reflect a nationally representative sample of U.S. adults. Results were weighted for age within gender, region, race/ethnicity, and income where necessary to align them with their actual proportions in the population.

This holiday season is once again shaping up to be a major smartphone opportunity for Apple

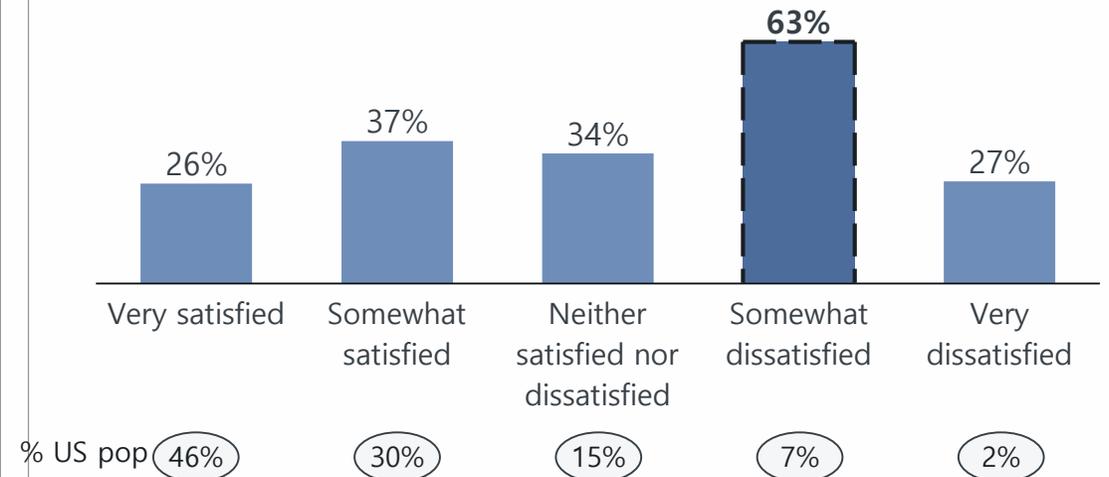
One in three consumers expect to upgrade Smartphones before the end of the year...

Upgraders: "Are you thinking of getting a new smartphone device before the end of the year?"



...with opportunities to capture both satisfied upgraders and dissatisfied users

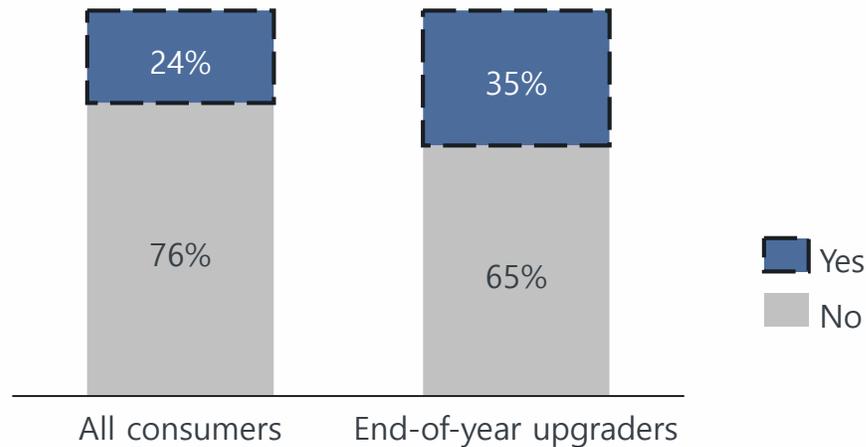
% of consumers who expect to upgrade this year, by satisfaction with current device



Wednesday's product launch announcement presents a touchpoint to mobilize likely upgraders in audience

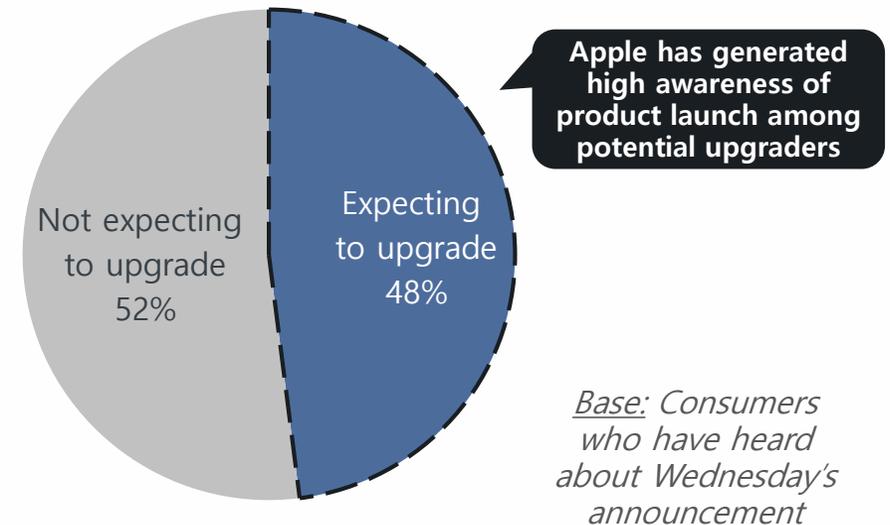
End-of-year upgraders are 1.5x as likely to have heard about Wednesday's announcement...

