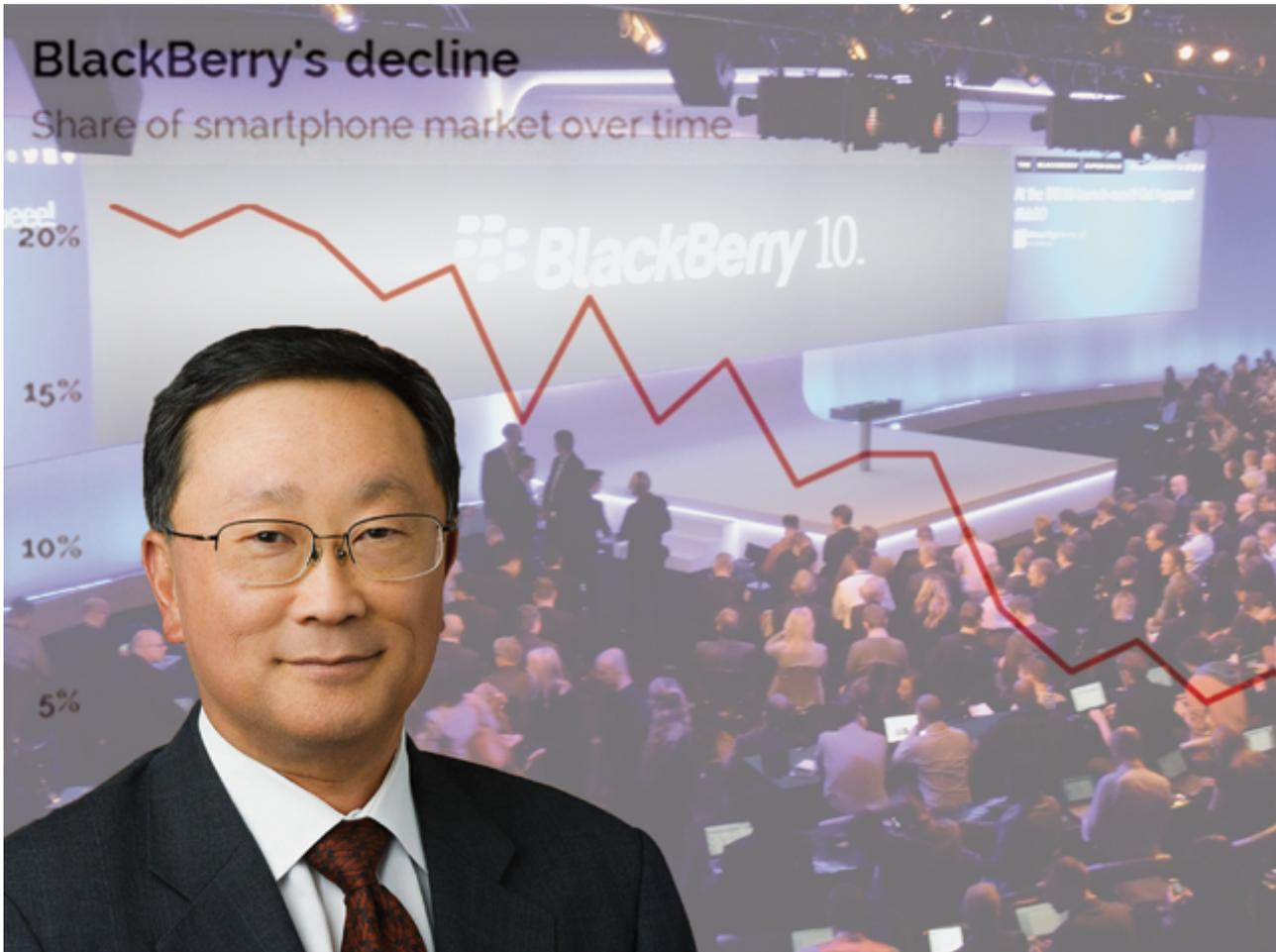


# Android switch "too little, too late" for BlackBerry

By **Mobile News** - October 12, 2015



## Resellers and analysts fear manufacturer's days are numbered as B2B orders continue to slide

BlackBerry's decision to launch its first Android-run handset, the 'Priv', will only prolong the manufacturers "inevitable" exit from the hardware space.

