



# iPhone vs. BlackBerry – The Great Debate

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When Steve Jobs, CEO of Apple, introduced the first iPhone to the world in 2007, he ignited a firestorm among smartphone users everywhere. Apple partnered with AT&T to launch the iPhone. We all remember the TV news broadcasts that showed people camped out on the sidewalk outside AT&T stores – so strong was the desire to be among the first to own this amazing phone. The hype surrounding its launch became prophecy. The big, brilliant screen of the iPhone, coupled to a fantastic web browser and innovative operating system, sealed the deal. People loved their iPhones.

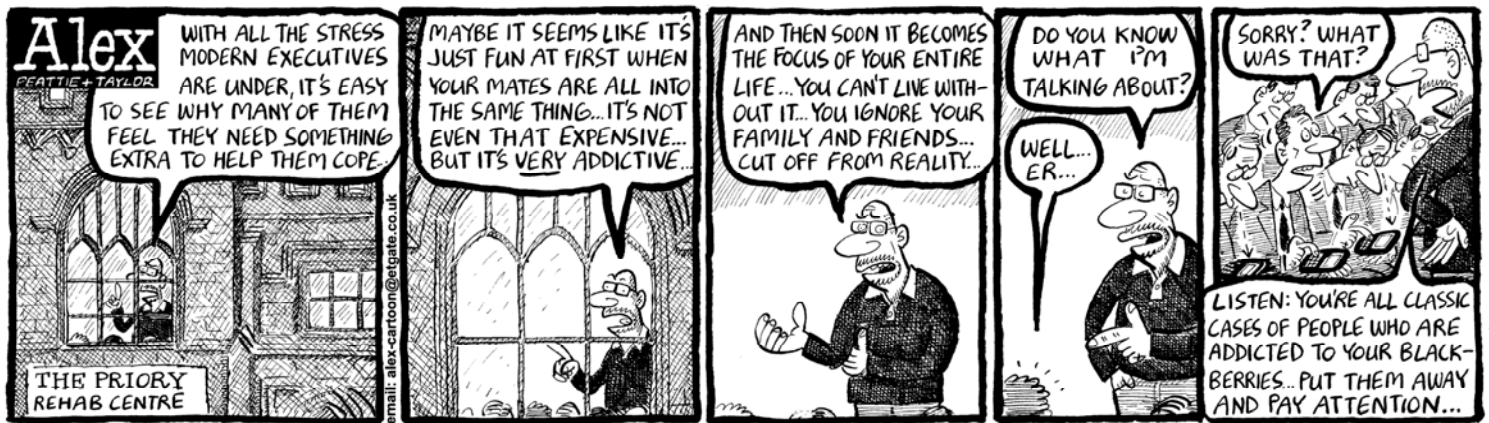
iPhones sales rapidly eclipsed even the most optimistic of forecasts. Apple's iPhone became the fastest-growing smartphone of 2008 – increasing its market share 245% according to Gartner research. By July 2009, the iPhone 3G was being sold in 22 countries, and will move out to over 70 countries by the end of the year. In the 3<sup>rd</sup> quarter of 2009, Apple sold 5.2 million iPhones.

Apple is now facing a global iPhone shortage as demand far outstrips supply. Leading analysts predict that, by the end of 2009, Apple is likely to sell between 27 million to 45 million iPhones. At \$200 a phone, that would generate roughly \$5 billion in revenue (not including the subsidy

world phone, operating on both U.S. GSM frequencies (850 & 1900 MHz), both international GSM frequencies (900 & 1800 MHz), plus the 2100 MHz 3G GSM band used in the Asia Pacific region.

New iPhone customers that abandoned Verizon or Sprint to move to AT&T's 3G GSM service witnessed something that they had never seen before - simultaneous voice and data service! For the first time, these people could be on a phone call and receive E-mail messages at the same time! GPS navigation and Wi-Fi service rounded out the iPhone feature set.

Let us not take for granted the true pioneers of



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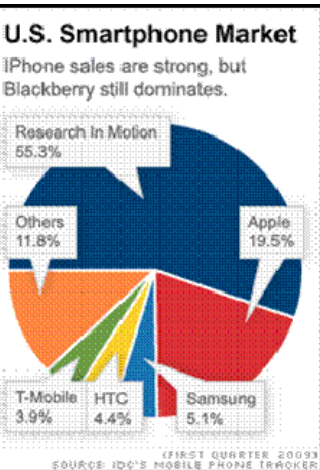
the company will collect from its carriers). The iPhone has become solid gold for Apple.

