# Netflix and Blackberry

There are many reasons which make a business organization fail. Some of these reasons are poor leadership, extensive competition within the market, strategic failure and changes in the market. Moreover, inefficient use of technology may cause some companies to fail. One of the companies that failed because of technological reasons was Blackberry. Before the evolution of the iPhone industry, Blackberry was the most dominant mobile phone company within the sector (Suarez et al., 2018). Nevertheless, because of technological failures, Blackberry is no longer the dominant company in the industry because companies that manufacture Android phone systems control the market. Moreover, technology can also help an organization to make significant advances. Indeed, a company such as Netflix came up with its revolutionary video sharing technology, and it is a project that caused the company to be a leader in the video-sharing industry (Gomez-Uribe & Hunt, 2016). Therefore, this paper analyzes Blackberry and Netflix, and the ability of these companies to manage risks.

Blackberry was one of the most dominant phone manufacturing companies in the world. Nevertheless, it made a fatal mistake of relying on its trade keyboard technology instead of switching to the android phone system that was becoming a trend (Kailas, Chong & Watanabe, 2010). In fact, in the 1990s, Blackberry phone gadget was called CrackBerry because it was very popular with users. Moreover, in 2009, the *Times* magazine named Blackberry as one of the fastest growing companies in the world, because of increased earnings of 84%. Nonetheless, since 2009, the company experienced a decline in its performance. Currently, the company controls only 3% of the market. With this in mind, Apple and Samsung are some of the largest companies that are co0bntrolling the mobile phone market.

Nevertheless, the failure of Blackberry is because of its refusal to change its phone products to support Android technology. The management of Blackberry insisted that the company should not change its successful keyboard technology, in exchange for the android system. The result of this strategic decision was a decline in the market value of Blackberry. The decrease in the market share of Blackberry because of its inability to improve its technological know-how depicts itself in the number of mobile phones the company sold in 2011 and 2016. For instance, in 2011, Blackberry sold more than 50 million mobile phone gadgets. Nonetheless, this is a figure that declined significantly, to about 4 million in 2016(Suarez et al., 2018). Indeed, this is an example of business failure due to technology.

Nevertheless, the success of Netflix is an example of how technology played a role in the success of a company. Initially, Blockbuster was a market leader in the video-rental industry. In fact, the company made a successful transition from the VHS to the DVD systems (Gomez-Uribe & Hunt, 2016). However, Blockbuster did not take advantage of the video sharing technology, that Netflix, approached the company for a partnership. Apparently, in 2000, Hastings Reed made a business proposal for an alliance with Blockbuster, but the management of the company laughed off at the idea. The proposal was that Netflix would run an online brand for Blockbuster, in exchange; Blockbuster will promote its stores. The management of Blockbuster laughed off at the online video sharing technology (Suarez et al., 2018). However, it is the technology that helped Netflix to control the American video sharing and rental industry. Through this example, it is possible to note that Hastings Reed took a significant risk and used technology to start his company, resulting in its success.

Nonetheless, the business model of Netflix has some risks. One of the risks facing Netflix is extensive competition from other players in the industry. Some of its competitors are YouTube, Hulu and Amazon Prime Video (Gomez-Uribe & Hunt, 2016). In this regard, to mitigate the risks associated with losing business to its competitors, Netflix has a small subscription fee. In fact, the subscription fee for Netflix is $ 12 per month. Apparently, this is one of the lowest figures within the industry, and by charging such a small amount of money, Netflix manages to convince customers to try the service. On the other hand, for purposes of controlling risks, Blackberry seeks partnerships and mergers. In fact, in 2013, Fairfax acquired Blackberry for about $ 4.7 billion. Arguably, Blackberry hoped to use the financial strength of Fairfax to strategize its business operations and invest in the Android mobile phone technology.

Finally, Netflix and Blackberry are two companies that risked technologies. One company refused to change its obsolete technology, with the hope that it will continue to dominate the market. Another company came up with a new technology, which enabled online video sharing initiatives. Blackberry refused to change its mobile phone keyboard technology because it was successful in the past. However, companies such as Apple came up with the android technology and managed to achieve market dominance in the industry. On the other hand, Netflix, through its online video streaming technology, managed to control the video rental industry, at the expense of Blockbuster.

## References

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