Weekly *Wireless* Report

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This Week's Stories

Pinterest Shows It Can Compete With Facebook, Twitter

October 13, 2016

Pinterest Inc. is showing it can compete with Facebook Inc., Twitter Inc. and other internet giants in a battle to command the attention of distracted smartphone users.

The visual-search service on Thursday said it has 150 million users world-wide who log on at least monthly. That means the San Francisco startup has increased its users by half since September 2015, when it crossed the 100-million mark.

Pinterest's ability to draw new users in a digital world littered with applications that quickly captivate users before flaming out is also helping it become popular with advertisers.

The six-year-old company, which last year was valued by investors at $11 billion, expects to triple last year's revenue to $300 million in 2016, according to a person familiar with the matter.

People go to Pinterest to discover new ideas, browsing through billions of images on topics such as kitchen remodels and tattoos. Most ads on Pinterest are from retailers and consumer-product companies geared to women, its main audience. As it tracks toward a possible initial public offering of stock, Pinterest will need to prove it can appeal to a wider array of big-brand advertisers as well as to men.

It also inevitably will be compared with social network Facebook and messaging service Twitter, two companies that went in opposite directions since their IPOs.

Facebook dwarfs Pinterest with 1.7 billion users, after adding more than 167 million since September of last year. But Pinterest is growing at a faster clip than Twitter, which has 313 million users but added only six million users in the past year.

Pinterest likely is now bigger in the U.S. than Twitter, with 70 million monthly users versus Twitter's 66 million as of June 30. Twitter's $13 billion market value, which has dropped sharply of late, is now closer to that of Pinterest.

"A year or two ago there were these open questions such as, 'Would we be able to globalize the service? Would we be able to build revenue?'" said Ben Silbermann, Pinterest's 34-year-old chief executive. "Some of the questions we started to answer, and we obviously have more questions ahead of us, but I'm really excited about what the future holds." Mr. Silbermann said reaching 150 million users reflects Pinterest's efforts to get internet users in countries such as Brazil and Japan to understand the site's utility. More than half of its users, about 80 million, are overseas.

Pinterest says 40% of global sign-ups are by men, though they don't stick around as long as women, who account for about 70% of Pinterest's U.S. users, according to digital analytics firm comScore.

Still, Pinterest offers more promise than profit. The company earns money by selling targeted ads, based on factors such as browsing behavior, that look like regular images posted by users.

A user searching for "couches" might see an ad from Pottery Barn. Pinterest says its advantage is that its users are in a shopping mood.

Early results have encouraged some marketers such as Target Corp. to spend more on Pinterest ads. "The consumer's intent to buy is much more intense on Pinterest than other platforms," said Kristi Argyilan, Target's senior vice president of marketing. Other ad testers such as Pete Blackshaw, global head of digital and social media at Nestlé SA, said he would need more metrics to decide whether to make bigger investments.

There is a risk that Pinterest could overestimate its own potential. Funding documents sent to investors in early 2015 projected Pinterest would make $169 million in revenue and cross 150 million users by the end of 2015, as reported earlier by TechCrunch. It missed both of those estimates.

Asked about the projections, Mr. Silbermann said, "There were some early projections when we were just a couple months into building the business, but we've learned more about it."

Fueling speculation about an IPO, Mr. Silbermann has brought on several veteran executives including Jon Kaplan from Alphabet Inc.'s Google to run advertising and Todd Morgenfeld from Twitter as financial chief. But the CEO said Pinterest has no immediate IPO plans.

Jeremy Levine, a partner at early Pinterest investor Bessemer Ventures, said it likely won't need to raise any more venture capital, allowing it to take its time to go public. Pinterest has raised roughly $1.3 billion, including $533 million last year.

Such flexibility helps Pinterest try to avoid the missteps that engulfed Twitter and, temporarily, Facebook. Twitter's plateauing user growth undermined its strong revenue growth. Facebook early on failed to anticipate the user shift from desktop to mobile.

"If you do it too early and you have no predictability, you're going to get hammered," Mr. Levine said. "If you do it too late and you have no growth left, then you get hammered. Pick your poison."

wsj.com

More People Are Subscribing To Multiple Video Streaming Services

October 12, 2016

"As the number of streaming video services proliferate, about 16% of U.S. video viewers have signed up for more than one online streaming service, up from 10% three years ago, according to a report from market research firm GfK SE."

Amazon, Hulu, and Amazon video are getting more customers.

As the number of streaming video services proliferate, about 16% of U.S. video viewers have signed up for more than one online streaming service, up from 10% three years ago, according to a report from market research firm GfK SE.

GfK's October report is based on interviews with 1,054 consumers on their subscription choices of streaming services such as Netflix and Amazon Prime video, the firm said in a statement on Wednesday.

In recent years, the television industry has seen viewers increasingly gravitate towards online streaming video services and shunning pricier cable and satellite subscriptions.

The online streaming market is expected to get more crowded with new services from Hulu, which will launch a new live TV bundle of broadcast and cable network channels early next year and AT&T, which will roll out its DirecTV Now streaming service by the end of the year.

