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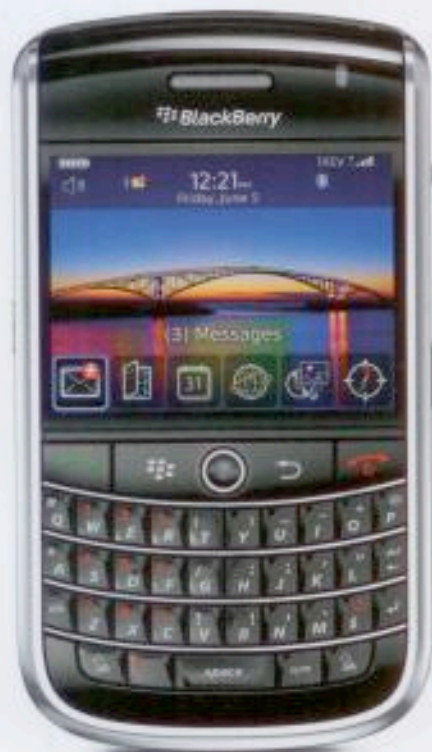
100 FASTEST-GROWING COMPANIES
DEFYING THE DOWNTURN

BlackBerry vs. iPhone

**WHOSE
SIDE
ARE YOU
ON?**

Smartphone giant **Research in Motion** is cleaning up in the consumer market, expanding globally, and plotting to out-app the iPhone.

By Jessi Hempel



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Australia	A \$11.00	Hong Kong	HK\$70	Barro	W\$000	New Zealand (incl. tax)	NZ\$11.50	Sri Lanka	Rs 380
Bangladesh	Tk 290	India	Rs 180	Malaysia	RM 29.00	Pakistan	PKR 240	Taiwan	NT \$220
Brazil	R\$ 14.00	Indonesia	Rp 50,000	Mongolia	US\$ 9.00	Philippines	P 200	Thailand	฿ 220
China	RMB 60	Japan	¥1,340 (incl. tax)	Nepal	Rs 130	Singapore	S\$12.50	Other	US\$ 9.00

WHAT'S HOT AT THE APP STORES

THE MARKET FOR SMARTPHONE APPLICATIONS IS \$7 BILLION AND GROWING FAST. HERE'S A RECENT SNAPSHOT OF THE BESTSELLERS AT BLACKBERRY APP WORLD AND THE IPHONE APP STORE.*

BlackBerry iPhone


Vlingo Plus (Vlingo Corp.) \$17.99

Use your voice to send text messages or e-mails and even update your Facebook status.

1

Camera Zoom v1.1 (KendiTech) \$0.99

Move the slider to zoom in and out in real time when taking photos.

Calorie Tracker (Livestrong) \$2.99

Search food and fitness databases to track how many calories you consume and burn.

2

Bookworm (PopCap Games) \$2.99

Build words in the puzzle game to keep Lex, the bookworm, happy.


Memory Booster (S4BB Limited) \$9.99

Recover the wasted memory on your device so that it will run faster.

3

Cartoon Wars (Blue) \$0.99

Conquer the enemy's castle to free your cartoons and win this arcade war game.

The Flashlight (Jared Co.) \$2.99

Turn your phone into a flashlight that stays on until your battery dies.

4

The Price Is Right (Ludia) \$2.99

"Come on down" to play the popular game show and test your luck in the Showcase Showdown.


Uno TM (Gameloft) \$4.99

Play the popular card game of matching colors and numbers on your mobile.

5

Ragdoll Blaster (Backflip Studios) \$1.99

Fire ragdolls from cannons to hit targets; the fewer you fire, the higher your score.

*Bestselling paid apps on Aug. 7, 2009. Rankings according to BlackBerry App World on Curve and iPhone App Store.

realized it would be the communication medium of the future and would eventually move to devices much like phones. A company that could provide those products would have an enormous opportunity. "We knew e-mail was going to be the foundation of business, that it'd replace fax," said Lazaridis. "We basically had to wait around and get ready." Unfortunately, they had nearly run out of money.

So in 1992, Lazaridis and Fregin turned to Jim Balsillie, a management consultant they had previously worked with on a failed project. Balsillie, a onetime college roommate of author Malcolm Gladwell (*The Tipping Point*) at the University of Toronto's Trinity College, invested \$125,000 for a one-third stake in the business. He took the co-CEO title and threw himself into fundraising. In 1997, RIM went public with a listing on the Toronto Stock Exchange and raised \$115 million from investors. Two years later the company introduced its first BlackBerry brand e-mail device, a bulky rectangle with a narrow screen that ran off one AA battery.

Balsillie took an unconventional approach to winning the company's first customers that proved highly successful. He sank his energy into investor relations, crisscrossing the U.S. to sit down with analysts and bankers. "Every time I'd go up there and present, I'd sit there and ask, 'Who here uses Microsoft Exchange?'" he remembers. "And two-thirds would raise their hands. Then I'd say, 'Who here would like to get e-mail on their belt for free?'" He

collected business cards and sent "e-mail evangelists"—kids just out of college—back to get the bankers up and running. Within a year the BlackBerry had become a staple on Wall Street. "It was a puppy dog sale," he says. "Take a puppy dog home, and if you don't like it, bring it back. They never come back."

Most people think of Apple as RIM's biggest threat. While that may be true, there is probably no single event that has done more for RIM's business than the iPhone launch. It was Apple that convinced consumers that they could enjoy the ease and power of a desktop in a handheld device, thus opening a vast new market. Overnight the smartphone became, by popular demand, a consumer device. Since the iPhone's introduction in June 2007, BlackBerry quarterly sales have more than tripled, from \$1.1 billion to \$3.4 billion. Three of the five top-selling mobile phones in the U.S. are now BlackBerrys.

While Apple has chosen to develop one phone on its own through one carrier (AT&T) and wait for customers to seek it out, RIM has pursued the opposite strategy—what Balsillie calls "constructive engagement." Rather than creating devices independently, RIM partners with carriers to make individualized products. It produces numerous versions of its seven basic handsets. And because RIM works with every major carrier, consumers are able to buy a subsidized BlackBerry no matter what their plan.