**Q1- Describe the industry that the original Blackberry competed in.**

In 1999, Research in Motion (RIM) launched BlackBerry which later foundation for the smart phone industry. At that there were only normal phones. BlackBerry was the first one to introduce mobile email service and a proper keyboard with mobile. Given below is the industry analysis of Blackberry industry according to Porter’s five forces:

1. **Threat of New Entrants:**

At the time when Blackberry entered the industry, threat of new entrant was quite low. Blackberry entered the industry on the basis of its product differentiation after a lot of R&D. For a new entrant in the industry: a huge capital, strong product differentiation and gaining end-customer’s loyalty is required which is difficult to achieve. To make entry for new player more difficult, what Blackberry can do is to do economies of scale for cost reduction and use that in discounts or in marketing campaigns.

1. **Bargaining power of Buyers:**

Buyer’s bargaining is quite high in the industry. It is one the main reason in the fall of Blackberry. Mobile phone industry has historically high bargaining power trend. Reasons for high buyer’s bargaining power is:

* Competitive market with large number of players/firms.
* There no switching cost for the buyers.
* Product differentiation is not much in the mobile phone industry and is easy to beat.

In the competitive industry, Blackberry should build a strong image like of Apple. Further Blackberry can more towards economies of scale for cost reduction and spend more on strong marketing campaigns. Also, Blackberry’s product was more focused on only professionals and business community. Blackberry can move towards making phones for the general public also.

1. **Bargaining power of Suppliers:**

In the Blackberry’s industry, suppliers have quite less bargaining power due to:

* Large of number of suppliers each of which supplies small portion of logistics.
* Blackberry can easily switch suppliers, hence has a low switching cost.
* Suppliers’ products are not much customized. Accessories and spare parts of mobiles are usually standardized.
* Those suppliers are all independent suppliers.

What Blackberry can further do is to make long-term agreements with suppliers like Apple did to have more power on its suppliers.

1. **Threat of Substitutes:**

Only few substitutes are available in Blackberry industry. Threat of substitutes was low in industry, due to:

* Less quality products by the competing industry.
* Potential substitutes are produced by low-profit industries.
* Blackberry industry’s products are cheaper with good quality than the substitute industries.

Blackberry should focus on improving quality, reducing cost and making product differentiation more unique to lower threat of substitutes even further.

1. **Rivalry among existing firm:**

At the time when Blackberry entered the market, there was not much rivalry against firms because of:

* Only few large players were present.
* Blackberry’s phones were unique in terms of product differentiation. Blackberry entered the industry with totally new idea.

Blackberry can focus more on R&D as the industry is growing and its product differentiation advantage can be overcome by other players.

**Q2- Why was the original Blackberry so successful? What was the basis of Blackberry's competitive advantage?**

Key basis/competitive advantage of Blackberry’s success was product differentiation and innovation along with strong security. Blackberry revolutionized the industry through:

* Introduction of mailing service in mobile phones.
* First time embedding of a full QWERTY keyboard on a mobile phone.
* Multi-tasking in the mobile phone.
* Luxurious brand.
* Data security was made priority.

Due to the above mentioned unique features, Blackberry was the successful product of the first decade of 21st century. But one thing that Blackberry lacked was the continuous improvement. Blackberry did not entered in the evolving smart market, which caused the fall of Blackberry.

**Q3- Why was Blackberry unable to sustain its industry position?**

VRIO analysis:

**Valuable:**

Strong R&D, which lead to market changing innovation.

A strong and unique brand image.

**Rare:**

Global presence, but only available at few stores which only few people can afford

**Inimitable:**

Unmatched innovation.

Best quality features.

**Organization:**  
Strong HR management.

Both co-founders have a strong vision.

But Blackberry was unable to sustain its industry position after a decade of rise. As the time progressed and Apple iphone give start to smart phone industry. Like of Nokia, Blackberry also did not enter in smart phone industry and lost its market leading position. Blackberry did not changed its design and operating system to enter in the smart phone industry. Second major reason was that Blackberry’s phones were for the professionals and enterprise usage. Apple phones were stylish for all purpose usage. Blackberry could not change its design in time that’s why it lost its customers.