This was the damning verdict from some of industry's leading analysts and B2B resellers, after the firm announced losses of £43 million in Q2, and handset sales of just 800,000 (ending August 31, 2015), down from 2.1 million year-on-year and 3.7 million in Q2 2013.

BlackBerry CEO John Chen (pictured) said the move would help address the decline, but the channel remain unconvinced.

"It's too little, too late for BlackBerry to release a handset on Android," IDC research director for European mobile devices Francisco Jeronimo told *Mobile News*. "Its future in handsets is now definitely over. With less than one million shipments per quarter, it's not profitable and it won't be in the long term."

Kantar Worldpanel ComTech consumer insights director Imran Choudhary agreed: "This is probably the beginning of the end for BlackBerry's handset division. It almost feels like a PR stunt, to let people know it's still around. HTC were one of the stronger Android brands and they're now struggling. You have to ask how BlackBerry are going to bring a unique selling point to Android."

### **Haemorrhaging customers**

The BlackBerry Priv is set to go on sale before Christmas, and marks a major U-turn for the company having rejected Android in favour of its own "revolutionary" BB10 OS in January 2013. Since this decision, global subscriber numbers have fallen by 50 million to just 30 million.

According to market research figures from YouGov, the manufacturer has been "haemorrhaging customers" in the UK over the past five years, with its market share plummeting from 21 per cent in 2010, to just two per cent today.



*BlackBerry Priv*

"At present the brand's situation is dire and getting worse." YouGov director of digital media and technology Russell Feldman told Mobile News. "BlackBerry has lost a lot of customers to rival manufacturers."

This view was backed by Ovum analyst Steven Hartley who accused the manufacturer of failing to adapt to the market, and describing its OS as "horrible" and hardware as out of date.

"Most companies have already moved away from BlackBerry and don't see them as a strong proposition because they can find what they are offering elsewhere. The world hasn't stood still and traditional enterprise players like Microsoft have been upping their game in mobile.

"Fashions change. I'd struggle to name one person using BB Messenger today and not many people want, or need, a keyboard on their mobile device anymore. If BlackBerry is to remain in the market, it has to establish itself with a clear differentiator in the enterprise space and I'm not sure that's going to happen."

### **B2B exodus**

These comments came as little surprise to mobile resellers in the B2B channel who claim demand for BlackBerry handsets have now become almost nonexistent.

This is despite BlackBerry taking the decision in 2013 to focus almost exclusively on the business market, after cutting 4,500 jobs, mostly in consumer.

However dealers claim they have seen few signs of improvement, with many claiming the strengths of

Apple and Samsung has made BlackBerry an unappealing brand to return to or try for the first time.

Speaking under the conditions of anonymity, one MD of a leading Vodafone Platinum Partner, said Blackberry sales previously accounted for more than 80 per cent of all hardware sales, but orders are now minimal at best.

He claimed operators and distributors no longer push its handsets and there is now a negative stigma attached to its brand among business customers, which Android is unlikely to repair.

"We used to be a huge BlackBerry advocate, but customers have stopped asking for their handsets and there is no encouragement for us to push them," he said.

"There is enough competition out there between Samsung, iPhone and the Nokia handsets to keep most businesses happy, so there isn't really a place for BlackBerry. Its name still carries weight but for the wrong reasons.

An O2 Direct Partner, also requesting anonymity told a similar story and said its now time for BlackBerry to focus on software only. "There now have to be serious question marks over whether BlackBerry has a future in handsets."

Hale Comms MD, Rob Dey blamed the launch of BB10 in 2013 for the sudden decline in sales at his business.

"Everything started to change around the release of the Z10. A lot of companies were on BlackBerry but now they're not," he said. "No one is asking for them."

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