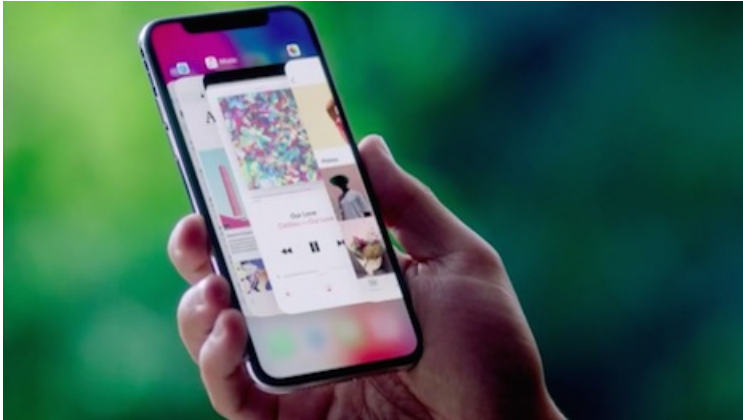


CONSUMER ELECTRONICS

Apple slashes \$1K iPhone X production for Q1

January 29, 2018



The iPhone X may have elevated Apple too high. Image credit: Apple

By STAFF REPORTS

Following slower-than-expected holiday sales during the holidays, consumer electronics maker Apple plans to reduce production of its iPhone X by 50 percent.

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According to Nikkei, Apple has notified its suppliers that target production for the first quarter of 2018 will be reduced to approximately 20 million units. The iPhone X has not performed as strongly as Apple had hoped, with slow sales in Europe, the United States and China.

A bad Apple

The iPhone X model has significant improvements over the iPhone 8 and sees Apple continuing its establishment of two tiers of phones. While previously, those tiers have consisted of "standard" and "discount" models, with the iPhone X priced at \$1,000, Apple dipped into a new tier: luxury ([see story](#)).

Per Nikkei, Apple is said to be maintaining a total production of 30 million for its standard smartphones, which include iPhone 8, iPhone 8 Plus and iPhone 7.

As of press time, Apple shares have dropped 1.9 percent since production cuts were announced by Nikkei. Market value of Apple has dropped \$45 billion in a week due to concerns of iPhone X's lackluster demand.



Brikk's iPhone X plays into the phone's luxury target. Image courtesy of Brikk

Apple's iPhone X woes are not so surprising altogether. The high-end smartphone market has struggled to differentiate itself from the just-as-good standard models.

In July 2017, British luxury smartphone manufacturer Vertu closed its doors, signaling the dangerous road for luxury brands that seek to enter the world of consumer electronics.

Brands from across the luxury world have been partnering with electronics manufacturers or releasing their own electronics, but the dangers of the field are clear. Luxury brands frequently just do not have the resources or know-how to compete with the likes of Apple and Google in this field ([see story](#)).

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