

Verizon Wireless Ends Long Wait for iPhone Fans

(Reuters) -- Frustrated Verizon Wireless consumers soon will get their hands on Apple Inc's iPhone after waiting three-and-a-half years. The top U.S. wireless operator will begin selling a version of the phone on February 10 at the same prices as AT&T Inc.

"I'm going to switch right away. I'm going to go back to Verizon," said Raheem Noble, 24, a New York City rapper, who was on his way to buy the device before being told that pre-orders would not begin until February 3.

The new phone puts an end to AT&T's three-year-old status as the exclusive U.S. provider for the iPhone - but leaves questions over how much Verizon Wireless would be able to capitalize on the deal with Apple.

For one, Verizon did not say on Tuesday what it would charge for its iPhone data and service plans when the phone goes on sale. There were expectations that it would trump AT&T by offering the device with unlimited data service plans. Verizon likely will announce those prices before pre-orders begin on February 3, said Verizon Wireless Chief Executive Daniel Mead. He said he was prepared for "unprecedented" demand.

The phone will not work all around the world because it runs on the CDMA network, which is not supported in many big markets such as the United Kingdom and France. In addition, Verizon's first iPhone customers may buy a phone that is outdated only months later if Apple upgrades the iPhone on its typical early summer launch schedule.

"Some buyers may want to wait for a new iPhone that is likely coming in June. I already had people coming to me asking, 'should I wait?'" said BGC partners analyst Colin Gillis. "On the other hand, a surprising number of people just don't want to wait."

Some analysts, pointing to years of pent-up demand among Verizon Wireless customers, expect it to sell 9 million to 13 million of the slim, touchscreen iPhone this year. Verizon, a venture of Verizon Communications and Vodafone Group Plc, said the phone would be available at 2,000 of its stores. Prices with a two-year agreement are \$199.99 for the 16-gigabyte model or \$299.99 for the 32-gigabyte model - comparable to what AT&T charges.

Kim Caughey Forrest, senior analyst with Fort Pitt Capital Group, which holds shares in Verizon, said she believes there are many people who have been reluctant to buy an iPhone because of worries about the quality of AT&T's network.

As an example she cited her home town of Pittsburgh: "A lot of people in Pittsburgh are really excited about the prospect of having a Verizon iPhone. I don't believe

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they are alone. I don't think we are a unique market," she said.

Todd Rethemeier, an analyst with Hudson Square Research, agreed, saying that "as many as Apple can manufacture in that first year, Verizon will sell." He added, "The average person, who has stuck with Verizon for the past 3 years, was suffering from iPhone envy."

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