

Apple Plans to Release 3 New iPhones in 2019 Amidst Backlash Over iPhone XR By Madeleine Kerr, J.D. Candidate 2021 | January 25, 2019

For the fourth year in a row, Apple plans to release [three new iPhone models](#) in 2019. In 2018, Apple released three phones, the latest being the iPhone XR, which went on sale in October. The XR is the most affordable phone within the [“X” series](#), in large part due to its [LCD display](#), which has significantly lower resolution compared to the OLED display used for the rest of the iPhone family. The XR costs \$749 while the smaller XS costs \$999 and the larger XS Max costs \$1099. Analysts expect that the prices of the 2019 generation will closely reflect the prices of the current “X” series.

Though Apple has not yet reported earnings from its fiscal 2019 first quarter, which ended on December 29th, in early January CEO [Tim Cook](#) wrote a letter to investors expressing the anticipated earnings to be about \$84 billion. This figure is down from a prior estimated range between [\\$89 billion and \\$93 billion](#). Apple blamed the anticipated sales drop on lower than expected iPhone sales in China. China’s [economic growth](#) has been slowing dramatically over the past year, likely due at least in part to the ongoing trade war between China and the United States. Though the XR was Apple’s best seller in the U.S. in 2018, its performance in China fell far short of what was expected. In fact, [Japan Display Inc.](#), the multibillion dollar company that makes the XR’s LCD screens, now needs a bailout as a result of the low sales.

Though the most affordable of the three iPhones in the 2018 releases, the XR is likely just too expensive to compete with local smartphone companies in China, especially given the troubled Chinese economy. According to [Fortune](#), Chinese companies build devices that look and operate a lot like the iPhone, but come with a much cheaper price tag. Though they are close copies, the companies reportedly get sympathy from the Chinese government and are not often prosecuted for intellectual property crimes. It appears that Apple has not yet found a way around this problem, but it seems it will not be able to increase sales until it creates a more affordable iPhone. At \$749, the XR is considered the “most affordable” iPhone but certainly is not cheap. If Apple needs to rely so much on sales in China while the country’s economy is in decline, it will need to tailor its products to that customer base.

The Wall Street Journal reported that Apple plans to release a [second addition](#) of the XR in 2019 despite its poor sales because it has been in the product pipeline for too long and would be very difficult to scrap. It will be interesting to see how investors react to this news as there is little reason to believe the new XR will do any better in 2019. Indeed, Apple will likely beef up certain features of the phones with new camera systems and the like, but this is unlikely to solve Apple’s low phone sales in China.

