

Consumer dictates the market: Lesson from blackberry

Pratik D. Trivedi^{1,*}

¹PG Student, Dept. of K.L.S. Gogte Institute of Technology, Dept. of MBA, Belegavi, Karnataka

***Corresponding Author:**

Email: Pratik365hb@gmail.com

Abstract

Research in motion (RIM), once a leader in software industry, later popularly called as Blackberry with the introduction of its smartphone. It failed twice to understand the sign that it is going to face a tough competition in future by Apple's iPhone and Google's Android. Not analysing their consumer's need and adapting to proper marketing policy, it had a vertical fall. In upcoming years Blackberry waited for an opportunity to regain control over the market but, till today not much has been recovered. What went wrong that once a leader, Blackberry, lost its market and is struggling hard to get back what is been lost? An analysis from marketing perspective.

Keywords: Consumer, Blackberry, Marketing, Smartphone, RIM

Introduction

Research in Motion (RIM) means "we never stop" later popularly known as Blackberry was founded in 1984 by Mike Lazaridis and Douglas Fregin. Blackberry is a Canadian based multinational company, famous among people for its smartphones and tablets. But many people are not aware about Blackberry's eminent services in the internet software and specialization in creating corporate software. Post World Trade Centre attack, US government ordered all government officials to use a Blackberry due to its security and connectivity.⁽¹⁾ Their products are used worldwide by various businesses, car makers and government agencies which have magnificently bridged the gap from pager, to handheld computer, to smartphone. John S. Chen is present CEO for Blackberry.

The first smartphone as a product was introduced by Blackberry in April 2000, and the name given to this model was Blackberry 957. This phone boasted Blackberry OS and used BES to increase its functioning as the phone. Very next year Blackberry introduced Pearl 8100. This particular phone had a unique feature of multimedia and camera. With the success of Pearl series, the company decided to introduce few other models named- Curve 8300 and Bold 9000.

Before 2007, Blackberry was a market leader in mobile industry due to its features of easy usage of internet with better security.⁽²⁾ Every office goer wanted to have BlackBerry in his hand. Its e-mail tag line "sent via Black Berry" was a status symbol. As a competitor to Blackberry, Apple entered the market in the year 2007.⁽³⁾ With the existing hold of smartphone features Blackberry could sustain the competition but, unaware of the oncoming revolution in touch-operated phones in the market by Apple, Blackberry suffered a huge set back. Followed by the entry of Google's Android in the year 2010,⁽⁴⁾ Blackberry's rough patch had begun.⁽⁵⁾

Against the tough competition posed by Apple and Android, Blackberry decided to take few steps back for

a silent rethink and went in to dormancy. Until January 2013 it emerged back into market with two new smartphone models, Z10 and Q10 to recapture the confidence of people in the brand. The all new Z10 phone model flaunted the feature of full touch screen whereas and Q10 model implemented dual combination of QWERTY keyboard and touch screen.⁽⁶⁾

In this upcoming year Blackberry have writhed for an opportunity to regain its market but, till today not much has been recovered.⁽⁵⁾ What went wrong that once a leader, Blackberry, lost its market and is struggling hard to get back what has been lost?

Objectives of the Study

- To analyse reasons why Blackberry lost its market share in the smartphone business.
- To understand what consumers' expected from Blackberry in the smartphone market.

Research Methodology

- Present study is based on secondary data research analysis technique. The analysis is based on information from primary research pertaining to mobile or smartphones available on Blogs, Cases, Journals and websites.

Results and Observations

Reasons for Blackberry falling out of competition

1. Slow reaction to consumers' need and/or market changes-

The pioneer in introducing Digisync and Wireless e-mail solution, RIM (Blackberry) was a market leader, but could not visualize the change coming in the revolution of the smartphone business. Blackberry was able to give a facility of 'push mail' whereas Android brought the internet in the user's palm. Blackberry should have forecasted and reacted early to the oncoming change in the market.

