

Investors Cheer RadioShack Split with Target Mobile

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RadioShack and Target have chosen to part ways, dissolving Radio Shack's hand in Target's mobile phone vending operation.

According to statement from RadioShack today, the company is shutting down its Target Mobile stores, which are currently present in 1,500 Target stores. The closures will be effective April 8, 2013.

The RadioShack and Target partnership provided RadioShack access to manage Target's post-paid mobility business, but RadioShack did not manage the prepaid mobility business or the wider range of accessories offered in Target stores.

RadioShack said it has been renegotiating the terms of its relationship with Target since October 2012 in an effort to make the partnership profitable for both companies. However, RadioShack executed a termination notice that would allow the company to exit the Target business if an agreement could not be reached.

"In order for RadioShack to have continued this relationship, we needed to establish a new agreement that would be financially appealing to both companies," said Telvin Jeffries, RadioShack executive vice president, chief human resources officer, and general manager of retail services. "Ultimately, we amicably agreed to dissolve the relationship."

Investors have never been amicable to the Target deal. As a result, shares of RadioShack rose over 4 percent on the news in premarket trading to \$2.31.

Source URL (retrieved on 02/01/2015 - 8:16am):

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