

A case study of iphone and blackberry

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Abstract

A research proposal setting out a case study of Blackberry and iPhone, looking at the role played by innovation and knowledge management for each brand, and how they have helped create competitive advantage.

1. Introduction

The following sets out my research proposal. It utilizes a case study approach, comparing and contrasting the mobile communications brands Blackberry and iPhone and how they have harnessed the powers of innovation and knowledge management. It also looks at how each of these have contributed to the distinct market positions of each brand.

The iPhone is made by Apple. Previously a maker of niche personal computers with a cult reputation, Apple achieved mass-market brand appeal with their launch of the iPod music device. They built upon this success with the launch in 2007 of their 'iPhone', a 'smart' phone (a device which, in addition to offering mobile calls, also has many of the functions of a personal computer including internet browsing, email connectivity and access to music). Smart phones had been around for some years, but were largely confined to corporate users: the iPhone brought the concept to the general consumer (Porter and Norton 2010).

Blackberry phones are made by Research In Motion Ltd (RIM), a North American company specializing in smart phones. Until recently, Blackberry served the corporate market primarily: however in 2008 Blackberry they two phones designed to tap into the lucrative consumer market (Hutt and Speh

2009). The Blackberry is currently market leader in the USA: In 2008, RIM's share of the smart phone market in the USA was 45%, compared to iPhone's 25% (Hutt and Speh 2009). However, globally, neither brand has a strong presence, with Apple taking a share of just 0.9%, and Research in Motion 1.9%. Nokia, by comparison, leads at 40% (Pride and Ferrell 2011). In terms of the market in the developed world, however, evidence suggests that "competition in [the] smartphone market is heating up", and new players including Dell and Microsoft seem likely to move into the market (Butcher 2010). Microsoft, for example, seem likely to partner Nokia, who have recently lost their share of the market in the developed world. A growth to 10% of market share in the US is predicted by 2015 for this partnership. Samsung are also likely to grow their share of the US market, predicted to rise to 21% over the next four years (Strategy Analytics 2011). The smart phone arena has been described as 'cut throat' already, with tight margins and a fast moving pace. New developments could include a move towards 'open' systems, rather than the 'closed' ones (i. e. operating systems which are unique to the brand) favoured by Apple and RIM (Butcher 2010). Given this, there is now more need than ever before to assess how competitive advantage can be accessed in this market sector, and to find tools that can be used to ensure an organization obtains and keeps a place as a market leader. In the light of this, this study addresses this need.

The following proposal will give a brief overview of the areas to be covered in the literature review, including approaches to gathering information and a brief overview of topics to be covered. This will be followed by a discussion of the proposed methodology, justifying the selection of methods and

explaining their use, and also covering any ethical considerations and limitations. In addition, the research areas, specific research problems and overall objectives will be set out, and a provisional time-frame presented.

2. Literature Review

2. 1 Interest in Topic, Overview of Relevant Areas

My interest in the topic came about through an increasing awareness of the competitiveness in the ' smart phone' market in the UK, and particularly between iphone and Blackberry, with considerable loyalty to the brands from owners. Iphone in particular has a very loyal customer base (Standard and Poor 2009), although Blackberry has been nicknamed ' crackberry' due to the way users become ' addicted' to it (Strategic Direction 2009). There are, however, some signs that Blackberry users are willing to switch loyalty and try another smart phone (Stafford [online] 2010). In this competitive market, it is important to understand in more detail how buyers become attracted to smart phones, and how their loyalty is retained. Is the loyalty that iphone owners, for example, often feel for their product due to better innovation and knowledge management compared with Research in Motion, or is it a product of marketing the phone as a ' cult' brand (Schneiders 2011). How can innovation and knowledge management contribute to the success or failure of smart phone brands?

Because smart phones have only been in existence for less than 10 years (Fling 2009), there is a lack of research in the area, with relatively few textbooks and academic articles looking at the subject. While some studies look at the two brands in terms of certain aspects of competitive advantage,

innovation and knowledge management, and far more studies look at the the brands in general, or take a technological approach, no existing studies seem to combine the elements of interest in one. Given the need to understand how companies operating in this area can develop competitive advantage, and also given this lack of existing research, I felt that the area was worthy of further study. The approach I will utilize is to draw upon existing theories of innovation and knowledge management in order to develop a framework, then execute a detailed case study of both brands in terms of this.

The notion of innovation has, over the last 20 years, become increasingly important in business management. The 80's saw a wave of renewed interest in the concept, with an emphasis upon individualism and psychology. 80's innovation theorists pointed out that individuals create companies and drive growth (Sundbo 1998). At the same time, others suggested that the social context in which the entrepreneurial individual operates is also crucial for fostering innovation: for example Peter Drucker (1985). For Drucker, innovation means a new attitude which involves sharing knowledge, and also means being aware of the wider business environment in which an organization operates (Drucker 2007). Another perspective on innovation highlights the importance of marketing, suggesting that innovation consists of reading market information and making informed decisions about what the consumer wants (Sundbo 1998). The literature review will explore and compare theories such as these in depth.

