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Beyond the Screen

How much does it cost to
manufacture an iPhone?

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Do you know the feeling of leaving the house and realising you've left your phone at home? A feeling of sudden disconnection from the world, like a part of you is missing.

Smartphones have become a necessity for many people throughout the world and an inseparable part of their daily lives. From your morning alarms to the Netflix series on your transit to work; the smartphone has become glued to the hands of its 1 billion users worldwide.

According to WebFX in the US, the average man or woman will live about 79 years. Now the average lifespan of a cell phone is 1.8 years. This makes a total of 43.9 cell phone devices used in a person's lifetime.

Apple Inc. is an American multinational technology company that designs, develops and sells consumer electronics, computer software, and online services. It is one of the most popular companies in the world and the founder of one of the most ubiquitous smartphones we have today: the iPhone.

The technology giant introduces a new iPhone model 1-2 times a year. On average, Apple charges 1-1.5k for their newest version of the iPhone. The price varies by a few hundred dollars in regard to the size of the phone's storage. On September 20th, 2019, Apple introduced the iPhone 11 series: the iPhone 11, iPhone 11 Pro and the iPhone 11 Pro Max.

The most expensive iPhone from this series is the iPhone 11 Pro Max. It comes at a starting price of \$1099 for the 64GB variant and up to \$1449 for the 512GB variant.



iPhone 11
\$699



iPhone 11 Pro
\$999



iPhone 11 Pro Max
\$1099

The Breakdown

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If you've ever considered purchasing the newest of the line iPhone, no doubt that you've asked yourself whether the phones are worth their thousand-dollar retail prices.

Every year, Tech Insights break down and identify the various components of the newly introduced iPhone; they disclose how much they cost individually, and then add everything together to reveal the total production costs. In 2019, the disassembling of the 512GB iPhone 11 Pro Max was conducted by Tech Insights in collaboration with NBC News.

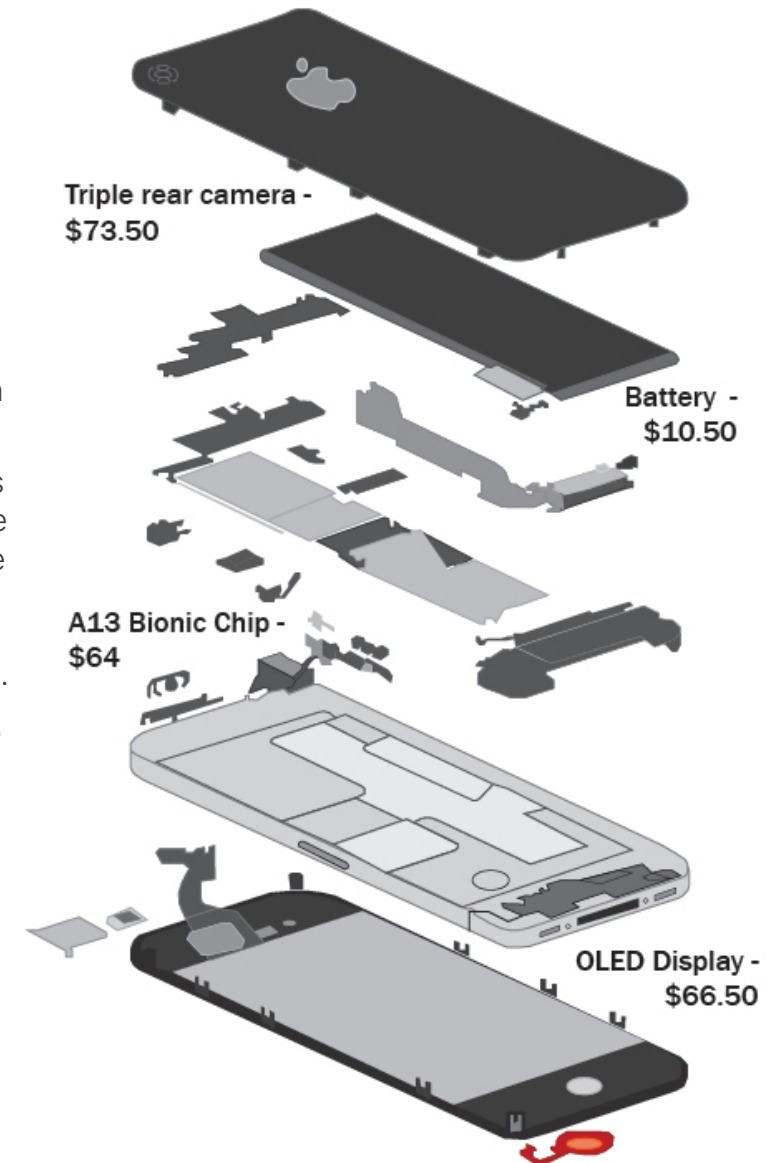
According to the Tech Insights the breakdown reveals that the most expensive component of the iPhone 11 Pro Max is its triple rear camera installation.

It is estimated that the cost of the lens is \$73.50. The second most expensive component is the 6.5-inch Super Retina OLED display, also known as the 'screen' with an estimated cost of \$66.50; followed by the A13 Bionic chip supposedly priced at \$64. So far, these three items have a total

of \$204. The price of the battery which is actually supplied by Samsung is \$10.50, taking the total to \$214.50. An additional \$159 goes towards the processor, modem and storage of the iPhone; the sensors, supporting material and assembly adds an additional \$181 to the production price.

The grand total of the iPhone 11 Pro Max is \$490.50; which is about 45% less than the selling price of the iPhone. Assembling the components by Foxconn in China or India is \$21 per iPhone. Keep in mind that this is only the price of the BoM (Bill of Materials).

The remaining \$608.50 isn't pure profit as it has to cover Apple employee salaries, the expense of shipping worldwide, the software, marketing, and intangibles such as the R&D (Research and Development) costs.



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Pricing

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According to the HIS iSuppli data the iPhone's BoM has steadily increased over the years:

On a grand scale after taking all costs into consideration and the number of phones you'll go through in your lifetime; do you think that Apple deserves your \$1.5k...Multiplied by 44?

