



BlackBerry reaches turning point

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The Atlanta Journal-Constitution

10:32 a.m. Sunday, July 18, 2010

Despite being hit from all sides by competitors offering smarter, faster devices, the BlackBerry remains the dominant choice of mobile technology in the business world.

Over its 10-year existence, the palm-sized gadget from Canada's Research in Motion has gone from being the status symbol of the executive suite to sitting in the hip-holsters of many rank-and-file workers. Brokers. Hard-hats on construction sites. Janitorial workers.

"BlackBerrys have moved well out of the corner office," said Steve Drake, program vice president at IDC, a technology consulting and research firm in Framingham, Mass.

But BlackBerry's reign is at a critical juncture. Its place on the cutting edge has been dulled by the likes of Apple's iPhone and Google's Android. The next 24 months could determine the Blackberry's fate.

"We're in the beginning of this next revolution and it's about devices giving us remote control over our life," said Jeff Kagan, a wireless and telecom analyst in Marietta. "Today, a BlackBerry is still mostly a business device. Over the next two years it will have to move more into the consumer space to compete with Apple and Google on that enormous opportunity. If they don't, they're going to lose business customers."

Try watching a movie or getting touch-screen access to information on your BlackBerry. Not gonna happen — at least not effortlessly. Stick to phone calls and texting. Android and iPhone users, meanwhile, can surf the Web, take calls, watch movies, listen to music and use scores of apps.

"These are all devices that have big-screen access to the Web easily," Kagan said. RIM's BlackBerry, he said, is "still good. Robust. They're not wowing the marketplace."

Apple and Google both upped the ante recently.

Nearly 2 million of Apple's iPhone 4 were sold in the first three days when it debuted recently (despite an antenna glitch that led to an embarrassing apology Friday). Not to be outdone, Google says some 160,000 phones running the Android system are being launched every day.

But for those who might think the BlackBerry may be down for the count, the numbers say differently.

Though competitors have chipped away at its market share, which has gone from half of the smart phones sold five years ago to about 35 percent today, RIM's Blackberry is still the No. 1 most shipped smart phone in North America, said IDC's Kevin Restivo, an analyst in Toronto.

"There's a plethora of devices available, reliable and consumer-friendly," Restivo said. "Networks are faster and

data plans cheaper, as are devices. That confluence of circumstances has left RIM with more competition.”

RIM, which has some 41 million users, has set its sights on 100 million customers as it pushes for broader mass appeal in the consumer arena. It has pinned a lot of that ambition on its BlackBerry 6 software, which has no firm release date.

(PC World magazine says RIM's latest upgrade smacks of “desperation” and the offerings of the “iPhone-Android wannabe” are already available on Android and iPhone.)

For all of its entrenchment in the business world, RIM and its BlackBerry still have quite a “to-do” list to stay ahead.

“They need to push forward on applications and have a strong set of partners,” Drake said. “They need to refresh their device portfolio. Continue to work their strengths.

“They’re strong because of their secure, reliable network. They need to go after the individual worker.”

Theoretically, that is easier these days, as the price of devices and their services have come down, making it affordable to more workers who, in turn, are buying the device on their own and hooking it into their companies’ networks.

But as iPhone and Android make inroads, more companies are ditching BlackBerrys.

British bank Standard Chartered, for example, said recently it would let workers switch from BlackBerrys to the iPhone. The bank is converting its worldwide e-mail system and said it will offer to cover the iPhone service costs of workers who need a smart phone for work. The bank has about 75,000 employees.

BlackBerry’s piece of the pie

Marketshare of the Big 3 smart phone devices:

Blackberry: 35 percent

iPhone: 28 percent

Android: 9 percent

Smart phone devices most used by workers:

RIM/Blackberry (57 percent)

Biggest BlackBerry users by industry:

Financial

United States government

Health care

Source: IDC

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