"Have you heard anything about Apple's upcoming new device launch this week?"



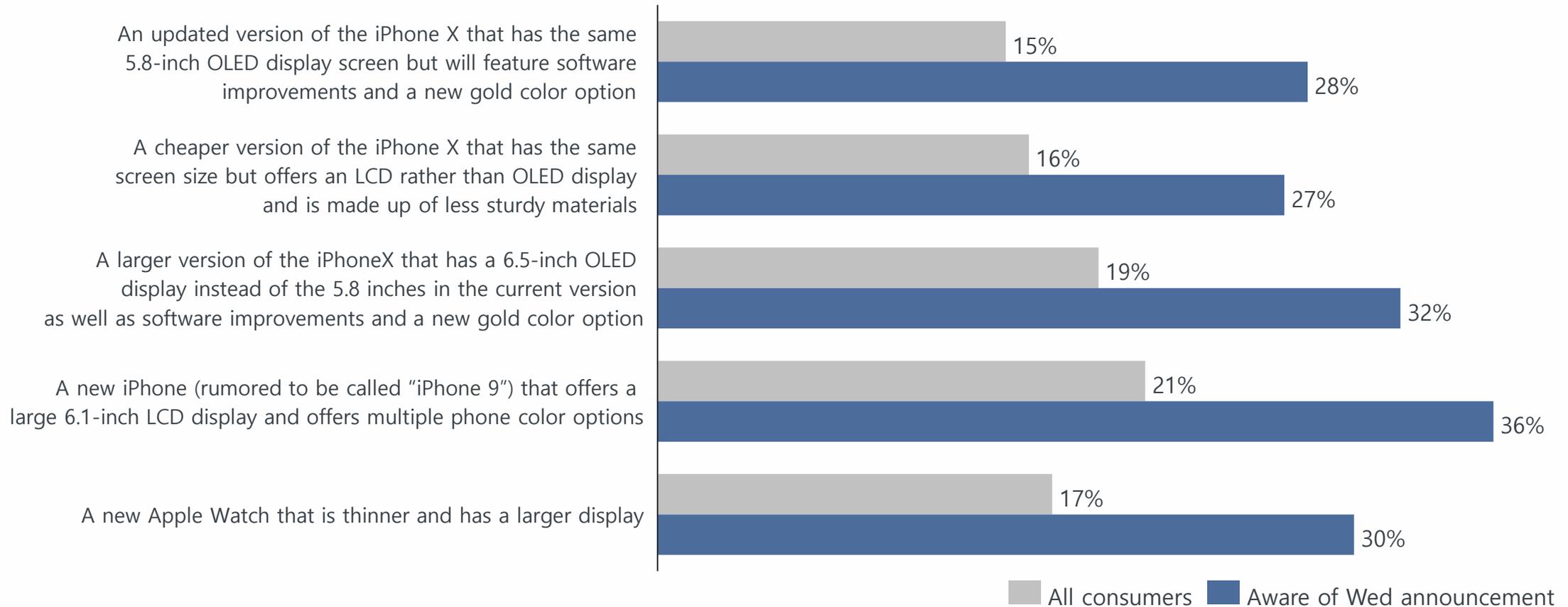
...In fact, half of consumers aware of Wed announcement are expected upgraders

% of consumers who expect to upgrade, among consumers aware of announcement



Among rumored release descriptions, “large-screen” iPhones show top appeal, at 1 in 3 interest

Interest in anticipated Wednesday product announcements (Top 3 Box of 10)



Willingness to Pay is fairly consistent across anticipated announcements, with ~13% likely upgraders at \$900+

“Which of the following describes the highest price you would pay for each of these devices?” – End-of-year Upgraders

“The price does not matter, I will eventually buy this new iPhone”

	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1000 or more	Any price	Won't buy
An updated version of the iPhone X that has the same 5.8-inch OLED display screen but will feature software improvements and a new gold color option	19%	9%	9%	9%	6%	1%	6%	40%
A cheaper version of the iPhone X that has the same screen size but offers an LCD rather than OLED display and is made up of less sturdy materials	28%	11%	6%	5%	5%	1%	6%	39%
A larger version of the iPhoneX that has a 6.5-inch OLED display instead of the current 5.8 inches as well as software improvements and a new gold color option	18%	7%	11%	11%	4%	3%	6%	40%
A new iPhone (rumored to be called “iPhone 9”) that offers a large 6.1-inch LCD display and offers multiple phone color options	19%	11%	8%	11%	5%	2%	6%	38%
	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	\$600 or more		Any price	Won't buy
A new Apple Watch that is thinner and has a larger display	18%	11%	8%	8%	5%		6%	44%

2.9% of all respondents (U.S. adults) are price inelastic, at \$900+ WTP for ALL FOUR new models (1.8% were “any price” for all 4)