

Blackberry vs iphone essay



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Research in Motion (RIM) pioneered the development of the smartphone market in 1998 with the BlackBerry, positioned in government and enterprise target markets. Recognized as the ‘all-in-one’ portable wireless communication device, BlackBerry has gained a competitive edge with its wide portfolio of smartphone products: BlackBerry Curve, Pearl, Tour and Bold series. As BlackBerry enters the maturity phase, RIM can’t rely on the sales of current enterprise segments to retain market shares. Therefore in 2008, the BlackBerry Storm series was introduced to cater to the mainstream consumer segments.

Strong financials attract investors and allow RIM to grow with introduction of new products and solutions. However, RIM faces a threat to its global share and revenue as various competitors enter the market and launch new products. 4 b) Research The smartphone market is forecasted to rise 19% throughout years 2009 to 2011. Although mobile phone sales decreased by 9% in early 2009, the smartphone movement increased by 13% despite the economic crisis (Datamonitor, 2009). Smartphone consumers have proved that they value entertainment and multi-media applications in their mobile devices.

These trends present an opportunity for RIM to grow their product lines by focusing more on mainstream consumer needs. Competitive Analysis: Globally, RIM holds 20% of the smartphone market share. Although this is a rather substantial portion of the available market, RIM faces threats from close smartphone competitors and is constantly rivaling to stay on top. Smartphone competitors consist of: High Tech Computer (HTC), Apple, Nokia, Google’s Android, Samsung and Palm. Apple’s smartphone net sales for the

fiscal year end September 2008 was \$11.8 billion. In 2009, research shows that Apple smartphones seized 13. % of the global market share as their 3GB iPhone is growing in popularity selling for \$199 with a service contract (Datamonitor, 2009; Toronto Star, 2009). Additionally, the iPhone provides a competitive advantage, as the device is able to run upwards of 85,000 applications providing higher utility for customers. Likewise, Nokia dominates the global smartphone share at 40% threatening North American market shares (Abkowitz, 2009). Target Market: The demographics of the current Blackberry target market is composed of mid to upper class buyers aged 30-55 in the professional, executive and industrial segments.

The mainstream consumer market is a target for acquiring new customers where RIM will penetrate this segment by incorporating changes in consumer expectations. RIM can offer smartphone products with additional multimedia components to suit consumers' interactive lifestyle. To continue long-term growth, RIM will target the next generational cohort, " Tweens", who are adept to technology, social media and have considerable influence on their parent's consumer behavior (Grewal, 2009).) Assumptions-The following assumptions are based on a forecasted increase in competition, response to changing consumer needs, and market trends: ? The BlackBerry is entering the maturity phase in the product life cycle ? RIM will continue to expand their product lines and services to grow ? RIM will continue to expand into foreign markets and build partnerships ? An increased number of competitors will enter the smartphone market ? There will be an increased demand for smartphones in the coming years ?

Consumer expectations of smartphone devices will change The average selling price of mobile communication devices will decline ? RIM will continue to partner up with software developers and add applications SWOT: Research in Motion RIM Strengths Weaknesses Internal -Comprehensive offering and portfolio -Growing brand image and brand loyalty -Strong financial performance -Strong research and development -Dependence on few customers in the business and government segments -Issues with product supply Opportunities Threats External -Expanding portfolio of offerings and applications -Positive outlook for Smartphones Fastest growing company in the world -Declining average selling price -Increased competition in smartphone segment -Involvement in legal issues (Datamonitor, 2009)

Purpose: The analysis of the company SWOT outlines opportunities where RIM can grow their global smartphone market share and resist against external threats, by utilizing its company strengths and improving upon its weaknesses. Alternative Solutions to the Problem 1) Product Development: The current capabilities of the BlackBerry Storm2 will not be enough to meet changing consumer expectations in the long run.

RIM can grow its North American and Global market share by adding a BlackBerry series the to product depth 6 under the breadth of mobile communication devices. The BlackBerry Sky will feature increased multimedia and application capabilities, non-scratch recycled metal, a full LED touch screen in combination Qwerty keypad on the reverse side of the device, and a satellite service option for all customers. The satellite service will offer a greater value and higher utility for customers who want to use their mobile device anywhere in the world. Advantages:

Adding BlackBerry Sky to the BlackBerry product line would create and deliver value by satisfying the changing needs of current and new customers in targeted segments. This alternative would sustain growth, as a new product creates incentive for customers to continue purchasing BlackBerry products and provide higher utility with the added features. With a complete product line, BlackBerry will be able to withstand external threats from competitors. The new BlackBerry Sky will induce a sales boost as new products generate a large percent of revenues and dominate over other brands. Disadvantages:

If RIM fails to satisfy the needs of changing consumer expectations, it will result in a loss of revenue and profit. Lack of demand for the Sky may decrease the value of the BlackBerry brand and discourage current and new customers to buy from the BlackBerry product line. Also, competitors may build on the BlackBerry Sky concept and release an improved model to grab market share, if the product fails. 2) Market Penetration: To grow smartphone market share in the enterprise and consumer segments, RIM can increase brand awareness by communicating superior benefits of the BlackBerry brand.

