



## Why the New BlackBerry Ltd. Passport Could Be a Hit

### Description

Today is a big day for **BlackBerry Ltd.** ([TSX: BB](#))(NASDAQ: BBRY), as it's launching its new Passport line of mobile phones.

The phone features the physical keyboard that BlackBerry has become known for, a large 4.5-inch square screen, a battery that's claimed to be the best of any mobile phone out there (lasting up to 36 hours without another charge), and access to the Android store for users' app needs. The phone also has a 13-megapixel camera, the option for up to 64 GB of additional storage via a mini SD card, and a newly updated operating system. And, of course, it also features the company's almost-legendary security features, all but ensuring a user won't get hacked.

But after **Apple Inc.** ([NASDAQ: AAPL](#)) launched the iPhone 6 just a couple of weeks ago, is BlackBerry too late? After all, Apple sold 10 million of its new line of smartphones during just the opening weekend. That's a huge number. Analysts are saying that if BlackBerry can do just 2 million phones, then this new line will be a success.

Should investors be bullish on the new line of phones? Or will the company's handset division flop again, leading to a complete withdrawal from that part of the market? I think the phone will be a hit. Here's why.

### Low expectations

In the United States, BlackBerry controls a scant 0.5% of the smartphone market. That number is higher in other areas of the world — most notably here in Canada, its home base — but the company is barely on the radar in the U.S.

That could change.

I have nothing but purely unscientific data, but potential customers seem excited about the phone. One poll showed that approximately 45% of a website's users were excited about the Passport, compared to just 15% of readers listing the new iPhone as their preferred new phone.

But the big advantage could come from low expectations. Apple sold 10 million new iPhones during its launch weekend. And the stock fell. BlackBerry doesn't have expectations that high. Even a modest success could send shares rocketing higher.

### Other markets

Even if BlackBerry doesn't get a huge amount of success from the United States, it's doing a nice job positioning itself outside of North America.

The company is launching the new phone with events in Canada, the U.K., and Dubai, all of which are still considered strong markets. It also has carriers lined up in Germany, France, and other European markets. It is also doing a nice job of selling lower-cost phones to developing markets. It successfully launched its Z3 phone in Indonesia (which retails for under \$200), and is also gaining market share in India with the same device.

I think BlackBerry's move into other markets will end up paying off. It's smart to almost ignore the United States. Its competitors are just too well entrenched there.

### A cheaper price

The company has announced that its new Passport will retail for anywhere from \$50 to \$250 less than comparable Apple and **Samsung** products, if purchased without a contract.

This doesn't seem like a big deal on the surface, but it could be more important than you'd think. Folks who want a smartphone but don't want to pay a whole lot might be more inclined to choose the Passport over some of the competing products. Sure, there are cheaper Android devices out there, but older customers are more likely to buy a brand they've heard of.

All these factors put together could help the Passport become a modest success. That will signal to investors that the company is no longer on life support, which should ultimately lift shares higher. It's really that simple.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)

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