

Sprint customers line up as it gets 1st iPhone

October 14 2011, By PETER SVENSSON , AP Technology Writer



A line of people, wanting to purchase the new Apple iPhone 4S, wait in line for a Sprint store to open in San Francisco, Friday, Oct. 14, 2011. Apple's latest iPhone arrived to an enthusiastic response from buyers camped out at stores Friday, but many observers noted the crowds were smaller than those that gathered for previous releases. (AP Photo/Eric Risberg)

(AP) -- Apple stores got the longest lines as the new iPhone model launched Friday, but there were lines at Sprint stores too, as the carrier got a chance to sell the phone more than four years after the first model was launched.

Product chief Fared Adib said that by midday, the [iPhone](#) had broken Sprint's record for first-day sales of any phone. Sales were above the company's expectations, he said, without giving any figures.

[Sprint Nextel](#) Corp. joined bigger carriers AT&T and Verizon Wireless

as a seller of the phone. Spot checks in Philadelphia and San Francisco showed that the lines outside Sprint stores were longer than at its rivals.

Sprint is struggling to compete with the bigger carriers and expects the iPhone to help it keep subscribers.

In Chicago, 18-year-old Torian Marshall was among the 150 or so people lined up outside an Apple store on Friday morning. He had been holding off on getting an iPhone until his service provider, Sprint, got it.

"I'm so excited. I've been waiting forever," he said.

Kaufman Bros. analyst Ben Abramovitz said talks with about 50 people in line for the phone at a Sprint store revealed that most of them are current Sprint customers looking to upgrade, particularly BlackBerry users looking for a more Internet-friendly phone. He also found some AT&T Inc. and T-Mobile USA customers looking to switch.

Sprint will be paying a lot of money to put iPhones in customer hands: It's subsidizing each iPhone 4S by about \$400 to get it down to the \$200 price for the 16 gigabyte version. It's also selling the cheaper iPhone 4.

Credit ratings agency Moody's Investor Service on Friday downgraded Sprint's debt, sending it further into speculative-grade, or "junk" territory. Part of the reason is the cash drain that iPhone sales will cause before they start paying off through higher monthly service fees.

The chief reason behind the downgrade, however, is Sprint's decision to upgrade its wireless network for faster data speeds, Moody's said. Sprint revealed that decision a week ago, to the dismay of investors.

Sprint's stock increased 1 cent to close Friday at \$2.79.

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