

RIM bets big on next-generation BlackBerry



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For Research In Motion, the new BlackBerry 9800 is more than just its latest device. It's an opportunity to show critics that the BlackBerry can stand up to likes of Apple's [iPhone](#) and a flurry of new Google [Android](#) devices.

With all the hype surrounding the iPhone and the various Android smartphones that have hit the market recently, it's easy to forget that RIM's BlackBerry is still a [dominant force in the land of smartphones](#), both in the U.S. and worldwide.

In fact, Research In Motion is the No. 2 smartphone vendor worldwide, with an 18 percent slice of the market and leading positions in North America and Latin America, according to market research firm Canalys.

Indeed, RIM has done a good job [holding onto its position](#) despite the onslaught of competition from Apple and the slew of phone makers using the Android platform. It's done particularly well addressing the mass market with its BlackBerry Curve phones. Shipments of the BlackBerry phones rose 41 percent compared with a year ago, boosted primarily by demand for its lower-end device, the Curve 8250.

The good news for RIM is that smartphones are increasingly becoming popular. By 2013, analysts predict that smartphones will grow to represent 27 percent of all worldwide cell phone shipments. In North America, they will account for at least 48 percent of shipments, and in Western Europe, smartphones could account for more than 60 percent of all mobile phones shipped within three years.

But even though demand for smartphones is growing, so is the competition. BlackBerry devices have become synonymous with mobile e-mail. As a result, corporate customers have long loved the BlackBerry. But that love affair may be on the rocks if RIM doesn't come up with a more technically advanced device that can compete against smartphones from competitors that offer gigabytes more memory, faster processors, slicker software and better browsers.

"Weak offerings in touch (phones) and 3G leave the company heavily exposed to a slew of new smartphones now hitting the market," Ed Snyder, an analyst with Charter Equity Research, wrote in a note to investors earlier this year after first-quarter earnings came out. "While it will certainly maintain its lead in e-mail-based smartphones, we see little chance it can sustain its market share, pricing or margins long-term."

RIM has tried in the past to address the touch screen, Web-centric smartphone market. But it's failed to come up with something that consumers could fall in love with. The Storm and Storm 2, sold exclusively on Verizon Wireless's network, were [supposed to be RIM's iPhone-killers](#). But the phones never lived up to the hype nor did they appeal to the same iPhone-hungry consumer.

RIM is now pinning its hopes to reinvigorate the market with its latest phone, which will be [unveiled at a press event in New York City on Tuesday](#) along with AT&T, which is expected to be the exclusive carrier for the phone. The new BlackBerry 9800, which sports a new form-factor and new software, is RIM's answer to the naysayers.

The touch screen phone is supposed to have a slide-out keyboard, which some blogs say resembles the keypad of the Palm Pre. It is also expected to be the first BlackBerry to use RIM's newest software: BlackBerry OS 6. This new software comes with a revamped Web browser, which should help it compete more aggressively with more Web-centric devices like the iPhone, as well as devices that use the [Google Android](#) operating system. It will also come packed with more built-in social networking features and other cool features that iPhone and Android phones already have.

In short, the BlackBerry 9800 is expected, at the very least, to help the BlackBerry catch up to where the iPhone and Android devices already are. And if RIM truly gets it right this time, the new BlackBerry 9800 could become a crowd-pleaser that keeps RIM on top for years to come.

To keep up with the latest news on the BlackBerry 9800, CNET [will be live-blogging the RIM press conference](#) in New York on Tuesday. The press conference starts at 8 a.m. PDT and 11 a.m. EDT.