



Are Apple's Newest iPhones a Hit?

Description

For the most part, the new iPhones **Apple** ([NASDAQ: AAPL](#)) launched last week had the specs that the ever-active Apple rumor mill had predicted. Nevertheless, investors don't seem disappointed with the company's latest round of products. Shares are up nearly 2% since the product-launch event; during this same time frame, the S&P 500 is up less than 1 percent.

Part of the Street's approval of the [company's](#) latest iPhones likely [has to do with pricing](#). The new phones were priced more aggressively than expected, with the entry-level iPhone 11 starting at \$50 less than what the iPhone XR cost. Furthermore, the one-year-old iPhone XR received a \$150 price cut.

But are incremental updates, with a particular focus on improved cameras, enough to please consumers? Early reviews and one well-regarded analyst's forecast of iPhone pre-orders suggest Apple may have made the right moves.

What reviewers are saying

On Tuesday afternoon, Apple published a blog post highlighting excerpts from what reviewers and creators are saying about the latest iPhones. Obviously, Apple is likely to exclude any negative remarks about the phones. So take these reviews with a grain of salt. Still, the optimism from reviewers for the new iPhone lineup is promising.

[The Verge](#): “[iPhone 11 Pro and iPhone 11 Pro Max] are some of the most well-balanced, most capable phones Apple — or anyone — has ever made. They have excellent battery life, processors that should keep them relevant for years to come, absolutely beautiful displays and a new camera system that generally outperforms every other phone, which should get even better with a promised software update later this fall.”

Commenting on the flagship iPhone 11 Pro models, [GQ UK](#) said: “The top-tier iPhone has finally arrived. Just like the MacBook Pro and iPad Pro before it, this is the one that’ll get things done and then some.”

[HardwareZone Singapore](#) noted that the new A13 Bionic processor, which powers not only the flagship iPhone 11 Pro but also the entry-level iPhone 11, “isn’t just faster than the competition, it wipes the floor with them.”

[Engadget](#) commented on the iPhone 11’s aggressive pricing: “And this time, Apple made the deal even sweeter. Thanks to some under-the-hood improvements, a new camera and its \$699 starting price, you’re getting more of what matters for slightly less.”

Signs of strong demand

Investors are hoping the newest iPhones are compelling enough to solicit a wave of customer upgrades and Android switchers. While Apple is seeing more-rapid growth in non-iPhone segments, particularly in services and wearables, the smartphone segment is still the company’s bread and butter. For the nine-month period ending June 29, 2019, the iPhone accounted for 56% of total revenue.

Fortunately, there are signs the latest iPhones are resonating with consumers. The well-connected TF International Securities analyst Ming-Chi Kuo said his analysis of the company’s online shipping estimates suggests demand for the new iPhones is ahead of expectations. He noted that demand for the company’s pricier iPhone 11 Pro models is especially robust in the U.S. and forecasts that the Pro models have accounted for more than half of total iPhone pre-orders.

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