
BlackBerry as Niche: Firm Disappointment and Strategy Change



By [Henrich Greve](#) , INSEAD

BlackBerry director Bert Nordberg was elected recently, but is not shy about making statements: he has already said publicly that the BlackBerry smartphones need to retreat to certain niches in the market, leaving others for the competitors. This may seem reasonable to many listeners given how BlackBerry has suffered from competition by Samsung, Apple, and other firms, but it is probably not a popular view in BlackBerry, where employees remember their earlier great times.

The statement reminded me of my discussion with a technical assistant when I got a new job and needed to choose between a BlackBerry and a different brand of Smartphone. I asked about the details of the differences, and was told that the main difference was that the BlackBerry installation of the mailer was more complicated on their side, though it would look the same on mine. The security would also be greater. I was not quite convinced, and went for the other phone, which had some nice features. (I think there

are more efficient ways of hacking email accounts than going for the smartphone, so the extra security did not impress me.)

Of course, the problem that BlackBerry might be having is that too many people are making my choice, that some firms have stopped offering BlackBerry, or that some other phones have improved their security so much that the difference is not important anymore. In fact, a mix of these things may be going on. Indeed, a recent worry is that Samsung has been approved as secure enough by Pentagon, and may also get other approvals by the US government. It is hard to argue you are most secure if the approvals line up with a major competitor.

If that is the strategic situation, where does the “niche” comment come from? Well, it really is an issue of how organizations learn specific actions. There is a lot of research on this, which [Gavetti, Greve, Levinthal, and Ocasio](#) recently reviewed, and some main conclusions are well known:

- Strategies have histories. For example, Mr. Nordberg has previously worked for Sony Ericsson, and one of the things he did there was to narrow its niche focus. It worked, making it likely that he will try it again and even that BlackBerry will be interested in having him as a board member.
- Strategies spread. For example, niche focus is a known strategy that can be observed among many firms, its sheer popularity can make it an option even if the success in each firm is uncertain.
- Strategies have reasons. For a firm that is losing in some places, the option of marketing more intensely in fewer places is easy to explain, and is a good way to sell a niche focus strategy.

So, we can tell where this strategy came from. Will it work? That’s too early to tell: what firms do and what saves firms is not so well linked.

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