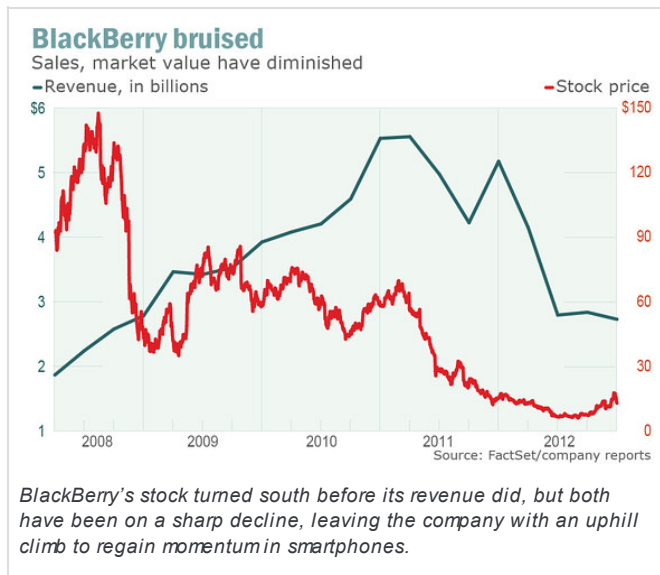


BlackBerry now on the hook to show results

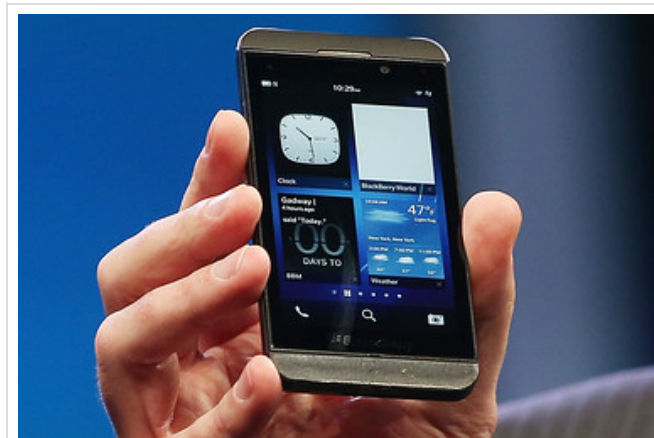
By [Dan Gallagher](#)

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SAN FRANCISCO (MarketWatch) — BlackBerry, née Research In Motion Ltd., has regained some much-needed buzz in the competitive smartphone market, but experts say the company faces a long slog to turn enthusiasm into actual sales that ultimately will determine the company's future.

BlackBerry — which trades under the name Research In Motion [US:RIMM](#) [CA:RIM](#) until Monday — showed off two new smartphones for its newly built BlackBerry 10 operating system this week. The touch-screen Z10 and a QWERTY keypad device called the Q10 will be the first to launch with the new platform, designed to compete against the powerful iPhone and Android devices that currently rule the market. [Read: RIM unveils new BlackBerry 10 smartphones.](#)



Getty Images

BlackBerry CEO Thorsten Heins holds the Z10 smartphone.

Investors have registered skepticism for the success of the launch. BlackBerry's shares are down 17% from their closing price on the eve of the company's event in New York last week to unveil the devices.

Yet the stock also is roughly double in value from its lows of late September — before RIM gave a preview of the new OS to developers.

Ed Snyder of Charter Equity noted that RIM's shares had surged 22% in just eight sessions, and hit a 52-week high of \$18.32 last Thursday “fueled by speculation that the new platform could reverse the company's deteriorating financials.”

He downgraded the stock to market perform, or neutral, following the event, noting that “the mood has shifted to skepticism that the new phones can make much headway against iPhone and [Samsung's] Galaxy,” given the prominence of rivals Apple Inc. [AAPL, -0.64%](#) and Samsung Electronics Co. [005930, -0.49%](#)

“We believe the upside has been flushed out of the stock near term, and the market will require quantifiable data for RIM to see sustained appreciation from here,” he wrote in his report.

It's a sentiment that seems widely shared on Wall Street. About 40% of the brokers covering BlackBerry rate the

shares as a sell, while only 11% carry buy ratings on the stock, according to Thomson Reuters. The shares were still about 30% above the Street's median price target of \$10 by Thursday's closing bell. [Read Tech Tales: BlackBerry has short window to prove itself.](#)

Kulbinder Garcha of Credit Suisse downgraded the stock to underperform on Thursday, saying he believes the new devices will see "limited scope for traction in the hypercompetitive smartphone market." He also believes the new BB10 platform will drive lower revenues from the company's high-margin services business.

It will take time to determine whether the new platform is a success. BlackBerry's next quarterly report will cover the fiscal period ending March 2, so it will only capture a few weeks of BlackBerry 10 sales in initial markets — which will not include the United States. The following two quarterly reports, expected in late June and September, will provide a better indication of how the new devices are selling. [See slide show: Will RIM's name change boost its stock?](#)

BlackBerry CEO on BB10 launch

(4:36)

Thorsten Heins talks about what to expect from the BlackBerry Z10, how much RIM is staking on the launch, and what's in store for company beyond the new phones.

But the unknown launch date for the QWERTY phone — which may appeal more to the typical BlackBerry fan — and the early pricing details have analysts worried. At \$200 with a two-year contract, the Z10 will be priced on par with the iPhone 5 and Samsung Galaxy S III; Nokia Corp. [NOK, -0.48%](#) priced its Lumia Windows Phones below the competition to try to get a foothold in the sector.

The wide-scale launch of the new BlackBerrys may also strain the Waterloo, Ontario-based company's resources. Stuart Jeffrey of Nomura made another comparison to Nokia, saying that launching the Lumia across several markets in a short time frame made it difficult for Nokia to help retailers showcase its products.

"In particular, Nokia needed to heavily influence retail staff through training sessions, for example, to convince them to pitch Lumia phones rather than just default to iPhone or Android," Jeffrey wrote to clients. "We've not heard RIM talk about how they plan to address this issue."



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