



## The 2 Tech Stocks I Own Instead of BlackBerry

### Description

Investing in technology companies can be very tricky. The products these firms make are complicated, there are often little to no profits, and future trends are very difficult to predict. It's no wonder that so many great investors like Warren Buffett avoid the sector altogether.

**BlackBerry** ([TSX: BB](#))([Nasdaq: BBRY](#)) is a perfect example. The company makes very complex products, remains unprofitable, and has to keep innovating just to keep up with the competition, many of whom have far deeper products. So it's practically impossible to accurately predict how the company will perform in the short term, and the longer term is even more uncertain.

That being said, investing in the technology sector doesn't have to come with this kind of uncertainty. Below are the two technology stocks I have chosen instead.

### Points International

**Points International** ([TSX: PTS](#))([Nasdaq: PCOM](#)) is best-known for the website [Points.com](#), where you can buy, sell, and trade points from about 50 different loyalty programs. Of course you'll have to pay a premium for these transactions, which is split between the company and the loyalty programs themselves.

So what makes Points International such a great investment? The main thing is a lack of competition – not only are there zero direct competitors, there is little prospect of one emerging. If you or I were to start a competing service, we'd have to go sign a deal with a bunch of loyalty programs before our service is of any use. And that's far too big a hurdle.

So it's safe to say that Points operates in a very different competitive environment than BlackBerry.

### Solarwinds

Contrary to popular belief, **Solarwinds** ([NYSE: SWI](#)) is not a clean energy company. Instead it makes products such as network management software for IT professionals.

Solarwinds takes a different approach than most technology companies. It aims to never be the first in any market. Instead it waits for its rivals to establish new markets, then it comes in with a lower cost product of its own. And the company can do this because it has a far lower cost structure than its competitors.

So again, it's a much different scenario than BlackBerry, which is always trying to stay ahead of the competition. There's an old saying that it's the pioneers who get all the arrows, and in technology this saying can ring very true. But with a company like Solarwinds, hopefully you can avoid a bloody outcome.

## **CATEGORY**

1. Investing
2. Tech Stocks

## **TICKERS GLOBAL**

1. NYSE:BB (BlackBerry)
2. NYSE:SWI (SolarWinds, Inc.)
3. TSX:BB (BlackBerry)

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## **Author**

bensinclair

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