There are also a number of existing models of the link between innovation and competitive advantage which are useful. McGrath et al (1996), for <https://assignbuster.com/a-case-study-of-iphone-and-blackberry/>

example, propose a model rooted in economic theory which links competitive advantage to a number of factors including causal understanding, the proficiency of the innovation team, and the emergence and mobilization of the new technologies. Others point out the complex nature of the relationship between innovation and competitive advantage, and highlight other factors of importance (Lengnick-Hall, 1992). One particularly useful model was suggested by McKinsey and Company (Buaron 1981). They argued that any innovative and successful new business might utilize a 'new game' strategy, by reworking the 'value chain' which is predominant in the industry, in order to change the 'rules of the game', and protect the advantage they gain by this by erecting barriers to stop competitors being successful (Grant, 2005).

More generally, theories of competitive advantage are also useful. Various theories suggest the role of resources, for example, with both tangible and intangible resources playing a role in creating advantage. Others highlight the importance of company capabilities and competencies and strategy (Hill and Jones 2009). More general theories of competitive advantage, for example the resource-based view, will be used to throw light on the debate. In addition to these models, practical tools for looking at competitive advantage will be used, including appropriate means of analyzing the environment in which Apple and RIM operate. These will include, for example, Porter's 'Five Forces' model, in which the environment is seen in terms of the 'threat of new entrants' in to the market, the 'threat of substitutes', the 'bargaining power of suppliers' and the 'bargaining power of buyers' to generate an overview of the competitive power of that

organization within the industry. Other useful tools include Brandenburger and Nalebuff's 'Value Net' (1996) which indentify four aspects which impact upon any organizations position: 'customers' 'suppliers', 'competitors' and 'complementors' (organizations whose products do not compete with but enhance those of the organization in question) (Avital 2004)

Similarly, there are various ways of defining and conceptualizing knowledge management, and what it can do for an organization. In brief, knowledge management can be defined as 'finding, keeping and leveraging information assets' (Avital 2004). There are three main approaches to information management, which are based upon beliefs about the nature of knowledge, and whether it is objective or subjective. Avital distinguishes the 'codified knowledge repository' approach, in which knowledge is independent and objective and can be best managed by computer-based databases or documents, the 'expert directory' approach, which holds that knowledge is subjective and found in individuals, and the 'community of interest' view, where knowledge is seen as a function of a community of connected individuals. Other ways of approaching the matter include making a distinction between data (raw, context free), information (interpreted data, data with meaning) and knowledge (information plus understanding, able to inspire action). This 3-part model can be seen as a hierarchy of use (Geoff and Jones 2003). Knowledge can also be divided into the tacit and the explicit: tacit knowledge is knowledge which is internal to a person, but is not made explicit and is hence personal to the user; explicit knowledge is knowledge which has been written down or otherwise recorded and is thus available for use by others. Knowledge management often involves the

process of making tacit knowledge explicit (Geoff and Jones 2003). Ways of applying insights about knowledge management are various, and can include bringing people and groups together collaboratively through all the available means of communication, being able to access expert knowledge easily (this can be facilitated by teamwork or enhanced communication), and developing a strong ‘community of practice’, a group of people with shared interests and expertise who are happy to share their abilities. Other useful tools include the fast availability of information, creating networking opportunities, and an in-depth knowledge of the organisation’s knowledge bank (Marquardt 1996)

The literature review will also look at iPhone and Blackberry in detail. The history of both brands will be discussed, and also the wider context of Research In Motion and Apple, looking at their genesis, key markets, strategies and other areas. The telecommunications market in general, and the market for Smart phones will be discussed. Quantitative data concerning performance of each brand, and their market share in the US, Europe and globally, will also be presented. Overall the literature review will help clarify research objectives and questions, and present a foundation for the subsequent analysis and interpretation.

