

Critical, long-overdue BlackBerry makeover arrives

January 30 2013, by Rob Gillies



In this Sept. 9, 2008, file photo, the logo on a BlackBerry smartphone is shown in Bochum, Germany. The maker of the BlackBerry smartphone is promising a speedy browser, a superb typing experience and the ability to keep work and personal identities separate on the same phone, the fruit of a crucial, long-overdue makeover for the Canadian company. (AP Photo/dapd, Volker Hartmann)

BlackBerry maker Research In Motion Ltd. will kick off a critical, [long-](#)

[overdue makeover](#) when chief executive Thorsten Heins shows off the first phone with the new BlackBerry 10 system in New York on Wednesday.

Repeated delays have left the once-pioneering [BlackBerry](#) an afterthought in the shadow of Apple's trend-setting [iPhone](#) and [Google's](#) Android-driven devices. There has even been talk that the fate of the company that created the BlackBerry in 1999 is no longer certain.

Now, there's some optimism. Previews of the BlackBerry 10 software have gotten favorable reviews on blogs. [Financial analysts](#) are starting to see some slight room for a comeback. RIM's stock has more than doubled to \$15.66 from a nine-year low in September, though it's still nearly 90 percent below its 2008 peak of \$147.

RIM redesigned the system to embrace the multimedia, apps and touch-screen experience prevalent today. The company is promising a speedier device, a superb typing experience and the ability to keep work and personal identities separate on the same phone.

Most analysts consider a BlackBerry 10 success to be crucial for the company's long-term viability. Doubts remain about the ability of BlackBerry 10 to rescue RIM.

"We'll see if they can reclaim their glory. My sense is that it will be a phone that everyone says good things about but not as many people buy," BGC Financial analyst Colin Gillis said.

Jefferies analyst Peter Misek called it a "great device" and said RIM does have some momentum just months after the Canadian company was written off for dead.

"Six months ago we talked to developers and carriers, and everybody

was just basically saying 'We're just waiting for this to go bust,'" Misek said. "It was bad."

The BlackBerry has been the dominant [smartphone](#) for on-the-go business people and crossed over to consumers. But when the iPhone came out in 2007, it showed that phones can do much more than email and phone calls. Suddenly, the BlackBerry looked ancient. In the U.S., according to research firm IDC, shipments of BlackBerry phones plummeted from 46 percent of the market in 2008 to 2 percent in 2012.

RIM promised a new system to catch up, using technology it got through its 2010 purchase of QNX Software Systems. RIM initially said BlackBerry 10 would come by early 2012, but then the company changed that to late 2012. A few months later, that date was pushed further, to early 2013, missing the lucrative holiday season. The holdup helped wipe out more than \$70 billion in shareholder wealth and 5,000 jobs.

Although executives have been providing a glimpse at some of BlackBerry 10's new features for months, Heins will finally showcase a complete system at Wednesday's event. Devices will go on sale soon after that. The exact date and prices are expected Wednesday.

Regardless of BlackBerry 10's advances, though, the new system will face a key shortcoming: It won't have as many apps written by outside companies and individuals as the iPhone and Android. RIM has said it plans to launch BlackBerry 10 with more than 70,000 apps, including those developed for RIM's PlayBook tablet, first released in 2011. Even so, that's just a tenth of what the iPhone and Android offer. Popular service such as Instagram and Netflix won't have apps on BlackBerry 10.

Gillis said he'll be looking to see when RIM releases a keyboard version of the new phone. The first BlackBerry 10 phone will have only a [touch](#)

[screen](#). RIM has said a physical keyboard version will be released soon after. He said a delay could alienate [RIM](#)'s 79 million subscribers.

"The No. 1 feature that they like is the physical keyboard," Gillis said.

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Citation: Critical, long-overdue BlackBerry makeover arrives (2013, January 30) retrieved 29 June 2024 from <https://phys.org/news/2013-01-critical-long-overdue-blackberry-makeover.html>

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