THE IPHONE ECONOMY: HOW THIS INNOVATIVE PRODUCT AFFECTS GLOBAL ECONOMY
THROUGH ITS SALES AND ADD-ON MARKETS

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SIGNATURE PAGE

PROJECT: THE IPHONE ECONOMY: HOW THIS INNOVATIVE PRODUCT AFFECTS GLOBAL ECONOMY THROUGH ITS SALES AND ADD-ON MARKETS

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ABSTRACT

This paper examines how iPhone is affecting domestic and world economy and world trade. The paper also examines its product life cycle and competition and tries to predict its future to come. iPhone, being a pioneer in the Smartphone Era, has been in a leading position in providing extensive functionalities on its mobile computing platform, affecting almost all individuals. With its add-on markets provided by its App Store, iTunes and associated accessories markets, iPhone is changing consumers’ behavior in their every day’s lives. iPhone, not just single-handedly impacts domestic and world economy, but also affect markedly on international trade. According to its sales and revenues’ trends, it is still in the growth and maturity stage of its product cycle and we predict that iPhone will persist for a considerable period of time to come in midst of competition from Android based devices like Samsung and other open system competitors. The market is awaiting for another eye opening technology to carry on the development that iPhone has brought about in past 8 years.
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</tbody>
</table>
CHAPTER 1
INTRODUCTION

When an innovative product, which can completely change the life style and paradigm of consumers, its economic impact can be tremendous. In the past in consumer electronics, this has happened with the invention of radio, television, fax machine, Walkman, mobile phones etc.; however, none seems to have the impact of iPhone which appeals to almost all individuals with countless applications affecting almost all aspects of our everyday lives thus contributing to its overwhelming success.

This paper will investigate how global economy was impacted by this single innovative product. The paper would also analyze the impact on domestic and international economy, its product life cycle and the add-on markets associated with it.

The Dawn of the iPhone and the Smartphone Era

iPhone was first debut on January 9, 2007 when then Apple Inc. CEO Steve Job unveiled this disruptive product during the Macworld 2007 convention in San Francisco. Unlike the mobile phones at that time, iPhone clearly differentiated itself by its large screen display and revolutionary multi-touch screen user interface with virtual keyboard, making mobile computing ever user-friendly enough to be provided practically in a mobile device which marked the era of mobile phone computing, leading to a new generation of product category … the Smartphone!
Very much like the Apple personal computer (PC) introduced in the 1970's, iPhone was typically a proprietary product, running on its proprietary iPhone Operating System (iOS). iPhone had the ability to download and install Application Programs (Apps) and equipped with Wi-Fi connectivity apart from cellular connectivity, and incorporated the digital camera, and later with GPS navigation capability, making it a very powerful mobile computing device.

Again very much like the personal computer’s development, competitors including Samsung, HTC, Lenovo etc. emerged in 2009 producing Smartphone using open operating systems such as Android, Windows etc., joining forces together to compete against iPhone. Adoption of Smartphone began initially in regions with higher disposable income such as North America and Western Europe and when prices became more affordable with competitions offered more down-market devices supporting Android and other open system products, Smartphone market expanded to other international regions, including emerging economies.

**Time Line of iPhone’s Introduction**

First generation iPhone was first offered for sale in June 29, 2007 and gaining more popularity around the world when faster 3G cellular version was introduced in 2008/2009. Metal casing iPhone 4/4S were introduced in 2010/2011 with CDMA (Code Division Multiple Access which is basically a mobile phone radio system owned by Qualcomm, therefore a more proprietary system and usually the phone cannot be
unlocked to use on other networks) version also available apart from GSM (Global System for Mobiles which is an open mobile radio system and therefore more widely used around the world with less development cost for associated equipments) type.

iPhone 5/5C/5S were introduced in 2012/13 using faster 4G LTE technology for cellular connectivity. iPhone 6/6 Plus were the latest versions introduced in Sep 2014 incorporating first time a larger iPhone screen display of 4.7 inch/ 5.5 inch respectively against key selling feature of major rival Samsung. Here below is the time line of different versions of iPhone’s introduction and their key enhancements:

**TABLE 1.** Time line of release of different versions of iPhone and their key enhancements

<table>
<thead>
<tr>
<th>iPhone Models</th>
<th>Release Date</th>
<th>Key Enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st generation</td>
<td>June 29, 2007</td>
<td>Runs on 412 MHz processor with 2G cellular connectivity compatible with GSM network, 3.5 in display</td>
</tr>
<tr>
<td>3G</td>
<td>July 11, 2008</td>
<td>Faster 3G cellular connectivity with GPS support</td>
</tr>
<tr>
<td>3GS</td>
<td>June 19, 2009</td>
<td>Faster 600Mhz processor</td>
</tr>
<tr>
<td>4</td>
<td>June 24, 2010</td>
<td>Faster 1GHz processor in metal band casing and CDMA version also available</td>
</tr>
<tr>
<td>4S</td>
<td>October 14, 2011</td>
<td>Dual core 1GHz processor introduced, supports both GSM and CDMA networks in one phone, voice recognition Siri introduced</td>
</tr>
<tr>
<td>Model</td>
<td>Date</td>
<td>Feature</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>September 21, 2012</td>
<td>Faster 1.3 GHz dual core processor, supports 4G/LTE cellular connectivity, 4 in display</td>
</tr>
<tr>
<td>5C, 5S</td>
<td>September 20, 2013</td>
<td>3 core graphic processor introduced and 5S with dual core 64-bit processor</td>
</tr>
<tr>
<td>6 / 6 Plus</td>
<td>September 19, 2014</td>
<td>Larger 4.7/5.5 in display for 6/ 6 Plus respectively</td>
</tr>
</tbody>
</table>

As you can see, there was new model or product enhancement each year since its debut in 2007. This was a strategy to extend the product cycle of iPhone which would be discussed in later part of this paper.
CHAPTER 2
HOW IPHONE AFFECTING GLOBAL ECONOMY

When iPhone 6 came to market in Sep 2014, it was estimated that its sales had increased US GDP by 0.25 to 0.33 % over the period (Rogowsky, 2014). iPhone was pricy, selling at around US$500 - $800 depending on models with different memory capacities; it had become a status symbol beyond merely an electronic device and everyone seemed to love to get one (Stone, 2014). It was so popular and cost a lot and when people were buying an iPhone, they tended to spend less in other areas, for example, clothing (Brown 2012, 555-62). During the same period iPhone 6 was introduced, gas prices had dropped substantially and Americans were saving money at the pumps and many of them used the savings in purchasing electronics and appliances, especially the iPhones (Rogowsky, 2014).

Apart from its impact in domestic US economy, other foreign economies were impacted. According to Credit Suisse analyst Hiromichi Shirakawam, Apple’s iPhone 6 sales had “pushed up industrial production in September 2014” by 2.7% in Japan. The technology sector in Japan rose by 12.4% in same period mainly due to sales of the relative expensive iPhones. The Australian Bureau of Statistics also reported that the country’s retail sector boosted by 1.2% in September 2014 due to a surge in electronic goods in a magnitude of 9.2%, mainly accounted by iPhone 6 sales (Edward, 2012).

Michael Kitchen once again confirmed the significant impact of iPhones on the economies, both domestically and internationally. According to the data, iPhone had
gained wide market acceptance and that they were manufactured in China and Taiwan which could estimate to add about 2% export growth in August to October 2014, followed by a 1 percentage monthly boost through January 2015. These numbers were significant in the sense that export growth also affected currency rate in China and Taiwan who were manufacturing base for a lot of imports to US. The massive iPhone sales were actually heating up the global supply chain to US (Kitchen, 2014).

Jeff Stone explained that iPhone 6 and 6 Plus were creating a ripple effect in US economy since their release. Market was so keen to purchase the new iPhones that the economists were expecting a significant impact. iPhone had affected the consumer behavior; electronic stores sales jumped by 3.4% in the month since iPhone 6’s release, while clothing store sales declined by 1.2% showing how iPhone brought the substitution effect between the two seemingly non-related goods (Stone, 2014).

