

# Apple works to keep up with crush of iPhone demand

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Rafael Rosario, of Miami, left, pumps his fist, as he enters the Apple store to purchase a new Apple iPhone 4, in Miami Beach, Fla., Thursday, June 24, 2010. Apple Inc.'s newest iPhone was in hot demand Thursday as hundreds lined up outside stores in Tokyo, Berlin, New York and elsewhere to become among the first to own the device. (AP Photo/Alan Diaz)

(AP) -- The iPhone 4 has arrived, but for some people the wait continues as Apple sprints to keep up with fierce demand for its latest gadget.

From Tokyo to San Francisco, some stores started selling out of Apple Inc.'s newest iPhone just hours after it went on sale Thursday. Some would-be buyers walked away disappointed; tensions grew at Apple stores that hadn't run out.

In Aventura, Fla., Loren and Veronica McHenry held out hope, even after miscommunications landed them at the back of the line. They were told Wednesday that no one was allowed on mall property overnight, but returned the next day to learn 120 people had camped out at a nearby parking lot.

As the crowd pushed closer to the store, Apple employees started yelling that the fire marshal was going to shut the store down unless people moved back. The McHenrys were shoved out of place and behind a large group of people who refused to budge from their spots. Loren McHenry, 42, said two men in front of them threatened to fight each other rather than move, and guards sent a handful of people home for cutting in line.

After 11 hours, the couple finally had iPhones, but Veronica McHenry vowed to pre-order to avoid such a scene in the future. At other stores, even people who reserved a phone waited in line for eight hours or more.

Outside New York's Fifth Avenue store, Jasmine Cordova, 25, said that given the hype and advertisements surrounding the launch, "they should make sure to stock enough."

It seems even Apple was surprised by the number of people who wanted to snap up the fourth version of the iPhone. More than 600,000 had rushed to pre-order iPhones on the first day they were available, prompting Apple and its exclusive wireless partner in the U.S., AT&T Inc., to stop taking orders for pickup or shipment by Thursday's launch. On Apple's website, new orders weren't promised for delivery until July 14.

Those who didn't order in advance lined up outside Apple stores in the hopes of snagging one on a first-come, first-served basis.

Apple spokeswoman Natalie Harrison said demand was "off the charts,"

and that the company was working hard to get phones into customers' hands as quickly as possible.

Some stores sold out completely within hours. Brian Marshall, an analyst for Gleacher & Co., said certain Apple stores likely had enough iPhones to last into Friday before selling out. A new shipment could be in stores as early as Saturday, he said, but more likely won't arrive until early next week.

Apple is having a hard time getting enough of the new custom parts for the iPhone 4, such as its new higher-resolution screen, Marshall said. Apple has said the white iPhone it plans to produce has been more challenging than expected, and won't be available until late July. Only black models went on sale Thursday.

It may also be the case that Apple correctly anticipated opening-day demand but sent too many phones to some of its 200-plus U.S. stores and not enough to others, said Kaufman Bros. analyst Shaw Wu.

Despite heightened concerns about a short supply, the scenes at Apple stores as the phone went on sale in Japan, Germany, France, the U.K. and the U.S. were familiar ones.

As was the case with last year's iPhone 3GS launch, the eager throngs seemed unfazed by ongoing economic uncertainty.

Apple employees continued the tradition of providing bottled water, coffee, bagels and even cupcakes to people in line. In downtown Chicago, the store handed out black umbrellas with white Apple logos for customers who waited overnight through severe thunderstorms and even defied tornado sirens that wailed around the city.

In Tokyo's swanky Ginza shopping district, a man dressed as a giant

iPhone danced and waived his arms as he made it to the front of the line. As always, people traveled long distances to get an iPhone before their countrymen. Alex Lee, 27, flew from Dubai to join the 500-person-long line along London's Regent Street.

Enterprising people with time on their hands found ways to make a buck. Jordan Richardson, who waited outside the Chicago store since 7 a.m. Wednesday, sold his spot early Thursday for \$500, then paid another customer \$200 to get back in line. His profit of \$300 was enough to cover the cost of the higher-capacity model (a lower-capacity version sells for \$100 less).

Both models require a two-year contract. AT&T scrapped its unlimited-use data plan and now requires people to pay \$15 per month for 200 megabytes of data, or \$25 for two gigabytes. Existing AT&T subscribers can keep their \$30-per-month unlimited plans.

Some people were drawn by the new iPhone's thinness, its better-resolution screen and longer battery life than prior versions. The iPhone 4 also has cameras on both sides for face-to-face video calls.

Others were simply desperate.

"I have the 3GS," said Julia Glanternik, 28, a medical student in New York, "but my friend dropped it in a pitcher of beer last week."

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