



BlackBerry Stock (TSX:BB): Ground-Breaking Deal With Amazon Explained

Description

BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#)) is one of Canada's leading technology masterminds. Its software has won awards and accreditations. All of this has made BlackBerry a partner of choice. And this week, we got a glimpse of this.

Amazon Web Services and BlackBerry announced that they will be working together. This partnership will develop and market BlackBerry's Intelligent Vehicle Data Platform, IVY.

What *is* BlackBerry?

BlackBerry has come a long way since it was a smartphone company. Today, it's successfully growing in two very lucrative industries. The first is the [cybersecurity business](#). And the second is machine-to-machine connectivity.

The connected car market is a massive, largely untapped market. It's a market in its infancy. It's also a market that BlackBerry set its sights on years ago. In fact, BlackBerry has been working hard on software solutions for the connected car since then. All of this work really paid off this week.

BlackBerry stock rallied 30% in response to the Amazon partnership — in just two days of trading. Let's take a closer look to see just why this deal is so significant.

BlackBerry IVY + Amazon Web Services: best of breed

The agreement with Amazon is an agreement that changes everything. For years, many of us have been dreaming about connected cars. But there's always been a roadblock. A lack of standardization made innovation difficult. This industry could not really move forward.

BlackBerry specializes in car connectivity. And BlackBerry QNX has been at the forefront of transforming automobiles into connected systems. In fact, the company has been recognized for its leadership in this area. It's also been recognized for its innovation. Finally, BlackBerry QNX also has

safety certifications. These are both huge competitive advantages.

Amazon Web Services specializes in [everything cloud-related](#). It's the market leader in cloud ecosystems. Its cloud infrastructure is fast, reliable, far-reaching, and massive. This type of ecosystem is essential for connected cars. This partnership will draw upon the strengths of the two partners.

So with this, we can see the beginnings of an ecosystem. A system where everything works together. Ultimately, cars will become systems that can grow and adapt to drivers.

BlackBerry IVY: An ecosystem in the making

A standardized platform to enable smart cars will unleash the power of data. Because with this, data from all kinds of devices will be harnessed. In turn, an ecosystem of applications will be born. Similar to the mobile industry, this will lead to an explosion of apps and services. A decade ago, our mobile phones were a fraction of what they are today. Could we have imagined all that we have at our fingertips today?

At this point, the connected car industry is at an inflection point. And BlackBerry and Amazon are leading the way. Standardized, secure access to more data and insights will breed innovation. The revenue opportunities for automakers is huge. Just think of all the apps we have on our phones — and how much business value this has.

BlackBerry's QNX software is in a great many cars. And with this announcement, it will be in many more cars. In fact, the global market size is widely expected to increase threefold in the next five years. In 2020, the market was valued at more than \$60 billion. By 2025, it is expected to be more than \$180+ billion.

The bottom line

BlackBerry just got a lot closer to securing a large part of the connected car market. But the connected car of the future is still many years in the making. BlackBerry has many years of growth ahead. For now, BlackBerry stock is still cheap even after its spectacular run-up. It is a stock to buy for the long term.

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karenjennifer

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