2. 2 Research Area, Research Problems, Research Objectives

Both Blackberry and iPhone have carved out a niche within the European and US market. This research study will investigate how innovation and management of knowledge (both within and outside the organizations) have contributed to creating these positions as market leaders. It will also look at

the extent to which Blackberry is likely to remain in leading position, or whether iphone's use of knowledge management and innovation mean that this brand is likely to overtake as leader. This area of research interest can be stated as research problems as follows:

How have the Blackberry and iphone brands used innovation to create competitive advantage

How have the Blackberry and iphone brands used knowledge management to create competitive advantage

Given their innovation and knowledge management resources, are Blackberry likely to retain market leading position, or will the iphone take over

The objective of carrying out this research is to look at the input both innovation and knowledge management can have upon a brand's success. By looking at the ways each feed into this success, by highlighting what approaches are not successful, and by analyzing the factors involved in this process, it is hoped that the research will help show how organizations can better address the challenges of today's rapidly changing mobile telecommunications marketplace. Because the area is so new, with smart phones only in existence for the last ten years, there is little existing research in the area. While there are many useful theoretical studies of wider concepts including innovation, knowledge management and competitive advantage, few have applied these to either iphone and Blackberry. In addition, the fast pace of technological change means that organizations need to react quickly to changes in the operating environment, so any research which does look specifically at the area is quickly out of date.

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3. Methodology

3.1 Approach and Choice of Methods

The research will be informed by a positivist research philosophy. Positivism holds that knowledge is objective, and independent of the researcher. It is based upon epistemological (theories about how knowledge is possible, and how it is validated) assumptions concerning the ultimate reality of the world and its independence from the human subject. This study will assume that knowledge is sharable and objective. Alternative research approaches have been rejected for this study. An interpretivist approach, which holds that social interaction is the basis for knowledge and which suggests that the researcher has an important influence on what is researched, and hence claims that objectivity is not possible (O'Donoghue, 2007) was held inappropriate. I believe that the study will uncover key information about iPhone and Blackberry which can be validated by others.

The study will also use a deductive, scientific approach. In deductive research, the study begins with theories about how the world is expected to behave, and derives testable hypotheses from these theories. Deductive reasoning requires a logical approach. It is contrasted with an inductive approach, in which information is collected and patterns are found in the data, which lead to subsequent generation of theories about these patterns (Babbie 2010). In this case, firm ideas about the impact of innovation and knowledge management lead to hypotheses suggesting that these factors can lead to competitive success.

The proposed research will use a case study approach, looking at Blackberry and iphone in the context of theories examined through the literature review. Data will be collected from secondary, as opposed to primary sources. In primary research, information is collected for the first time for the purposes of the study. Sources of primary data can include surveys, observation and experiments. Secondary data is data which has already been collected. It can include academic journals and books, databases from industry and government sources, and official records (McDaniel and Gates 1998). Given the relative lack of information about these brands use of innovation and knowledge management, there is an argument to combine secondary data with a primary study, for example carrying out interviews with key management at Blackberry and iphone asking about their use of innovation and knowledge management. This, like primary research in general, would allow the data collected to be tailored to the exact research questions (Allen and Skinner 1991), and also add to the body of existing studies. However, this method was rejected in this case, as it was thought that a more extensive literature review based study would allow for the full development of useful theoretical models to assess the case of Blackberry and iphone. It was also thought that although there are no studies which look into the precise research area suggested, there is much material available about each of the brands concerned, and this material has not, so far, been approached in relation to wider research aims of this sort. It was also felt that a secondary-sourced study could form the backbone for subsequent primary research studies collecting data to be set in the context of the current research.

3. 2 Data Collection

Key academic online and library sources will be used to collect papers, books and databases regarding the issues in question. The university library will give access to relevant journals and textbooks. Useful journals include general business journals, for example the Harvard Business Review, Strategic Management Journal, Academy of Management Journal, and Journal of Marketing. There are also a number of specialist journals covering innovation (for example Innovation Management and knowledge management (Knowledge Management, the Journal of Knowledge Management) and related areas.

Online searches will be key in gathering data, as they allow numerous journals to be searched for key words. There are a number of useful academic databases which include both business-specific databases such as Emerald, Bloomberg, Business Source Premier, Datastream and Global Market Information Database; and general databases with business coverage including Academic Search Premier, IngentiaConnect and JSTOR. These databases will be interrogated through key word searches. Terms used for these searches will include 'Blackberry', 'iphone', 'smartphones', 'innovation', 'competitive advantage', 'information management' and 'knowledge management'. These terms will be used in combination together, to find literature which already covers the area of interest, but also alone and in combination of just two terms, in case a search on all terms yields insufficient information, and to get further background on theoretical approaches to knowledge management, for example. Should the searches return too much information, advanced search techniques will be used to

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restrict articles to those from the last five years only, or looking at the UK only. Overall, access to data should be unproblematic, to the extent that the data exists, as the author can use a number of these business databases and other information sources via the university. However, as pointed out above, there seems to be a relative lack of literature which looks at all aspects of the research study. For this reason, academic data will be supplemented by information gleaned from commercial information sources such as Keynote and Euromonitor. These supply a number of reports looking at market areas, for example the mobile phone market, and include a wealth of useful statistics about phone ownership by brand, for example (Keynote 2010). Mintel also produce useful reports, including a regular update on digital trends (Mintel 2011). Another central source will be information from Research in Motion and Apple themselves, as well as the internet sites for Blackberry and iphone. Their websites contain a wealth of useful information including annual reports on financial status. The sites also contain information for the press, though of course this is likely to be subject to bias.