The revolutionary design and unique user interface of the iPhone, coupled with AT&T's GSM technology, is an unbeatable combination. GSM technology is in use by the majority of wireless carriers around the globe. Almost 90% of the world's cell phone users carry a GSM device. To Apple, this was a wide-open market, ripe for the picking. The iPhone is a true take-it-anywhere

smartphone technology – a Canadian company called Research in Motion (RIM). Ten years ago, RIM invented the BlackBerry. In February 2009, RIM sold their 50 millionth BlackBerry. There are now an estimated 21 million current BlackBerry E-mail users around the world. The Bold 9000 (shown at left) was the first 3G GSM BlackBerry sold in the U.S. Like the iPhone, it also features GSM coverage on both U.S. frequencies (850 & 1900 MHz), both international GSM frequencies (900 & 1800

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MHz), plus the 2100 MHz 3G band used in the Asia Pacific region. GPS navigation and Wi-Fi service round out the top features.

Jokes about “CrackBerry addiction” have spread through corporate America.

The form factor of the BlackBerry is part of its attraction.

It can easily be held and operated in one hand. As BlackBerries evolved through the years, they added more processing power, more memory, a brighter display, sharper resolution, GPS navigation, Wi-Fi, and more. RIM tried to combat the mushrooming popularity of the iPhone by creating their own touch screen device – the BlackBerry Storm. Unfortunately for RIM, the Storm was not greeted with much enthusiasm by corporate America. Those diehard users missed the QWERTY keyboard of the traditional BlackBerry.

BlackBerry has become the de-facto smartphone in most companies. iPhone threatens to upset the mix. Employees go out and buy iPhones on their own, and then try to link them into the company E-mail network. A senior executive walks into the CIO’s office, plops an iPhone down on the desk, and requests that it be hooked up to the company E-mail network.

As the chart illustrates, RIM still dominates the U.S. market, with over 55% of the unit sales. Apple’s iPhone is in 2<sup>nd</sup> place with 19.5%. Many companies are now starting iPhone pilots to get firsthand experience with the new technology. Telecom departments are seeing that a “one device fits all” philosophy doesn’t ring true any longer.

The explosive growth in smartphone sales has created a “perfect storm” in carrier networks. AT&T probably never anticipated just how much impact the iPhone would have on their network, and the appetite for large amounts of data that the average user would consume. Cisco claims that mobile data traffic is expected to grow by 5,000% in the next few years. Carriers are racing to add capacity to their networks to try and

get ahead of demand.

Popular web sites like Boy Genius Report, CrackBerry, and Phone Scoop fuel the latest gossip and rumors about anything and everything having to do with mobility. Where does this all leave someone that is searching for the perfect device? Consider your options.

The latest J.D. Power and Associates survey showed that Apple’s iPhone beat out Research In Motion’s BlackBerry in terms of customer satisfaction in the enterprise. On a 1,000-point scale, customers who use their smartphones primarily for business purposes ranked Apple’s iPhone highest (with a score of 803), followed by RIM’s BlackBerry (with a score of 724). Among the most important factors contributing to customer satisfaction: ease of operation (29 percent), operating system (23 percent), physical design (21 percent), features (16 percent), and battery function (11 percent).

iPhone users know that it’s really all about the “apps” (applications). To quote Walter Mossberg, a well-known media pundit that covers the electronic and wireless fields, “...the [iPhone] platform offers a staggering 85,000 downloadable apps. By comparison, there are around... 3,000 for the newer models of the Research In Motion BlackBerry.”

iPhone has also changed the face of e-commerce. You can download free apps to order a pizza from Domino’s, customize a burrito at Chipotle, order your latte at Starbucks, find the closest pub service Guinness, or fill your craving for Mexican food at Rubio’s Fresh Mexican Grill. The majority of web browsing that is done by a mobile phone is done on an iPhone. Companies are racing to create web content that takes full advantage of the iPhone capabilities.

Do your own “test drive” of both devices. If you want a fun user experience, pure and simple - grab an iPhone. If you want a device that you can use one-handed... that gives you worry-free access to E-mail, calendar, and contacts...and can shrug off a few hard knocks...then look at BlackBerry. Can’t live without a physical QWERTY keyboard, you say? You might be surprised. Even die-hard BlackBerry users like the author can adapt to a touch screen.