



Will Project Ion Boost BlackBerry Shares?

Description

On Wednesday of last week, **BlackBerry** ([TSX: BB](#))(NASDAQ: BBRY) CEO John Chen unveiled “Project Ion”, which will see the company attempt to become a leader in the Internet of Things.

One analyst thinks this project will help bring BlackBerry’s shares into the mid-teens. But what exactly is this opportunity? And is BlackBerry poised to take advantage of it?

The Internet of Things

In recent years, more and more devices have been connecting to the internet, including cars, home appliances, and security systems. These are just some examples of the Internet of Things, which by one estimate will include 212 billion devices by the end of 2020.

But the industry is still in its infancy, and will surely experience growing pains. There are still plenty of information-based devices connected by wire, and it’s always difficult to convince people to adopt a new technology. Another major hurdle will be finding a common set of technology standards.

How well is BlackBerry positioned?

Of course, BlackBerry will face stiff competition in this field. One of the most formidable competitors will be **Google** ([NASDAQ: GOOGL](#)), which has made several acquisitions in the space just this year. This includes several robotics firms, as well as the connected device company Nest.

Google is not the only deep-pocketed competitor in the Internet of Things. So what advantage does BlackBerry have? Once again, the company points to its leadership in security, which seems to be the one thing it does consistently better than its larger competitors. And to BlackBerry’s credit, the company has already established a leadership position in automobiles.

What does it mean for investors?

Obviously, it’s too early to say. But there are reasons to be optimistic. Besides BlackBerry’s early success, it is great to see Mr. Chen establishing the right priorities for the company. The Internet of

Things is an area where BlackBerry can use its leadership in security, target corporate customers, and monetize its powerful QNX operating system.

But there are also reasons to be skeptical. First of all, many of BlackBerry's competitors have deeper pockets and are determined not to lose. The company's leadership in security is not guaranteed to last. And companies like Google may be willing to sell technology at a bargain price if it helps the company distribute more advertisements.

So Project Ion may have created a lot of excitement, but the story remains the same for BlackBerry. People who still believe in the company and Mr. Chen may be encouraged by the announcement, but time will tell if that optimism is warranted.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:GOOGL (Alphabet Inc.)
2. NYSE:BB (BlackBerry)
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Date

2025/07/03

Date Created

2014/05/26

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