Bobby Yip explained the US-China trade deficit might be distorted in these iPhone sales and manufacturing. Although the study by the Asian Development Bank Institute indicated that iPhone is contributing significantly to the U.S. trade deficit with China since the production of iPhones took place in China, however, since the major components needed to be imported into China and the actual value added in the manufacturing process accounted to less than 10% of the iPhone selling price. Therefore iPhone induced a trade surplus with China when the iPhone sales to China actually far exceeded the production value added from China. Therefore U.S. did have an advantage in the global manufacture system with iPhone in terms of trade deficit with China (Schuman, 2011).
When the App Store was first launched in 2008, no one would have guessed it could surplus the Hollywood’s box office revenues. iPhone had brought in peripheral sales of $25 billion to the app developers and in last six years, the Apple app economy had created over 627,000 jobs just in the United States alone. Customers had spent over $500 million on apps just in the first week of January 2015 in Apple App Store which now had more than 1.5 million apps available for download (Fekete, 2015).

**iPhone Global Sales**

Tim Cook, current CEO of Apple Inc., revealed during the Apple Watch conference on March 9, 2015 that Apple had sold cumulatively a total of 700 million iPhones to date (wikipedia.com). Against the world population of circa 7 Billion, this represented approximately one out of 10 people count had purchased an iPhone, if we disregarded other factors that older iPhones became obsolescent and that one people could possess more than one iPhones at the same time.

Below is the chart showing iPhone global sales since its inauguration sales in 3\textsuperscript{rd} quarter 2007 to latest model iPhone 6/ 6 Plus’ introduction in 4\textsuperscript{th} quarter 2014, showing a trend of ever increasing sales pattern that iPhone is still in its growth/maturity stage in its product cycle which shall be discussed in later part of this paper.
FIGURE 1. Global Apple iPhone sales from Q3 2007 to Q4 2014 (Data source: Statista)

Below is another graph showing first weekend iPhone sales following each model’s introduction showing an ever rising trend indicating how these gadgets were anticipated by consumers!
Below is a chart showing Smartphone penetration rate in selected country in 2013 showing generally more than 50% in countries with developed internet infrastructure and high disposable income such as USA, Canada, European countries, and Asian cities like Hong Kong and Singapore. China had slightly lower penetration rate at 47%, mainly due to its massive population and still a lot of rural regions that were not urbanized; and countries like Russia, Mexico and India were amongst lowest where internet infrastructures were less developed. Japan was surprising at 25%, mainly due to the fact that Japan had strong domestic phone maker industries which provided...
advanced Feature-phones with advanced functions in compatible to Smartphone so Smartphone penetration was much lower than expected.

**FIGURE 3.** Smartphone penetration by country in 2013 based on total population (Data source:https://think.withgoogle.com/mobileplanet)

How iPhone Maintain Profitability

In order to maintain profitability of the iPhone economy, Apple had a very sophisticated strategy such as building on the bundling with service operators in product
provision, proprietary operating system iOS thus dictating add-on provisions, App Store in providing add-on platforms, iTune Stores selling music to be played on Apple’s products such as iPhones; and very importantly that there were almost a new product version’s introduction or product enhancement every year to extend its product life cycle.
Here below is a typical product cycle and its relationship with competition:

FIGURE 4. Typical product life cycle
(Source:https://people.hofstra.edu/geotrans/eng/ch5en/conc5en/productlifecycle.html)

A typical product cycle can be divided into 4 stages:

1. Product development and introduction – this is the stage when there are only investments into the new product development before actual sales begins and when the product enters into introduction, the product gets acceptance from the market and consumers are ready to purchase but profit can yet to be
realized as there are still heavy investments for continuous product developments and enhancements.

2. Growth – this is the stage when the product is able to satisfy customers’ requirements and becomes popular, sales and profit both grow fast. This is also when competition starts to come in, capturing a part of the market share and cumulating to a point when competitors’ sales start exceeding the product’s sales, as indicated in the crossing point in above graph.

3. Maturity – this is the stage when the product is mature, sales and profits reach the maximum values and start to decline when competition becomes fierce.

