

How can Apple still sell iPhones at an average price more than 3 times higher than Android?

Since the average price of Apple's iPhone products has been consistently higher than the average price for Android products, let's find out the truth behind this story.

Let's talk about iPhone for a bit. Apple set a record last quarter with the largest number of iPhones ever sold: 78.3 million units with unprecedented high sales. But you may have also heard that last quarter, the iPhone's average selling price also reached a very high threshold of \$ 694. Meanwhile, the average selling price of Android has been cut in half in the past 6 years, from about \$ 440 to just over \$ 200. So how can Apple still keep the average selling price of iPhones so high?



Is Apple's success coming from the high-priced iPhone 7 Plus?

First we must understand how to calculate the average price. In this case with so many iPhone models being sold today, the average price of a product is calculated by the total sales divided by the number of units sold per product or product line. . This allows companies and investors to guess where most of the sales come from: high-end or affordable, whether it's the same product or multiple products at a price. different.

"Average price = total sales / units sold"

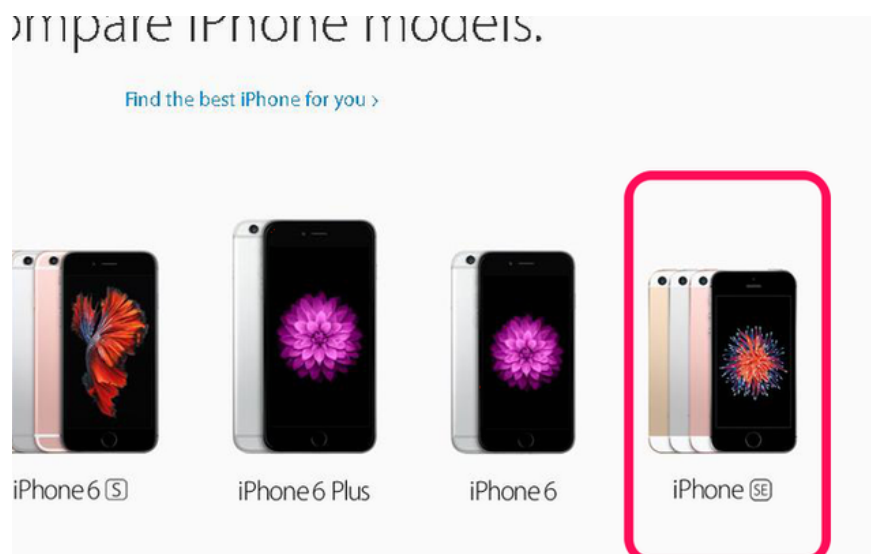
In Apple's case, the current average selling price is recorded as high as \$ 694, which is a significant number. The average selling price of about \$ 700 for a smartphone is the dream of most companies. But if you look at the

iPhone 7, the only option that is priced below the average price is a 32GB iPhone 7 priced at \$ 649. Choosing the next iPhone 7 version with the only difference is to increase the memory capacity of the device immediately causing the price of the iPhone to jump to 749 USD or 849 USD. With the iPhone 7 Plus, the prices for the three options are \$ 769, \$ 869 and \$ 969 (slightly up from the fake iPhone 6 Plus).

"There is only one iPhone 7 option that is priced below the iPhone average for the time being"

But does that mean that the majority of iPhones sold are in the mainstream, the 32GB version instead of those with higher memory or the iPhone Plus version. Not necessarily, because while all the remaining iPhone 7 products are priced higher than the current average price, Apple also discounted iPhone versions from the year before they launched. New iPhone version. Therefore, it seems that the average selling price of the current iPhone is low when compared to the prices of current iPhone 7s suddenly becoming very understandable.

It is important to mention here that the low average selling price is not necessarily something bad. **When Apple began selling cheap iPhone SEs, starting at \$ 399, the average selling price of the iPhone dropped quickly to \$ 595.** This helps Apple understand that the market clearly has an interest in cheap iPhones. If no one buys the iPhone SE, the average selling price of the iPhone will be kept high.



The iPhone SE has caused the average iPhone price plummet

The average selling price of Android products is declining and the average selling price of iPhone is being kept stable, even increasing. It is a sign that Android phone buyers are generally interested in low-cost devices while iPhone owners prefer expensive products. This is not surprising news, but there are two points worth considering here: there are many Android products at the same price as the iPhone on the market, but at the same time the number of Android devices being sold has Cheap prices are a lot bigger.

That said, it's obviously fair because there aren't any iPhones out there at \$ 150 or \$ 250. Assuming we have iPhones at that price, the average selling price of the iPhone will certainly be much lower, as if it had been lowered with the arrival of the iPhone SE.

So that's a perfectly reasonable deduction here: the average selling price of iPhones is high because the prices of iPhones are generally high, similar to the average selling prices of Android low because their prices are generally is low.

Apple usually aims at a certain price for its products with the implication of their value. Given a broader price range for their products, of course iPhone buyers will opt for lower-cost products.

The current iPhone average price is a signal that the following statement is completely accurate: although the current average iPhone price is high, it does not reach the high level it could. If the majority of iPhone buyers invest in large memory versions or iPhone Plus versions, the average current price of the iPhone will be closer to \$ 800 than it is at \$ 700 today. But it's also clear that a lot of users have bought a lower-priced iPhone 6 or bought a low-end iPhone 7, which has reduced the average selling price of the iPhone.

And additionally, the iPhone's current average selling price is still a record for Apple. This could be due to a number of reasons, like the current year the user is investing more in the current version than the discounted version from last year, or maybe due to the presence of the iPhone Plus line with slightly increased prices. compared to last year's iPhone Plus line. Or it could also be a reference to the fact that the iPhone 5C version with 8GB of memory is no longer sold.



The discontinuation of the iPhone 5C is also the reason for the average iPhone price increase this year

Let me explain to you, even if Apple's average selling price dropped in 2013 when the low-cost iPhone 5C was introduced, the company still had a way to raise it up the following year even with the session. 8G memory version of iPhone 5C is on sale. It was explained by the introduction of the iPhone Plus line for the first time, the high price of the iPhone Plus line has offset the low price of the iPhone 5C series.

This year, the iPhone 5C series is no longer part of the average pricing equation, even though the affordable iPhone SE is still there. The average price of this year's iPhone increased by \$ 4 compared to last year so it seems to be due to increased interest in the iPhone 7 Plus line. However, once the iPhone SE series stops selling and it no longer counts toward the average cost of an iPhone, and if Apple doesn't release a new low-cost iPhone to replace it, you can. expect the average selling price of iPhone to increase dramatically.

"Google's average selling price for the Pixel lineup will be as high as it would otherwise be substantially higher than the iPhone average."

What I expect is that I have fully explained to you here that the average selling price is actually just a business trick. It is true that they show the general price that consumers will pay for a product and it is true that the price of Apple products is noticeably high. But low average prices don't necessarily mean bad: If you can sell billions of products in succession - just like in the case of Android - low average prices don't mean bad. . The average price is also heavily affected by the price range of the product (The average price for Google Pixel will be equally high, otherwise it will be substantially higher than the iPhone).



Google's Pixel product line will undoubtedly have a high average price

Apple has a higher price for iPhone 7 products (or at least the Plus line) than before and the company can still find ways to sell more iPhones than ever before. This shows that Apple knows how to promote high-priced products. But the reason behind the surge in average prices for iPhones is the sum of many factors: published prices, consumer satisfaction with buying products at that price, and a relevance from the lack of cheaper alternatives.

Reference: Android Authority

These numbers are a strong testament to why the iPhone 8 can "Make Apple Great Again"!

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