

Innovation Alignment, Refusing Product Decline Life Cycle (Case Study: BBM Falldown)

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Abstract - *The falldown of BBM has been predicted longtime before current tragedy. Product extinction such as BBM has not been happen one time, many technology products already got their bad fate before it. All those cases have warned some technology product vendors to be careful in managing their product life cycle. This research merely compare product lifecycle analysis and its fact in BBM case study, also tries to align it using market lifecycle. The result of innovation alignment alerted that BBM is in late response, while their competitors such as Whatsapp and Telegram already in rally race creating new features. There should be disruption and application innovation to deny product decline stage of BBM. However, BBM vendor must paid huge loss in its product decline and it also become alert for other product which are in product maturity stage, to become aware and keep doing their innovation alignment.*

Key Words: Innovation Strategy, Product Lifecycle, BBM

1. INTRODUCTION

BBM (Blackberry Messenger) has officially announced its shutdown in May 2019 [1]. While BBM has ever been a great messenger software (and platform) back in years ago [2], it is such a tragic watching it extinct. In contrast, other messengers have already occupied its market share, such as Whatsapp and Telegram.

The falldown of BBM has been predicted longtime before current tragedy. While it already reach its maturity stage, BBM already anticipated it using some promotions gimmick such as great prize competition and "member get member" marketing [3], [4]. However, all of those efforts can not deny its decline stage.

Product extinction such as BBM has not been happen one time, many technology products already got their bad fate before it. We can mention Yahoo Messenger in 2018 [5], or also Friendster in 2015 [6]. There is no denial that both of them are the king in their era, however, the extinction is not a myth for great products.

All those cases have warned some technology product (or in specific case is IT and internet product) vendors to be careful in managing their product life cycle. Product life cycle which consist of four stages (birth, growth, maturity and decline) [7], should avoid decline stage in order to make the product sustain for present and future. Moreover, at maturity stage which commonly create light-minded attitude among

vendor's management, can suddenly bring product into decline stage [7], [8].

Thus, based upon those cases, it is very important to study what kind of strategy for IT products vendor (in this case is software, not the hardware), to avoid product decline stage. In this situation, some strategy can be adapted such as innovation [8], creating new product line [9] or product extension [10], [11]. While BBM has already use their innovation, for example creating channel (which already adopted by Telegram), creating groups feature (which also adopted by Whatsapp and Telegram), it is still helpless fighting their competitors.

BBM has already creating new product line inside their messenger using BBM money (which already transformed as new product named DANA), and also hardly tried to boost it using great prize marketing [4]. However, it still can't lift their product in front of their rivals. From year before, BBM has already came to its product decline stage which is too late to do its new product line. Since 2017, BBM has failed to be the leader against its opponent [12], [13].

Those facts create tragic moment for such big product vendor that already invest big money [14], [15], and then lose it in bigger amount in its product closing [16]. Thus, there should be innovation alignment strategy for upcoming product to avoid another product decline stage.

Based upon this case study, there should be study about innovation alignment strategy in IT product life cycle. While some research study mostly on brand extension strategy [17], [18], these research focuses on extension strategy in software product. The result from this research should become recommendation for IT software vendor in order to be aware for their product life cycle and prepare for product decline stage and create sustainable product in the future.

2. Methods

This research merely compare product lifecycle analysis and its fact in BBM case study, also tries to align it using market lifecycle [19] which more focused on technology product. This comparative fact should be able to be pulled out as great conclusion and also should be tested using empirical study in next research.

As stated previously, product life cycle has four stages which originated from Forrester as S-curve in his HBR article in 1959 [20]. In this curve, most people think that mature or maturity stage is the main target for a product because of its

peak curve (see figure 1). However, the rapid customer growth happens in growth stage, not in mature stage.

It is also emphasized that growth stage become peak performance of product development. Because in growth stage, peak revenue sales happen and it will affect competitors coming to the market [21]. Thus, whenever product already reach its mature stage, it should be pullback into growth stage to make its market share constantly stable.

In other words, growth stage is the best time for vendor in creating new features for its product to keep competitor far apart from its market share. It also the best time for vendor to keep revenue still in its peak performance.

