



Should BlackBerry Ltd. Be Disappointed to Be Dumped by Facebook Inc.?

Description

Facebook Inc. (NASDAQ:FB) recently announced it would be ending support for all **BlackBerry Ltd.** ([TSX:BB](#))(NASDAQ:BBRY) operating systems. In response, BlackBerry said that it was “extremely disappointed” by Facebook’s decision. This all comes after WhatsApp (also owned by Facebook) dumped BlackBerry’s OS last month.

So what exactly does this mean for BlackBerry?

A loss of functionality

BlackBerry users will still be able to access Facebook, but the process won’t be so smooth. Without the application, accessing Facebook must be done through the web browser. Furthermore, Facebook will no longer integrate with the BlackBerry Hub.

BlackBerry will soon release a native app that redirects users to the web version of Facebook. At this point, that’s all the company can do.

The final nail in the coffin

As we all know, BlackBerry’s handset division has been in serious decline for years. In the most recent quarter, the company sold just 700,000 devices; by comparison, BlackBerry sold at least 11.8 million devices in each quarter back in 2011.

Of course, this decline lessened the incentive to make apps for BlackBerry’s OS. And this made BlackBerry handsets even less desirable, reinforcing a vicious cycle. To deal with the problem, BlackBerry made its first handset powered by Android, the Priv. And by doing so, the company sounded the death knell for its own operating system. To be clear, BlackBerry still hasn’t ruled out making another device with its own OS, but the writing is clearly on the wall.

So BlackBerry can say it’s disappointed all it wants, but no one can truly blame Facebook for its decision.

Does this even make a difference?

Although BlackBerry may be disappointed, this development means very little for the company in the long run. After all, BlackBerry holdovers aren't known to use Facebook or WhatsApp extensively. So we're unlikely to see many people switch devices in response. And the BlackBerry OS does not figure in the company's future.

If there's any negative, the news is yet another hit to BlackBerry's brand. Then again, the brand is not really associated with handsets at this point. Put bluntly, this story is a foregone conclusion, and shareholders shouldn't have any reaction at all.

CATEGORY

1. Investing
2. Tech Stocks

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1. NASDAQ:META (Meta Platforms Inc.)
2. NYSE:BB (BlackBerry)
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