To increase brand awareness and intensify distribution efforts, RIM can open BlackBerry stores with specialized BlackBerry service, located in business centers and suburban areas all over the world; especially, in North America, Europe, and Asia. Advantages: By improving the marketing mix and opening BlackBerry specialty stores in current markets, RIM will penetrate its markets and grab market share. Adding to the place of product distribution,

RIM will have another vehicle to intensify communication of its BlackBerry products through customer service excellence.

Also, BlackBerry specialty stores provide added value to its products, by offering convenience and product knowledge to current and new customers within targeted markets. Disadvantages: The cost of additional marketing efforts will not be compensated if additional promotion and place of distribution proves futile. In this case, RIM will lose smartphone market shares to competitors who provide innovative products or services with a perceived greater value. If the BlackBerry delays new product launches at its new specialty stores, customer will not have the incentive to buy from BlackBerry product line.) Market Development: The third alternative is for RIM to further penetrate global markets by partnering with a mobile carrier services in countries with emerging markets to grow smartphone market share (Appendix A). Advantages: In many developing economies, there is a growing proportion of middle-class households who are beginning to buy technological devices. This presents an opportunity for RIM to grab market share and increase revenue. Continuing to partner up and co-brand with global carriers enhances various consumer perceptions of product quality and adds value to BlackBerry products.

Disadvantages: There is the potential that continuing to co-brand with global carriers may fail for RIM; global carrier brands are suited to respective geographic regions and demographics in the different cultures, resulting in different customer profiles. Carrier companies may change their priorities causing co-branded products to be discontinued. As a result, customer relationships and loyalty created with co-branded products would be lost.

Lastly, venture into foreign markets may be impeded by foreign governmental regulation. Solution and Plan Action

In order to satisfy the needs of the next generation of consumers and grow global smartphone market share, RIM should increase its product depth by adding a new series to the BlackBerry smartphone product line. The compact BlackBerry Sky will feature greater multimedia and application capabilities, non-scratch recycled metal, a full LED touch screen in combination Qwerty keypad on the reverse side of the device, and a satellite option for all customers. This speedy BlackBerry will satisfy changing consumer expectations about what smartphones should provide and once again become the "all in one" mobile device.

Globally, the Sky smartphone phone is targeted at current and prospective consumers, who have an ever changing need for a multi-media device, from web browsing to music, movies, gaming and application customization. The product launch of 9 BlackBerry Sky will further increase brand value, profitability, and grow North American and Global smartphone market shares for RIM. Marketing Strategy and Marketing Mix: Product - Up until now, RIM has revolutionized mobile communication devices with the BlackBerry smartphone. The idea would be to enhance product depth y adding a new BlackBerry to the product line by creating a multi-media device to better satisfy consumer needs. By enhancing the smartphone features and ultimately redesigning the BlackBerry, the product will attract consumers and dominate market share. Price - The price point will be set by the competitors' pricing strategies. For those customers that desire the satellite service, an additional charge will be predetermined. Place - The BlackBerry <https://assignbuster.com/blackberry-vs-iphone-essay/>

Sky will be distributed through North American and Global service carriers, retail outlets, and through the BlackBerry promotional website.

Promotion – RIM will communicate benefits of the BlackBerry Sky to consumers through tailored ad campaigns, internet marketing, viral marketing, social media channels and exclusive offers to current and new customers (Appendix A). 10 Appendix A Application of Course Concepts
SWOT: Analysis of RIM Strengths, weaknesses, opportunities and threats
Target Market: By analyzing target markets and incorporating demographics and psychographics of target segments, our team was able to better cater to our target markets and maintain brand dominance.

Marketing Mix: Product, price, promotion, and place variables Growth Strategies: For the three alternatives we utilized: – market penetration through brand awareness and place of distribution – market development through further globalizing BlackBerry products – product development through adding to BlackBerry product depth and brand extension by introducing a new product under the BlackBerry brand Product Life Cycle: Research has indicated the BlackBerry is in the maturity phase of the life cycle and must develop strategies accordingly.