

Blackberry Ltd term paper example

[Business](#), [Company](#)



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Like any other multinational, Blackberry limited has extensively invested in various nations across the world. The headquarters of this company is located in the Waterloo, Ontario in Canada. Blackberry is also known as Research In Motion Limited (RIM). This essay seeks to examine the products, geographical penetration and the financial analysis of the RIM in relation to the overall management. In addition, the present and future prospects will be discussed.

As appoint of departure, RIM involves in the manufacture of various Blackberry attributed products. Blackberry refers to an array of wireless handheld gadgets, which include, the family of 85x, 95x and the most recent Blackberry 10. They were fist manufactured in 1996 and since then various sophisticated models have been produced and introduced in the market. RIM has advanced in its production, which serve various needs ranging from security, communication, networking, making transactions and messaging among others. This features that serve the needs of the 21st century have necessitated the increased demands of the Blackberry products across the globe (Alastair, 34). This demand has necessitated RIM's continued endeavor

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in penetrating various markets across the globe including the war torn nations such as the United Arab Emirates, which initially opposed its products for fear of internal and privacy interference. Consider the following image of an example of the Blackberry's latest smart phones.

Courtesy of Sweeny, Alastair. Blackberry Planet: The Story of Research in Motion and the Little Device That Took the World by Storm. Hoboken, N. J: Wiley, 2013. Internet resource

The features seen in the diagram above is the foremost reason for the increased expansion of the RIM's market niche across the globe. The messaging and security features have been the primary reason as to why numerous people of diverse background find the Blackberry smart phones such as important devise in their daily lives. For instance, the messaging feature helps in communicating with numerous people within a short time and this is useful for business people as well. This brings us to the penetration mechanism used by RIM to acquire new market niches and sustain or expand the already exiting ones.

Market Penetration Strategy

The foremost strategy of market penetration attributed to Blackberry is the strength in branding products through invention of sophisticated features, which surpass those of the competing players in the market such as Samsung, Motorola and Nokia. However, it should be noted that, since 2011 throughout 2013, the Google Android and the Apple iPhone have caused serious decrease in the demand of the Blackberry smart phones and this has necessitated the RIM management to go back to the drawing board to create new brands of features. For instance, the present effort of restructuring the

various features on the Blackberry 10 will hit the market and it is projected to regain the RIM market share levels. In this case, an operating system attributed to the software, which is used to operate nuclear energy plants and unmanned in-flight drones is being tested and fixed on the latest models of Blackberry. This kind of product branding is a powerful penetration instrument that does not need a lot of work and time to increase or regain the market niche. In addition, the RIM uses the strategy of offering the consumers a great range of models for instance since 2007, RIM has offered the consumers an estimated 37 different models. This strategy is significant to the consumer since it offers an assorted array of models to select from and this increases the consumer's satisfaction levels.

Financial Analysis of Blackberry

In this case, the general determinant of a company's success trend is determined by the

Return On Invested Capital (ROIC). This device helps to measure the success of an enterprise. For instance, the average Return On Invested Capital of both Apple and RIM is 29.5% and 28.0% respectively. This figure indicates that, Apple is slightly successful by 1.5% compared to RIM. Apple's success can be linked to the iPhone features that have increased its market niche across numerous nations in the globe. Despite RIM's decline of Blackberry's market share due to the old-fashioned features, it has managed to sustain a relatively above average growth due to its powerful distribution and marketing channels across the globe. It is imperative to note that, the most of the RIM products are well distributed through various stores such as Wal-Mart and this makes it easy for the consumers to access the products.

Consider the following table of ratios between 2009 and 2013.

According to the Gross margin indicated in the table, RIM has been on the downward trend since 2009 through 2013. This is an indication of the situation of RIM's products in the market. As discussed earlier in this paper, the stiff competition posed by Apple's Android supported smart phones frustrated RIM's efforts of sustaining its market niche and expansion to new emerging markets. The gross margin decreases from 46.07% in 2009 to 31.01% in 2013. This is an indication on how the Blackberry products are losing the initially desired admiration attributed to its features (David, 45). It is imperative to note that, this trend is worrying and it is anticipated that the present strategic plan will see RIM regain its initial position in the local and global market.

On the other hand, the quick ratio, which ranges from 1.6 to 1.94, is a sure indication of RIM's ability to meet its short-term obligation. The industry average is one and most companies strive to attain a mark of more than one. This implies that RIM has been liquid for the last five years.

On a similar note, the net margin as indicated in the table is very inconsistent and this indication of the unstable market for the RIM's products. For instance, in the 2013, the net income is negative (Percival, John. HTML5 Advertising, 23). This indicates the high rate in which the RIM's market niche is shrinking due to the shift of interest to the Apple's Android supported devices. The consumer taste and preference has changed and by 2013, the market's trends had completely changed and that is why we see RIM making losses due to less sales leading to low revenues compared to the cost of production, marketing and distributing.

Future trends of RIM

In the event that, RIM implements its agenda of rebuilding an operating system attributed to the software, which is used to operate nuclear energy plants and to sometimes unmanned in-flight drones, then the company will gain its market share and consequent profitability.

Share Performance

RIM has been experiencing unstable share marketing in past five years since the entrance of the competitive product differentiation and branding by such companies as Apple. Consider the following graph of RIM's market share performance

Courtesy of Gunnell, John. Standard Catalog of Buick, 1903-2004. Iola, Wis: Krause Publications, 2004. Print.

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