



## 2 Upcoming Devices Bode Well for BlackBerry

### Description

After releasing BBM Voice and Channels for iOS and Android, **BlackBerry** ([TSX:BB](#))(NASDAQ:BBRY) is still building its momentum to move forward. Z3 specifications leaked online, suggesting a budget five-inch BB10 device will be launched. This is important, because BlackBerry needs to position BB10 in the developing world. With its shares trading in the middle of its yearly low and high, Z3 might favor the bulls.

### Z3 'Jakarta' specs

Codenamed Jakarta, Z3 is priced at between U.S. \$162-\$210. The phone will have a five-inch screen, a dual core 1.2GHz processor, 8 GB of storage, and 1.5 GB of memory. The smart phone will run longer than a Z10, thanks to a 2650 mAh battery (the Z10 has an 1800 mAh battery). BlackBerry's most powerful BB10, the Z30, has a 2,880 mAh battery and a dual-core 1.7GHz processor.

The Z3 could also come to Canada, since some images of the phone show **Cineplex** and **Yellow Pages** apps.

### Foxconn deal reduces risk

BlackBerry reduced inventory and manufacturing risks associated with BB10 production by transferring those responsibilities to Foxconn. If Z3 reaches Canada, it could appeal to both consumer and enterprise customers. At present, enterprise customers overwhelmingly prefer a keyboard-based Q10 over the Z10. Consumers showed they preferred all-touch devices with big screens. When BlackBerry released the Z30, **Rogers Communications** initially said it would not carry it. The telecom firm reversed its decision after a consumer backlash.

### Z3 must be low-price

To be successful on the consumer market, BlackBerry needs to sell the Z3 at a low cost. Positive word of mouth from those open-minded enough to test BB10 will help BlackBerry's market share loss. It would also counterbalance BlackBerry's reduced advertising spending for BB10 in the consumer

market.

### Still no Q10 successor

BlackBerry has yet to release a refresh to the Q10. This device badly needs a bigger screen. Ideally, a Q10 refresh will have the screen size of the Z10 but with the iconic physical keyboard.

### Foolish bottom line

BlackBerry is only getting started in releasing new BB10 phones to market, but has more challenges ahead. For the product to gain market share, it needs a solid low-end device that competes effectively with **Microsoft's** ([NASDAQ:MSFT](#)) Lumia. BlackBerry needs to price a mid-range phone more competitively than the current Z10/Q10s. Finally, more carriers need to make the high-end phone (Z30) more widely available. If these conditions are satisfied, the phone refresh should bode well for BlackBerry's bottom line.

### CATEGORY

1. Investing

### TICKERS GLOBAL

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