4. Decline – this is the stage when the product faces more superior substituting technology or there is a completely new consumers’ behavior that makes the product becoming obsolescent with sales and profit declining fast. At the same time competitors are experiencing similar situation and the whole product category are declining and become obsolete (Rodrigue).

**Competition between Android and iOS Operating System**

Let us examine Apple iPhone’s product cycle and predict what would happen with iPhone’s future. Here below is the graph showing global market share in sales to end users for Android and iOS Smartphone operating systems from Q1 2009 to Q4 2013 indicating Android, the major competing operating system to Apple iOS, started
overtaking iOS in the crossing point during 2\textsuperscript{nd} quarter of 2010, similarly as to a typical product cycle when competitors’ sales start exceeding the product’s sales.

**FIGURE 5.** Global market share by Android and iOS Smartphone operating system in sales to end users from Q1 2009 to Q4 2013 (Data source: Statista)

Here below is the graph showing worldwide smartphone operating systems’ market share in units from 2011 to Q1 2015. Competitors such as Android, Windows,
BlackBerry etc. started coming in during 2009, challenging Apple’s proprietary iOS operating system with Android as the major competing operating system used mainly for mobile devices such as tablets and Smartphones. In 2009, around 4 percent of new Smartphones sold to end users globally used Android as its operating system. In 2013, almost 80 percent of new Smartphones were Android-based devices. (Xing 2015, 109-23). Apple was able to maintain a stable market share of around 15 percent during the period. International Data Corporation (IDC) projected that in 2017 Android’s market share in the Smartphone segment would increase even further (Statistic Portal).
<table>
<thead>
<tr>
<th>Period</th>
<th>Android</th>
<th>iOS</th>
<th>Windows Phone</th>
<th>BlackBerry OS</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>78.0%</td>
<td>18.3%</td>
<td>2.7%</td>
<td>0.3%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>81.2%</td>
<td>15.2%</td>
<td>2.5%</td>
<td>0.5%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>75.5%</td>
<td>16.9%</td>
<td>3.2%</td>
<td>2.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>59.2%</td>
<td>22.9%</td>
<td>2.0%</td>
<td>6.3%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

**FIGURE 6.** Global smartphone operating system market share in units (Source: IDC)

Smartphone Vendors Market Share

Here below is the graph showing worldwide smartphone vendor market share in units. The graph shows the top 5 major Android based competitors to Apple’s iPhone with Samsung’s series of smartphone’s market share at 24.6% in Q1 2015, exceeding Apple iPhone’s market share of 18.3% and the rest of the vendors being much less in their market share with the third highest one being 5.6% in Q1 2015 when compared to Samsung and Apple. The smartphone market competition now concentrates between Samsung and Apple (idc.com).
<table>
<thead>
<tr>
<th>Period</th>
<th>Samsung</th>
<th>Apple</th>
<th>Lenovo</th>
<th>Huawei</th>
<th>LG Electronics</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>24.6%</td>
<td>18.3%</td>
<td>5.6%</td>
<td>5.2%</td>
<td>4.6%</td>
<td>41.7%</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>30.7%</td>
<td>15.2%</td>
<td>6.6%</td>
<td>4.7%</td>
<td>4.3%</td>
<td>38.6%</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>31.5%</td>
<td>16.9%</td>
<td>4.7%</td>
<td>4.2%</td>
<td>4.7%</td>
<td>38.1%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>28.9%</td>
<td>22.9%</td>
<td>5.0%</td>
<td>3.4%</td>
<td>3.2%</td>
<td>36.6%</td>
</tr>
</tbody>
</table>
FIGURE 7. Global smartphone vendor market share in percentage (Source: IDC)
CHAPTER 4

IPHONE’S ADD-ON MARKETS

In order to maintain profitability of the iPhone economy, Apple with its proprietary operating system iOS thus dictating add-on provisions and with App Store providing add-on platforms for consumers to download application programs (Apps) which cover almost every aspect of our daily lives. Another platform is the iTune Store selling music to be played in Apple’s products such as iPhones which dominates the online music store market.

