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## Can RIM Win Back Consumers?

Research In Motion bowed to pressure from investors today by appointing Thorsten Heins, the company's former co-chief operating officer, as CEO. But analysts say the company needs a superior tablet to rival the iPad, a game-changing BlackBerry 10 and a more charismatic leader to inspire customers.

Stock analysts who follow RIM say consumers will be harder to win over than investors, given recent events. Last year was something of a perfect storm for the embattled company: the BlackBerry – regarded for years as the quintessential phone for American executives – lost further ground to Apple's iPhone 4S, and the Playbook, its stab at a tablet computer, didn't sell well. Another blow to the company's reputation came in October when [an outage of its network](#) cut the service of millions of people around the globe.



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To recover, the company needs a major shift in strategy, and [the replacement](#) of the previous co-CEOs [Jim Balsillie](#) and [Mike Lazaridis](#) won't be enough in itself to restore customer faith, says Scott Sutherland, a senior analyst with Wedbush Securities. He contends RIM needs to do more to emulate Apple's successful "integrated approach" to doing business. That is, Apple offers cloud computing, a customized operating system and a steady flow of devices and apps: "RIM's approach is sadly too far behind Apple."

However, the changes are not likely to immediately impact the estimated 75 million people worldwide who currently use Blackberrys. Heins should start his reign with some door-busting deals on Blackberrys – just like the company has done with [its stock of Playbooks](#) – and by making the site easier to navigate, says Rick Singer, CEO of GreatApps.com.

As competition heats up from Apple and Amazon's Kindle Fire, RIM also needs to build better products that lead the pack rather than react to what's currently on offer from rivals, Sutherland says. Last year, RIM was [forced to recall](#) about 1,000 of its PlayBook tablets that were shipped with faulty operating systems which may have stopped customers from setting up the devices. Looking ahead, Sutherland says such errors are damaging to the brand and – given the management changes – now need to be avoided.

But sweeping changes may not be coming. Heins said in an interview with The Wall Street Journal that the company will continue on broadly the same track: "It's going to be continuity, but it's not going to be a standstill." In a YouTube interview released by RIM TODAY?, Heins said the BlackBerry 10 will need to ship on time, and that the focus from now will be on more decisive execution and getting the final products on the market.

This may not be enough, says Seth Rabinowitz, partner at management consultancy Silicon Associates. He says RIM needs more game-changing products to excite customers. "Thus far, the company hasn't been at the spearhead of innovation," he says. Other say RIM needs to do more to befriend customers like the late Steve Jobs did at Apple. Singer says Heins needs to aggressively court consumers, especially as companies are increasingly welcoming the use of corporate iPhones and Android handsets. "It's not just re-building a brand," he says. "It's trying to instill confidence with anyone that will listen, considering so many have jumped ship."