

The Blackberry Messenger value increased sharply thanks to WhatsApp

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Facebook has really surprised both tech and investors on Wednesday, when it announced plans to buy WhatsApp messaging app for \$ 19 billion. A lot of people have praised this as a long-term investment beneficial for Facebook. However, the next day the stock price of the world's largest social network dropped and rose again by 1% in the afternoon. Meanwhile, BlackBerry can benefit because the stock price increases thanks to the deal.

On February 20, the share price of BlackBerry increased 5%, reaching 9.57 USD / share. This is an increase of 18% compared to the beginning of the year. The reason is because of expectations that investors put into BlackBerry's BBM messaging application.

" *If a messaging platform has a higher real value than what we thought before,* " said Scott Wallace , investment manager for Shorepath management Capital , " *people will begin to speculate more widely.* " .



WhatsApp currently has about 450 million users, meaning that Facebook is paying 42 USD per user. If you apply that number to BlackBerry's 80 million users, the value of BBM will be about 3.4 million - equivalent to about 70% of BlackBerry's current market price. However, this method of evaluation also causes many doubts. Wallace said BBM has a " *really small* " scale and " *the value of messaging platforms is directly related to the*

number of users. The more users, the higher the value ."

According to *Rajeev Chand* , head of research for mobile investment bank *Rutberg & Company* , BBM is not even among the top 5 most popular messaging applications. Chand thinks WhatsApp is the leading messaging application and other products like *WeChat*, *Line* , *Kakao Talk* and *Viber* also surpass **BBM** in terms of number of users. Last week, Rakuten acquired Viber for \$ 900 million, or about \$ 3 for each of Viber's 300 million users.

Wallace believes that BBM is really valuable, but it can't be equal to Facebook's pay for WhatsApp for each user: " *I have seen analysts pricing BBM for about \$ 200 million to \$ 2 billion. I will risk it. It is said that the real value of BBM lies in the lower part of that range* " .

BBM cannot be appreciated by WhatsApp. What's more, the revenue of WhatsApp last year was \$ 20 million, while it could be said that BBM doesn't make any money for BlackBerry's business activities.

Anyway, it seems that *John Chen* 's BlackBerry CEO also has no intention of selling BBM. He said: " *BBM will be a big factor that makes a difference for us in the business sector, from which we will make more money* ." The smartest move BlackBerry can make, and did, is to bring BBM to more platforms, not just BlackBerry devices. However, according to *Wallace*, " *this post only encounters incredible silence. Because no one cares about them* ."

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