iTune/Software/Services Revenues

Apple generated $4.485 billion from iTunes, software, and services in Q3 2014; an increase of 12 percent from 2013, when the reported revenues were $3.99 billion, but down 2 percent from the Q2 2014, when the sector generated $4.573 billion (Larry, 2015). The rise in revenue was mainly due to apps sales growth through iTunes and the Mac App Store. The total lifetime downloads to date from the App Store had exceeded 75 billion. Finally, Apple sold $1.32 billion in accessories during the Q3 2014, an increase of 12 percent from $1.18 billion in Q3 2013, but down 7 percent from $1.42 billion in the Q2 of 2014 (Mathis, 2014).
FIGURE 8. iTunes/Software/Services Revenue from 2011 to Q3 2014 (Data source: Apple Inc. financial statements)

The Apps Store

During the first week of January 2015, customers have spent over $500 million on apps in Apple Apps Store which had more than 1.4 million apps for download (Passary, 2015). Apps cover almost all aspects of everyone’s daily lives. Apps store developers generally got revenue from Apps price or from In-Apps purchases or serve advertisements from iAd, which the developer could get as much as 70% of the revenue. Game apps accounted for majority of the revenue, whilst a lot of the most valuable apps
were offered for free and generated their revenue through other means such as Facebook and Amazon (Benedict, 2014) The very successful messaging App “WhatsApp” acquired by Facebook in Oct 2014 for $22 billion showing the huge potential earnings from a successful app (Oreskovic, 2014)!

**Apps Revenue Comparison**

Apple revealed that at its Worldwide Developer Conference that they had paid off over $5 billion to developers based on 50 billion downloads for 1.25 million apps in the App Store in 2013 (Tristan, 2013). Here below is the comparison data in 2013 between the 3 major apps stores, namely Google Play for Android products, Apple Store for iOS products and Microsoft Store for Windows products.

**TABLE 2. Apps store comparison in 2013**

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Apple App Store</th>
<th>Google Play</th>
<th>Microsoft Marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of apps (in thousands)</td>
<td>1250</td>
<td>800</td>
<td>160</td>
</tr>
<tr>
<td>Number of developers (in thousands)</td>
<td>235</td>
<td>150</td>
<td>45</td>
</tr>
<tr>
<td>Number of users (in millions)</td>
<td>600</td>
<td>900</td>
<td>12</td>
</tr>
<tr>
<td>Number of downloads (in billions)</td>
<td>50</td>
<td>48</td>
<td>0.65</td>
</tr>
<tr>
<td>Paid to developers (in millions)</td>
<td>5000</td>
<td>900</td>
<td>100</td>
</tr>
</tbody>
</table>
Annual gross app store revenue from iOS and Android had exceeded $21 billion and in the last 12 months preceding July 2014, on public announced numbers, Apple had paid out roughly twice than Google, $10bn versus $5bn, on roughly 2/3rds of the number of devices (Benedict, 2014). If we believe the theory that resources run after money, that explains why Apple Store Apps/users ratio (1250/600=2.08 versus 800/900=0.89) and developers count (235 versus 150) far exceeds Google Play. Below is the graph showing app store revenue for Apple and Google. Apple is consistently well above Google with only 2/3rds of Google users (Waterson and Doyle, 2015).

Top 10 Most Popular Free iPhone Apps of All Time

TABLE 3. Top 10 most popular free iPhone apps of all time

<table>
<thead>
<tr>
<th>Rank</th>
<th>Apps</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Facebook</td>
<td>Facebook is the most popular social network in the world and no surprise it tops the most popular app of all time.</td>
</tr>
<tr>
<td>2</td>
<td>Pandora</td>
<td>Pandora is the new radio station that iPhone has made it into a big business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Instagram</td>
<td>Instagram is a popular social network and best to share photos with friends.</td>
</tr>
<tr>
<td>4</td>
<td>YouTube</td>
<td>YouTube used to be a given app on iPhone until 2012 and since then it needs to be downloaded as a free app, but it has already become one of the five most popular free apps of all time since such short time lapsed.</td>
</tr>
<tr>
<td>5</td>
<td>Skype</td>
<td>Skype is the best way to video chat with people around the world on Smartphones as well as PCs.</td>
</tr>
<tr>
<td>6</td>
<td>Words With Friends</td>
<td>This social app takes on Scrabble game and is becoming very popular.</td>
</tr>
<tr>
<td></td>
<td>Free</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Weather Channel</td>
<td>It has among the best brand recognition in midst of numerous weather apps, thus making it one of the most popular.</td>
</tr>
<tr>
<td>8</td>
<td>Twitter</td>
<td>Twitter is the best way social network to get a quick update on what's happening around the world on your iPhone.</td>
</tr>
<tr>
<td>9</td>
<td>Temple Run</td>
<td>A lot of people think this is the most wonderful iPhone game ever that you basically run to beat your friends' best scores.</td>
</tr>
</tbody>
</table>
Google search