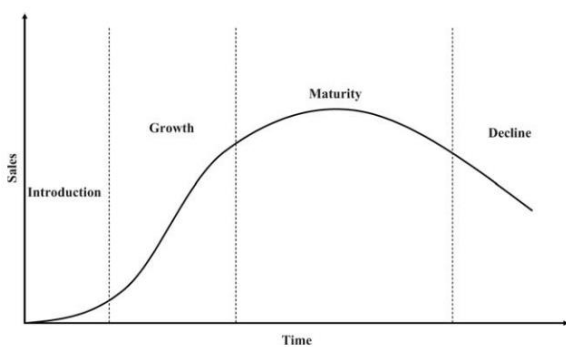


Figure 1. Product Life Cycle [20]

While knowing and understanding product life cycle, this research then Figure 2 explain that first, we collect news and all of BBM history data for its fair judgement comparative process. All those data then become foundation for the next comparative table which includes steps of product lifecycle and align them with market lifecycle for creating extension strategy.

If the extension strategy relatively considered to be aligned with lifecycle, then conclusion can be pulled out. However, if it is not considered as align strategy, then comparative table should be evaluated again.

If the resulted table has already considered as aligned strategy, then it means that research questions is answered. However, as other strategy result, it is still needed empirical proof before implemented. Empirical proof should be provided in next research.

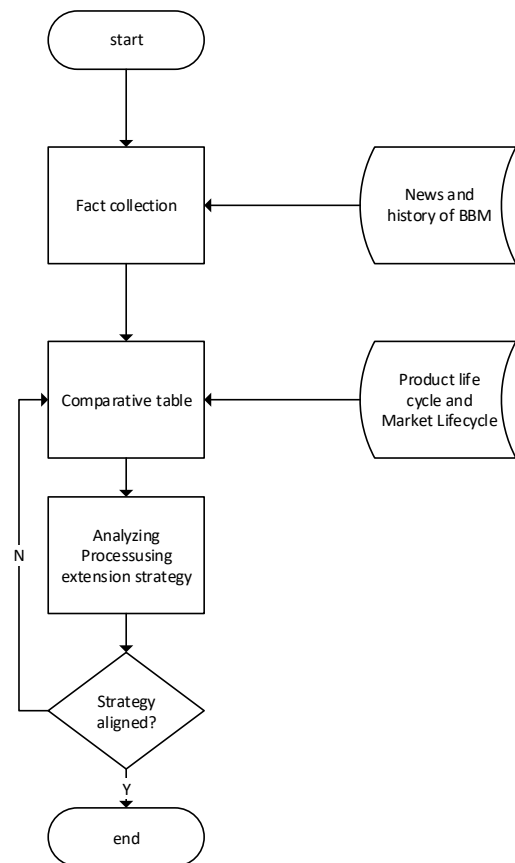


Figure 2. Method Workflow

3. Results and Discussions

Some trusted news sources have already involved in searching of BBM history and news, such as Tirto.id, Jawa Pos, Katadata, Liputan 6 and also Detik. They are considered as trusted because of already listed and verified by *Dewan Pers Indonesia*. While other sources are trusted names in news industry such as BBC and Technology News.

While this research focus on BBM falldown, not its birth and research stage, thus, the news which are explained mostly on its maturity and decline stage. Therefore, we can emphasis the analysis and finding its extension strategy should be taken.

Blackberry as the father of BBM which born in 1999 with its first model (850), then finally become the real connected handphone in 2002 with its 5810 model [22]. This early stage marked out their birth stage with long period of research. Hence, its first stage has already completed without any doubt or error.

The result from this early stage is that they had great growth stage. It is recorded that their great growth from 2008 until 2011 increase at least triple in all their business segment [23]. Therefore, they really do have good growth stage and it is undeniable.

This growth stage can be seen from its revenue report between 2004 until 2019. Blackberry reach its peak revenue in 2011 then started to decline until its death in 2019 (see Figure 3). While its chart seems to fit with product life cycle S-curve, it become proof of each stage in product life cycle theory.

As we can see in figure 3, after 2011, its revenue started to decline, and it seems that vendor just doing nothing to prevent their next stage. It can be assumed that when they started to enter mature stage (which is not the peak, mature stage can be considered in 2014), it enjoy the winning against the rivals.

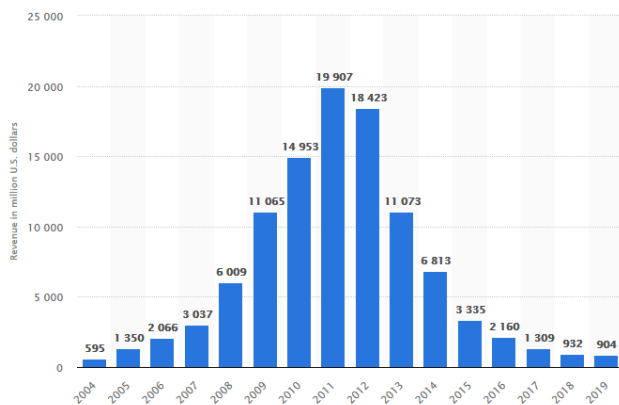


Figure 3. Blackberry Revenue, 2004-2019 [24]

The third stage in product lifecycle is maturity or its peak. BBM during 2014, admitted has approximately 91 million monthly active users [25], also in 2017 they claimed to beat Whatsapp as their main rival [2]. This peak then resulted many improvements from their competitors. For examples, in 2017, Whatsapp release some major features includes two steps verification, delete sent messages, and also live location sharing features [26].

