

Business News 11 – iPhone Launch

Today, we're talking about Apple's new mobile phone – the iPhone – actually it's a combination of phone, iPod and internet browser all rolled into one gadget. We'll be looking at the hype – or massive publicity – surrounding the launch of the iPhone and taking a closer look at the vocabulary we use to describe product launches and the retail market.

Article:

After six months of **unprecedented hype**, thousands of people last Friday finally got their **hands on** the iPhone, the new cell phone that Apple is **banking on** to become its third **core business** next to its **moneymaking** iPod players and Macintosh computers.

By early evening Thursday, short lines of **eager customers** were **camped out** at Apple and AT&T stores across the nation. The **gadget**, which combines the functions of a cell phone, iPod media player and Web browser, went on sale in the United States at 6 p.m. last Friday.

At Apple's **flagship store** in New York City, the **trickle** of customers that began **queuing** on Monday grew to 100's by late Thursday, ready to **brave** yet another rainy night on the pavement of **Fifth Avenue**, outside the only 24-hour Apple store.

The gadget with a 3.5-inch **touch-screen** display, which Apple CEO Steve Jobs has **touted** as "**revolutionary**," has been the focus of **endless media speculation** and has been **parodied** on late-night TV. Since its **unveiling** in January, expectations that it will become yet another **blockbuster** product for Apple has **propelled** the company's stock up more than 40 percent

Apple itself has set a **target** of selling 10 million units worldwide by 2008, gaining roughly a 1 percent **share** of the cell phone market.

And despite the **handset's** price tag of \$499 for a 4-gigabyte model and \$599 for an 8-gigabyte version, some **bullish Wall Street analysts** have predicted sales could hit as high as 45 million units in two years.

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Vocabulary

1. **unprecedented hype** (*collocation*)

Unprecedented is an adjective we use to add strong emphasis to the uniqueness of an event – unprecedented literally means something that has never happened before – and in this case what’s never happened before is the kind of **hype** or massive publicity and media coverage surrounding the unveiling of this new product. **Hype** is an informal noun meaning excessive or too much publicity.

Just enough hype is a good thing and if you go too far with it, it could be bad. So hype can be negative or positive - so you could say:

All the hype surrounding Paris Hilton going to jail is crazy.

2. **(get your) hands on** something (*phrasal verb*)

And if a new game or fashion accessory is getting a lot of hype, you probably would like to **get your hands on** it - meaning literally have it in your possession – *I can’t wait to get my hands on an iPhone!*

3. **banking on** (*phrasal verb*)

To **bank on** is a phrasal verb meaning to “count on” or “depend on” somebody doing something or something happening. So, Apple is banking on the iPhone to sell really well and become the third main part of its business.

4. **core business** (*collocation*)

Yes, its **core business** or in Apple’s case, it’s third core business. Core means central or most important – such as *Nokia’s core business is making mobile phones.*

Apple first started off just making computers and then they introduced the iPod and, because that was incredibly successful, it became its second **core business** and now this new iPhone is going to be their third. And if they’ve created the demand that they’ve created for the iPhone that they had for the iPod, they will be moneymakers.

5. **moneymakers** (*noun*)

Both the iPod and Mac are already Apple’s key **moneymakers** – that is, they bring in the highest sales and make Apple a lot of money. Apple sells a lot of products but they make of their money from core products – and these two are the key ones and they want to add the iPhone to make it the third core business.

6. **camped out** (*phrasal verb*)

The iPhone is this much hyped product – got a lot of unprecedented media coverage, unprecedented hype – and this has made it a highly desirable product, so some people have gone to crazy lengths to get their hands on one. Yeah, they created such a demand that people literally camped out – people slept in the street for several days to be first in line to buy a product.

Camping is when you sleep outside in a tent – Yeah, next week I’ll be going camping on Vancouver Island, and that’s a little more desirable area, but it just means sleeping outside, so if you do it on a sidewalk in New York that is camping out.

7. **gadget** (*noun*)

And you know people were camping out for in the rain for 3 days just to get their hands on this **gadget**. **Gadget** is a word used to describe small, portable electronics devices. But we don't usually refer to very common items, such as a mobile phone, as a gadget because they are now so common now, but I'd say the iPhone, being so new, we can call it a gadget. And that uniqueness is what has all the gadget freaks excited and camping out.

8. **flagship store** (*noun*)

And they're camping out in front of Apple's **flagship store**. Flagship is a naval term – it meant the Admiral's ship or the lead ship in a group of warships. So a **flagship store** is the one that a company considers the most important because of location or sales level. And it's on **5th Avenue** – the most important shopping street in New York (*I'd never go camping there!*). We can also have a flagship product, for example Motorola's Razr phones – you could say the 'Razr' is Motorola's flagship product line – it's most important phone model. And that's what's unprecedented about Apple's action here – they may have 3 flagship products.

9. **trickle** (*adjective*)

10. **queuing** (*verb*)

11. **brave** (*verb*)

A line of people waiting to buy something in British English in particular we usually call a **queue** (spelled: Q U E U E) – not often used in American English – no we don't actually use that this much, we have to stand in line.