2. Failure to understand consumer tastes in design of product⁽¹⁾

Curve and Bold's design by Blackberry were hit in the market; unaware of changing tastes of consumers Blackberry continued manufacturing same designs. Also company did not realise that, this was not handy and comfortable design demanded by consumer. Secondly, this winner model had a QWERTY keyboard as USP; to sell the phone, company kept on adding this feature in all their existing and feature phones including a touch-screen phone which was not users' friendly. As competitors presented variety of attractive user-friendly model with touch-screen Blackberry had to lose its common buyers.

3. Missing of catchy brand labels-

Blackberry's Bold and Curve became popular in the market and did good business but, the name or brand tag of the phone was not adored by the customers. On the other hand, the name "iPhone" was making people feel it as their own. Thus, it failed to provide a likable label and feel-own effect which proved to be another cause for its downfall.⁽⁷⁾

4. Failure from marketing team-

Blackberry mainly concentrated on its four pillars: 1.Long battery life 2.QWERTY keyboard 3.Undaunted security and 4.Firmness; which were good for the corporate and government organisations who could afford its high price but the company missed on large market share consisting of common consumers. Blackberry seemed to be never concerned about the product's cost affordability and thus neglected a large potential of common consumer population.

5. Fail to attain growing appetite of consumers in time-

Blackberry was an iconic product used by businesses, leaders, celebrities and teenagers. Its e-mail tag line "sent via Black Berry" was a status symbol. But the company was stubborn and hanged on to e-mail only. Technologies evolved from corporate-oriented approach to consumer-oriented approach. Consumers' needs asked for more features like touch screen, better browsing, primary and secondary cameras, unlimited games and apps which were not found in Blackberry's products. Orthodox system of Blackberry failed to meet the Call-of-the-hour and ended up being isolated. Short supply of its products diverted their consumers to their competitor's door.

6. Failure to recognising consumer's buying behaviour with respect to Mobile Phones⁽⁸⁾-

A survey was conducted with 246 consumers by using simple random sampling method. Data from both primary and secondary sources were explored, keeping in mind six important variables viz. Social group, Brand name, Price, Product features, Durability and After-sales services. Analysis results revealed that among six variables, Product features proved to be the most important variable. It acted as a motivational force and influenced consumers to fascinate about the product

- Keep an eye for other possible business hubs for business expansion.

and make up their mind for an assured purchase decision.

7. Distrust towards third-party software and applications-

Blackberry trusted more on own software rather than depending on third party software. This converted it into a close ecosystem. Article by D Barrera stated how a smartphone company can appoint a third party for installing its security software for the better running of the phone, to control the security measures along with more apps options. This turned out as a key factor in determining a platform's commercial success.⁽⁹⁾

8. Complicated use of software and roller ball in the phone-

Blackberry being its own developer for the software as well as the hardware of the phone, it had a difficult operating system and the phone's roller used for navigating through the phone made the operating even more difficult.

9. Multipurpose use of smartphones by consumer-

Smartphones have emerged like computers. Working on one platform is replaced by multiple platforms. A review on current and potential use of smartphone⁽¹⁰⁾ among physicians and students highlights that not only corporates but, other professionals can explore updates for their anticipated need, also a common person can obtain information from web in time through simple operating smartphone which was difficult with Blackberry.

Apart from the consumer's cold attitude, there were internal conflicts among management executives-missing the deadline, non-communicative conduct, low morale, blind marketing executives with little or no idea about source of problem, blame game tactics and tension rocketed team failing to understand the full ramifications of their own innovation was also cause of Blackberry's downfall⁽¹⁾

Lesson learned / Analysis outcome

For an effective marketing, marketing personnel should keep in mind the following points which have surfaced from our analysis-

- Make effective production and marketing strategies.
- Maintain deep relationships with the consumers and clients through persistent approach.
- Constantly improve quality by introducing new features to compete with other competitive brands in market.
- Ensure timely provision of the product with effective production and distribution, hence giving no chance for clients to insist and look for substitutes.
- Maintain viable rates for the product to maintain company's economic position.

Conclusion

Consumer is the Dictator in today's business. Never ignore or underestimate him.

Acknowledgment: I Thank Professor Prasad Kulkarni for guiding me in the project. I thank GIT management for encouraging in research.

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