



Why September 24 Could Be BlackBerry Ltd.'s Most Important Day Ever

Description

Like many fellow tech geeks, I watched the newest iPhone release from **Apple Inc.** ([NASDAQ: AAPL](#)) with a great deal of interest. What new technology would be in the iPhone 6? Would it be such an exciting new gadget that I'd immediately rush out and upgrade my ancient (in the world of technology, anyway) iPhone 4s?

The answer? No. A resounding no, in fact. I don't think I've ever been so disappointed with a new Apple product. The phone's improvements were lackluster at best, and the Apple Watch just seems like the company is grasping at straws. Samsung released its own smartwatch nearly a year now, and sales have been tepid, at best.

I've spent the last two months in South Korea, which is nuts about Samsung products. It seems like everyone is using the newest Galaxy S5, but I haven't seen a single person using a smartwatch. I don't see how the product will be anything more than a novelty for both Samsung and Apple.

Meanwhile, **BlackBerry Ltd.** ([TSX: BB](#)) (NASDAQ: BBRY) is quietly preparing for its own September 24 product launch. The company will officially unveil its new Passport device, just in time for the Christmas season.

This latest launch is more than just an effort to sell phones; the very future of BlackBerry's handset business could be at stake. If the phone flops, chances are the company will just ditch selling phones altogether.

I'm optimistic, and I think investors should be, too. Here are three reasons why you should buy the company before the launch.

1. Low expectations

In early 2013, the company introduced the Z10 in an effort to compete after Apple and Samsung took away its formerly dominant market share. We all know what happened: The phone was a massive failure, and eventually led to a huge inventory write-off.

This is actually good news for investors now. Why? Since the last phone launch was such a disaster, expectations are low. The market should get excited even with moderately successful sales numbers.

One of the first moves made by CEO John Chen was moving the company toward a partnership with manufacturer Foxconn, which shifts the inventory responsibility. Gone are the days when investors will have to worry about BlackBerry writing off a huge number of unsold phones. Foxconn is responsible for that now.

2. A good phone

One huge mistake the company made when it came out with the Z10 was ignoring the one thing that made BlackBerry devices stand out — the physical keyboard.

The Passport doesn't make that mistake. Besides the QWERTY keyboard, it features the largest battery of any smartphone on the market, the ability for users to download any app that works on Android devices, a 13-megapixel camera, and a phone comparable in size to the newest offerings from Apple and Samsung.

It may not be the "Apple killer" some investors were hoping for, but it's still a good phone.

3. A leaner company

John Chen has done a terrific job ever since he took over as BlackBerry's CEO in November. He sold off non-core assets, led the company's focus into other areas besides smartphones, and, perhaps most importantly, cut costs.

The benefits to cost-cutting are obvious, but shouldn't be understated. Lower costs put less pressure on the launch to be a roaring success, giving the company room for error that it didn't have during the last round of new devices. And as mentioned before, lower expectations are easier to exceed.

The market is still very pessimistic about BlackBerry's chances. Even a moderately successful Passport launch could send shares higher. I'm optimistic, and think you should be, too.

CATEGORY

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