The reliability, validity and generalisability of information can usually be assured by using where possible, meta-analyses of data and avoiding non-academic sources such as unverified internet websites. However, it has already been established that there is relatively little available information of this type. With this in mind, the study will include information from a wider range of sources, but will bear in mind the issues regarding reliability and validity this might raise.

Because the study is primary research only, questions of ethics are less relevant, as the study does not involve human subjects direct. However, It is <https://assignbuster.com/a-case-study-of-iphone-and-blackberry/>

important to at least think about the ethics of the research, not just from the point of view of the researcher but from the position of all stakeholders (interested parties). For example, the research should be carried out honestly and accurately (Wilson 2010). In this case, I will attribute all textual sources to the correct author, and interpret the information as best as possible

3. 3 Data Analysis

Data analysis will consist of interpretation of the data collected about iphone and Blackberry in the context of theoretical perspectives on the roles played by innovation and knowledge management in creating advantage. Do either organization display particular approaches which means they have been more successful? How do the approaches of Blackberry and iphone compare? The information discussed will also generate recommendations for other players in the mobile phone market. A number of considerations will be kept in mind, in order to analyse the data in the most appropriate and rigorous way. As Boslaugh points out, it is vital to ask, for any piece of information, what the original purpose of collecting it was, what kind of data it represents, how it was collected and when. If the data is quantitative, for example a database, it is also important to know if it has been cleaned or recoded. Because at least some of the information from this study will be collected from sources which are likely to be biased towards a particular viewpoint, primarily the information from RIM and Apple, it is particularly important to be aware of the background, and separate out data which can be used from data which is being used for a promotional end by the organization. This will be the case particularly for press releases and other data designed for the media. However, even with academic studies, it is also <https://assignbuster.com/a-case-study-of-iphone-and-blackberry/>

important to know as much as possible about the details of the study, for example, if questionnaires were used to collect data, how they were worded, and how respondents were selected (Boslaugh). It will also be important to be aware of the size of any primary study (how many cases were considered), and how any results are interpreted in terms of the research aims. In general, information gathered about models and theories of innovation, knowledge management and competitive advantage will shape the approach to case studies of Blackberry and iphone. Data gathered about the companies will be interpreted in the light of these theories.

Finally, it should be pointed out that there are clear limitations on the research. As mentioned, the study will be limited to published information, rather than including a primary component, which would allow the research to be tailored to the objectives. However, it is hoped that the study will allow such primary research to be carried out more effectively at a later date.

4. Conclusion

The above has set out a structure for my research study, looking at the role innovation and knowledge management play in the competitive advantage of both Blackberry and iphone. The research area and proposed questions have been set out, areas to be included in the literature review were discussed, and the methodology to be used has been included.

4. 1 Expected Findings / Implications

Based on my intuitive awareness of the two brands, on the image of each brand presented in the media, on the impression I have gained from hearing colleagues and friends talk about iphones and Blackberrys, and also upon <https://assignbuster.com/a-case-study-of-iphone-and-blackberry/>

the reading I have done so far for this study, I predict at this stage that iphone have a more comprehensive grasp on competitive advantage. I expect to find objective confirmation of this, and also evidence to suggest that their advantage comes from a better grasp of both ways of managing innovation and knowledge management. I expect the main limitation to be that previous study in this area is scant. Because the development of smart phones is very recent, there has been relatively little academic research in the area, and much of the existing information is technically related. Had more previous work existed, this would have been useful for the study. For instance, a body of existing work on how smart phone makers use both innovation and knowledge management would allow this study to have an academic context, and would give ideas about the interpretation of information. This is, to some extent, a disadvantage, however it also means that the planned study will present useful information which might be useful to see how organizations making smart phones might best approach the market. I also feel that the study will provide useful information and evidence which can be used in the future to shape primary studies in this area.

The time chart below sets out a list of activities which need to be carried out, stage by stage, and also shows the time period allocated to each. While the planning and design will take some time, as well the literature review, it is also important to allocate sufficient time to think over the findings, and interpret them. In particular, I feel it is important to allow a gap between data collection finishing and data analysis starting (the data analysis includes interpreting the case study in the light of overarching theories). The data analysis stage should also be given sufficient time, as new ideas might

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develop during this stage.

Time Chart

----- Stages (Weeks) -----

Task123456789101112

Research design - - - -

Planning-----

Lit review/ data collection-----

Data analysis-----

Dissertation

Draft---

Final----

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