The best search engine and of course makes it one of the most popular app.

**Top 10 Most Popular Paid iPhone Apps of All Time**

**TABLE 4.** Top 10 most popular paid iPhone apps of all time

<table>
<thead>
<tr>
<th>Rank</th>
<th>Apps</th>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Angry Birds</td>
<td>The Angry Birds game started its original version in 2009 and ever since captured our angry hearts. The game has its own franchise in food and apparel, and even a theme park.</td>
<td>0.99</td>
</tr>
<tr>
<td>2</td>
<td>Fruit Ninja</td>
<td>Fruit Ninja game allows you to slice all the fruit along the way.</td>
<td>0.99</td>
</tr>
<tr>
<td>3</td>
<td>Doodle Jump</td>
<td>With the control by tilting your phone left or right, the game lets you make your way through UFOs and aliens.</td>
<td>0.99</td>
</tr>
<tr>
<td>4</td>
<td>Cut The Rope</td>
<td>This game lets you snip string to get the candy from a creature's mouth.</td>
<td>0.99</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Angry Birds Seasons</strong></td>
<td><strong>WhatsApp</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>5</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>This app updates ongoing festivities to your Angry Birds game, be it Christmas, Chinese New Year, Halloween or Valentine's Day.</td>
<td>WhatsApp moved from outside Top 10 to number six since 2012. This messaging app allowing messages to be sent to your mobile phone identified by your phone number. It was becoming so popular that Facebook acquired it in Oct 2014 for an incredible $22 billion!</td>
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CHAPTER 5

CONCLUSION

Apple announced its all-time record sales of 74.5 million units’ iPhone as well as the record performance of the App Store for the quarter ending Dec27 2014. Although didn't quite catch up with this record high figure, Apple sold 61 million iPhones in the first three months of 2015, thanks to the growing popularity of iPhones in emerging economies like China (aaplinvestors.net). It has been almost 8 years since consumers can purchase the first iPhone and iPhone is ever increasing its influence in our everyday lives. Recent developments include Apple Pay, Apple Watch, Cloud based apps and services etc. are likely to make marked changes in consumers’ behaviors again. There comes the question: how long will this iPhone phenomenon persist?

A lot of speculations prevail: will Samsung and Android beat out Apple and iOS? Will smartphone/tablet hybrid “phablet” takes the stage forcing out smartphones? iPhone’s market share will drastically diminish as Android based smartphones can be purchased as low as $200 compared to iPhone’s price of $600 plus? Going forward there would only be incremental enhancements for smartphones, you cannot possibly make it thinner and lighter? iPhone is no longer the superior smartphone anymore in midst of competition (aaplinvestors.net)?

If we looked back to the 1970s when Apple personal computer was introduced and coming alone with rivals IBM and its compatible PCs dominating the market, we saw the PC era persisted for more than 40 years to date. Although there is drastic decline of
PC sales now, its product cycle still doesn't come to obsolete yet. Smartphone, compared to PC, is not only a device but a platform which appeals to almost all individuals with far more functionalities and applications, would likely to persist for a long period to come. Until there is an eye opening technology and product to come, iPhone, being the pioneer in the Smartphone Era, will have a prominent place there!

In conclusion, iPhone through its sales, manufacturing and add-on markets has single-handedly impact various economies and international trade deficit markedly. The countless applications are affecting almost every individual in their everyday lives. Since its product cycle is still in its growth to maturity stage, the market is still anticipating for another revolutionary product to move forward from the current platform iPhone provides.
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