

IT Analysis – Who really gains from iPhone

Apple, BlackBerry or Microsoft?

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When the first Apple iPhone appeared a year ago it created a huge stir among consumers. It was a particular hit with the Apple faithful, with an expectation that anybody with a creative bone in their body, or a tendency to wear sandals and sport a ponytail would go for the device no matter what the functionality.

There were many naysayers, and many technical issues were raised as 'big problems' that would deter users; a poor camera, a closed battery, no 3G – a supposed deal-breaker for any European user. It was also very expensive and tied to costly contracts with only one choice of operator.

Despite all this, Apple can be fairly pleased. Usability and design have trumped all the techie issues, it is a communications device centred around the user, balanced across all applications – a simple to use and handsome jack of all trades.

But of course, it shouldn't appeal to the business user. After all, they are too sensible to be lulled by ease of use and beauty of design, especially as a major flaw for them was the lack of full connection to enterprise email, calendar and contacts. They want a tool that allows them to get on with the job, not a style icon or object of desire.

However, business users turn out to be human too, and even the first generation iPhone appeals to some. It's probably only as a second device to another enterprise supplied phone, and as only really the top execs would get away with it on their corporate contract, it couldn't be positioned to challenge the corporate handset suppliers, or could it?

Well, this creates an interesting feeling of déjà vu. A companion device, only senior execs, early security worries, proprietary architecture – this all mirrors Research in Motion's (RIM) early progress – perhaps Apple's new device is more 'BlackBerry two-dot-oh', than iPhone 2.0?

So what does that mean for RIM, its bunch of BlackBerrys and the other corporate smartphone handset suppliers?

It is clear that many of them have tried in some way to latch on to the handheld style and usability that Apple brought to everyone's attention. Their products are not all necessarily as aesthetically pleasing, but the entrance of the iPhone onto the scene appears to have raised everyone's game.

Touch screens and icon interfaces have abounded, but some suppliers still fail to understand that it's not simply about hardware features, but the right blend of hardware, software and service. This was something RIM recognised from the fruition of the first BlackBerry.

Having created the mobile email category, RIM has had enormous success with both its chunky PDA-style devices and their full qwerty keyboards, and slimmer smartphone style hardware. Its attempt to widen appeal to other manufacturers by licensing the software platform has been slow, and in reality, stumbled.

The combination of hardware, software and service that made the concept such a success means that hiving off any of the elements was always going to be a challenge. Offering the software on someone else's plastic, even with the same push email service, still pits any licensee against the BlackBerry branded hardware.

As a result there have been large numbers of the BlackBerry hardware devices sold, 20 million at recent count, although that's still tiny compared to the billions of mobile phones. Use has spread beyond email to many other applications.

The increasing spread of the BlackBerry across all layers of the organisation opens up a different challenge for the first time. It is no longer a mark of seniority, status or prestige – if anyone can get one, where's the deferential differential?

There are other challengers for RIM too, coming from Symbian and in particular, Windows Mobile.

As the BlackBerry normalises many more enterprise activities onto a mobile handset, this increases the need for closer integration into existing IT infrastructure. In many areas Microsoft products – Exchange, Office, .NET – will form crucial parts of the corporate IT services.

Skills in these product areas will be widespread, and despite many concerns about specific product issues, there will be an undercurrent of acceptance. This makes Windows Mobile devices more acceptable as the mobile workhorses, but thus far, the range of products has been limited, some struggling with the operating software and some designs a little uninspiring.