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BlackBerry Gives Up on Its Tablet, While Consumers Give Up on Its Phones

By [Joshua Brustein](#) on June 28, 2013

<http://www.businessweek.com/articles/2013-06-28/blackberry-gives-up-on-its-tablet-while-consumers-give-up-on-its-phones>

BlackBerry's ([BBRY](#)) dismal performance has been a source of sick joy for certain corners of the tech world, and the company continues to oblige. Today it delivered first-quarter results below analysts' already-low expectations, posting an \$84 million loss in the first three months of the year. This despite revenue of \$3.1 billion, a 15 percent increase from the previous three months. BlackBerry said it was having trouble predicting future performance, but expected to lose money again in the second quarter. Its share price has fallen more than 25 percent in pre-market and early trading.

The earnings are valuable primarily as an early look at the performance of BlackBerry 10, the smartphone operating system the company launched earlier this year. BlackBerry 10 may be the company's last serious attempt to reestablish itself with consumers, and reviewers [liked it](#). But BlackBerry took forever in getting the software to market, and that may have cost it dearly. The company sold 2.7 million BlackBerry 10 devices in the quarter, the first full quarter that they've been on sale. (During that time, Apple ([AAPL](#)) sold 37 million iPhones.) While devices running the new software made up 40 percent of BlackBerry's sales, the company said it lost 4 million users in those three months.

BlackBerry is also giving up on its two-year-old tablet, the PlayBook, after selling only 100,000 of them in the quarter. Thorsten Heins, the company's chief executive, said the tablet won't get a version of the new operating system, because it just isn't good enough to deserve further energy and resources. (Reviewers have been saying pretty much the same thing since its release.) The announcement makes BlackBerry the second company to give up on tablets this week; Barnes & Noble ([BKS](#)) recently announced it would [stop making Nooks](#).

The BlackBerry results were sufficiently bleak that Francisco Jeronimo, director of European mobile device research for market researcher IDC, said on Twitter that the company should just abandon consumer sales altogether.

"BlackBerry needs to refocus on the enterprise segment. They are [not a major phone player](#) nor a consumer brand anymore and will never be," Jeronimo wrote.

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