Here, in the article, it's used as a verb, meaning to line up and wait for something. At first there was just a **trickle** of people **queuing** up – just a small flow of people joining the line. And these were people that didn't mind **braving** the bad weather – braving is a verb used to mean facing something difficult – like a hardship such as camping out – you can brave the weather, you can brave wild animals, you can brave mountains – lots of things can be 'braved'.

12. **touch-screen** (*noun*)

One of the big features of the iPhone that they're talking about is its touch-screen. This is a special screen, like the one's on PDA's or cash registers that react when touched – you can use the **touch-screen** to control the functions of gadget or the iPhone – so if I wanted to dial a telephone number, the numbers would appear on the screen and I'd just tap those to actually dial the number.

13. **touted** (*verb*)

14. **revolutionary** (*adjective*)

Yeah, this touch-screen is actually revolutionary, the things I'm reading are that it's been superbly designed and it's so easy to use that people can use it without reading instructions. It's what we call very intuitive and it's a revolutionary design change in the way phones are done. And Mr. Jobs has been **touting** this iPhone. Yeah, this is unusual for Apple. Normally they don't respond to rumours but this time they actually announced the product six months before it really came on the market. And that might have been something that led to this "endless media speculation?"

15. **endless media speculation** (*collocation*)

Yeah, **endless media speculation** – lots of newspapers, magazines and tech websites kept publishing stories – or really just speculations – guesses – about what the iPhone might do and when it would be released etc.

16. **parodied** (*verb*)

It became so hyped or talked about that even the late-night TV shows in America began to **parody** it, or make fun of it. And that's a great complement really. Late night TV shows in America are a series of shows, they are every night of the week, they tend to be very informative, they cover a lot of topical information and usually they are humorous in nature - which is really what a parody is, right? Yeah, it's just making fun of something.

17. **unveiling** (*noun / to unveil = verb*)

Now we just said before that Apple is usually very secretive about new products it's developing. But there was such a media frenzy - or hype – surrounding the launch that they actually did something unprecedented and made a public announcement 6-months before they **unveiled** the gadget. Yeah, that's very unusual, especially for Apple. A lot of companies deal what we've come to call 'vaporware' – introducing a product before it's actually built. Apple's never done that but they were almost forced to do that this time because there was so much discussion about the product. And we talk about when you release a product or launch it or have a press conference to talk about it, we say you've **unveiled** the product. This word comes from veil, which is a thin piece of cloth usually placed over the head or over an object to hide it from view. So to **unveil** something like a product is figurative speech describing the announcement or display of a product to the public. It's similar to product launch but in this case the product wasn't launched – it was just unveiled or announced to the public. The launch came later as we can see from the article.

18. **blockbuster** (*noun*)

So Apple is hoping all the unprecedented media coverage and the hype is going to help the iPhone become a **blockbuster** product. Right, a blockbuster is an interesting combination of very good PR and a very good product. You can't just have one to be a blockbuster – you can't just have one to be a blockbuster – it has to be both. And where does blockbuster come from? A blockbuster refers to the movies, that's where it originally came from, and a blockbuster just means a movie that so successful that people lined up in circles around the block to see it. And a block is just a length of road? A block is a square section of a city, formed by streets.

19. **propelled** (*verb*)

So all this hype and the fact that the product is a blockbuster and that people have camped out – all of this has combined to **propel** Apple's stock (price) to new heights. Yeah I think it's now \$127 a share – up from \$85 at the beginning of the year when they first unveiled the iPhone. Well, what's very interesting is that Apple's stock increase reflects the fact that Apple is about to grab a very significant market share, and create a core product, in an area that it didn't even participate in before.

20. **target** (*noun*)

21. **(market) share** (*noun*)

So what you're saying is that Apple is **targeting** or expecting to sell enough iPhones to gain about 1% market share of the whole mobile phone market? That's correct. And 1% doesn't sound like much but it's probably a huge number of phones. Oh, it's a billion, billion dollar market – yeah, I'd be happy with 1%!

22. **handset** (*noun*)

Towards the end of the article, they're using a term that's particular to the mobile phone industry; they refer to the telephones as a **handset**. Well that's a change, originally the handset was the part of the phone that you held in your hand. Of course, with revolutionary technology, today you hold the whole phone in your hand, so handset, in the industry, just means the phone.

23. **price tag** (*noun*)

Now Apple can never be accused of selling cheap products – it's computer and iPods are sold at a premium or higher than other similar products because it claims superior design and features. So the **price tag** for the iPhone is pretty high – just for the basic model it's about \$500.

24. **bullish** (*adjective*)

25. **Wall Street analysts** (*noun*)

But even at that price, I'd be **bullish** on this product, I think it's going to do very well and certainly Wall Street is bullish on it. Bullish here – we've divided the market into up or down – if it's going up, that's a bulls and if it's going down, that's a bear – so a bull market is a market going up – being bullish about a product means we're excited about that product, we think it's going to raise the company's stock.