



## 2 Reasons BBM Can be a Revenue Generator for BlackBerry Ltd.

### Description

When **Facebook, Inc.** bought Whatsapp for \$19 billion, shares of **BlackBerry Ltd.** ([TSX: BB](#))(NASDAQ: BBRY) shot up. Investors were hoping that since Whatsapp was worth so much, the smaller BlackBerry Messenger might be worth billions as well.

Unfortunately, analysts came out against this analysis. The argument was that since Whatsapp was the biggest, it was allowed to charge over \$40 a user. On the other side, Viber was acquired for \$900 million which came out to a little over \$8 a user.

So how much are BBM's 90+million users worth?

It's not quite so black and white. If we value them at \$8, then BBM is worth \$720 million. But I don't believe a user is worth that little for a couple reasons. First, the type of user is a higher value. They might be executives, lawyers, or bankers. Second, the security that is attached to BBM is greater than what is attached to Whatsapp and Viber.

Because of these two reasons, I would argue that a user might be worth anywhere between \$20 and \$25. At that rate, BBM is now worth anywhere from \$1.8 billion to \$2.25 billion. But I don't want BlackBerry to sell BBM because it's more valuable to keep it. And in my opinion, BBM could actually turn the company around.

### BBM and payments

Because BBM is so secure, it's the perfect vehicle for payments. Facebook Messenger is rumored to be releasing a payment platform soon, and for a while, will not charge anything. But when it does start charging, it could get \$1 per transaction.

BlackBerry users could be given the same opportunity. BBM could facilitate tens of millions of transactions a month. At \$1 per transaction, that could be tens of millions of dollars in revenue for the company.

Other companies have been releasing their versions of "phone payments," **Apple Inc.** ([NASDAQ: AAPL](#))

) being the big one. But what makes me nervous about it is the security. With a BBM payment tool, those security fears go out the door. And I think other people might agree.

### **BBM and Featured Users**

There are thousands and thousands of enterprise users who still use BlackBerry. As I said above, these are executives, lawyers, and bankers. They deal with very precious information that, should it get out to the wrong people, could have serious ramifications.

These are the kind of people who will pay to have their data safe. Whatsapp charges \$1 a year for its users to use the feature. There's little reason to doubt BlackBerry's ability to charge \$1 a month, if not more, to keep these users safe.

Add on increased functionality and security and these users would happily pay. For a banker responsible for million dollar deals, an additional \$60 a year for security is less than what they pay for martinis at lunch.

### **BBM is revenue and growth**

I believe in the future of BlackBerry is its software. I love its devices, but I think there is more money to be made on software. And BBM is one piece of software that could really help it to generate necessary revenue to reinvest in its other software offerings.

### **CATEGORY**

1. Investing
2. Tech Stocks

### **TICKERS GLOBAL**

1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:META (Meta Platforms Inc.)
3. NYSE:BB (BlackBerry)
4. TSX:BB (BlackBerry)

### **Category**

1. Investing
2. Tech Stocks

### **Date**

2025/09/25

### **Date Created**

2014/10/16

### **Author**

jaycodon

default watermark