BBM considered in late response for competing their rival. While BBM has already been occupied by EMTEK group from Indonesia [15], and hoping that Indonesia people can be their most potential customer, in contrast, they are being left by their customers. Just in months counting down, BBM start to fall down and turn over their peak crown for king of messenger to Whatsapp [13].

The falldown epic story continues until it reaches the ending in 2019. Finally, in April 2019, BBM announced their ending of legendary messenger and shutting it down in May 2019 [1]. Thus it all comes to end and the late response from BBM vendor had to paid with large loss afterward [16].

Table 1. Product Life Cycle Analysis

Stage	Explanation
Birth	Starting with 850 model untuk 5810 model which are connected and become the birth of BBM
Growth	Great growth of monthly active users from 2008 until 2014
Maturity	Become the biggest messenger in the world and beat all the rivals in 2014 until 2017
Decline	Beginning lost their users from 2017 until its shutdown in 2019

Market lifecycle, as stated by Moore (2014), emphasize in innovation as aligning factor to deny product decline, especially in technology product. The innovation types offered are disruptive, application and product which are highlighted to adopt the lifecycle. The adoption is the key factor in defeating product decline.

In this alignment, BBM should have already prepared when Whatsapp launched some new features in 2017. Back in that year, while BBM still have so many advertisements in their platform, and Whatsapp is still free of ads, they should adopt it with selective ads, for example. Other disruptive innovation that could change BBM's faith should be fighting Whatsapp feature, for example simplifying their friend addition which previously using PIN, rather than Whatsapp which only need phone number.

On the other hand, application disruption of Whatsapp has already begun adapted in many platforms and become more secure, while BBM is very late in adopting this strategy. For example, Whatsapp feature with two steps verification and encryption feature creates secure feeling among its users. While Telegram, as the black horse rival, also create similar feature and leading BBM in its downtrend.

However, BBM also considered late in responding its rivals' new feature. Other example is status feature which become Whatsapp innovation, which has already done by BBM. However, Whatsapp keep improving that feature until it become one of its advantage against BBM.

Table 2, Innovation Types

Innovation Type	Explanation
Disruptive	<ul style="list-style-type: none"> • BBM still had so many advertisements and still need exclusive PIN. • Whatsapp and Telegram simplified users using merely phone number. • BBM should disrupted this feature in early 2017. <p>Alignment</p> <ul style="list-style-type: none"> • Maturity stage becoming slowing down and users' number declining, while BBM vendor just believe and enjoying their latest winning crown
Application	<ul style="list-style-type: none"> • Whatsapp and Telegram emphasize their secure chat, not becoming exclusive. Both also spreading their application among other platforms. <p>Alignment</p> <ul style="list-style-type: none"> • BBM should had innovate their messenger and they should create them faster • Product becoming inside decline stage • The launch of BBM customize PIN and plan of alternative messenger already became too late

their rivals. While Whatsapp and Telegram in competitive race of raising their newest features and becoming more mature, BBM seems to slow down and entering their decline stage.

Finally, innovation alignment must be done in maturity stage of IT product. There are no excuses for the vendor not to innovate quickly and off guard their rival. If this alignment is not happened in its maturity stage, the faith of BBM also can happen to their rivals, such as Whatsapp and also Telegram. Just like old saying, *do or die*, there are no option of saying *no* to innovation alignment, and there are no excuses to slowing it down, even in their peak or mature stage.

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4. CONCLUSIONS

Based upon result and discussion, there are some conclusions that can be made. First, there are abundant resources in explaining the success also the failure of BBM. Filtering them is not easy, while this research should focus on maturity and decline stage, rather than historical data. However, all of them can be summarized as follows.

Second, BBM has already relish their maturity stage and creating so many profits and advantage (beyond its acquisition process) in early 2008 until 2014. However, this maturity stage creates careless attitude of competitor awareness. The disruptive technology offered by their competitors substituted BBM rapidly.

Third, disruptive innovation should be done quickly and becoming mature application. This mostly happen in technology product (in this context is software, not hardware) which need application innovation in rally with

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