About half of the viewers surveyed subscribe to at least one on-demand video streaming service, while 17% subscribe to Netflix and Amazon Prime and 9% have Netflix and Hulu Plus, GfK said. Five percent had Amazon Prime, Netflix and Hulu Plus.

Viewers who self-bundle, or create their own content bundles by subscribing to a combination of streaming services, have a mean income of $90,000, versus the mean income of $76,000 of a viewer who watches at least one video per week through any means online, TV or otherwise, the report said.

Even so, those who self-bundle are less likely to subscribe to more the expensive traditional cable and satellite TV services, Gfk found.

"As consumers start to self-bundle, the potential impact of increasing subscriber fees for each streaming service will be compounded," David Tice, SVP of Media and Entertainment at GfK, said.

"The last one to a price increase party may be the first one canceled – so individual streaming services need to consider competitor plans before instituting price hikes. There may also be a place in the market for a third-party aggregator of discounted streaming services," he added.

fortune.com

Products & Services

Is Amazon Music Unlimited A Good Deal?

October 13, 2016

"Not to be confused with Prime Music, which affords Prime subscribers a fairly limited catalog, Music Unlimited offers "tens of millions" of songs, according to Amazon."

Amazon is coming for you, Apple Music. And Spotify. And Google Play Music.

Yesterday, the e-commerce giant rolled out Amazon Music Unlimited, an ad-free streaming service that aims to compete with those established heavyweights. How? With lower prices. Sort of.

Not to be confused with Prime Music, which affords Prime subscribers a fairly limited catalog, Music Unlimited offers "tens of millions" of songs, according to Amazon. (Its competitors get a little more specific, each claiming at least 30 million.) Let's just say it's Amazon's answer to Spotify.

Beyond that, Music Unlimited offers tight integration with Amazon's Echo products. In fact, Echo owners can take advantage of special pricing. Let's take a look at the various subscription options and whether or not they're really a good deal.

If you already have Amazon Prime

You paid $99 for your Prime subscription, which works out to $8.25 per month. Sure, it affords lots of benefits beyond just Prime Music, but you still have to consider that as part of the equation. Existing Prime subscribers can add Music Unlimited for $7.99 per month -- or $79, if you pay annually.

All the competing services charge $9.99 per month for a single-user subscription. So if you're paying for Prime already, another $7.99/month (or an effective $6.58 from an annual payment) is a decent deal -- though hardly a great one.

If you already have an Amazon Echo

Here's where it gets interesting. Echo owners can get Music Unlimited for just $3.99 per month. But – and this is a big "but" -- that subscription will play your music only via Echo -- and only a single Echo at that. You don't get to listen on the web, and you don't get to use the mobile apps.

Verdict: no, thanks. This might be a bigger deal if you had no other options for unlimited music via Echo. But you do: Spotify. And obviously that service doesn't limit you to a single device.

Admittedly, $3.99 per month is the single cheapest streaming-music option out there, but remember, you still need Prime. And an Echo. Neither one is free.

If you don't have Amazon anything

"Civilians" can get Amazon Music Unlimited for $9.99 per month -- the same price you'd pay for Apple Music, Spotify or the like. So then the question is, how is Music Unlimited better than the competition? At first blush, it appears to be very similar: big catalog, curated playlists, personalized stations and so on. Perhaps the best argument for choosing it is if you think you'll purchase Prime and/or an Echo at some point down the road. But if you go with, say, Spotify from the start, you'll still enjoy Echo integration.

If you have a family

That $9.99 per month is for a single user. If you want a family plan -- even if you already subscribe to Prime -- will cost you $14.99 per month. That allows up to six users to share the service, on par with what you get from Apple, Google and Spotify family plans.

However, Amazon also offers an annual payment option for Music Unlimited: $149, which works out to $12.42 per month. That would make it the least-expensive of the major music services. (I didn't find a discounted annual-payment option for any of the others.)

But, as with the individual plan, the savings are pretty slim -- just a couple of bucks every month. I definitely don't see the value in Amazon's Echo-only plan, which is way too limiting, and unless you already have a subscription to Prime that you like for reasons other than music, the standard $9.99 rate is unexciting.

If you do have that subscription, though, $7.99 per month is a solid single-user deal. And for families of six willing to prepay by the year, the $149 rate is definitely worth considering.

cnet.com

Introducing Workplace By Facebook

October 10, 2016

"We've brought the best of Facebook to the workplace — whether it's basic infrastructure such as News Feed, or the ability to create and share in Groups or via chat, or useful features such as Live, Reactions, Search and Trending posts."

At Facebook, we've had an internal version of our app to help run our company for many years. We've seen that just as Facebook keeps you connected to friends and family, it can do the same with coworkers. We started testing a version of Facebook for the workplace with a few other organizations over a year ago.

Now, more than 1,000 organizations around the world use Workplace (formerly known as Facebook at Work). People have created nearly 100,000 groups and the top five countries using Workplace are India, the US, Norway, UK and France. We're excited by the progress we've made and the level of adoption and engagement we're seeing.

So today we're announcing that Workplace will now be available to any company or organization that wants to use it.

For Everyone, Around the World

The workplace is about more than just communicating between desks within the walls of an office. Some people spend their entire workday on the go, on their mobile phone. Others spend all day out in the field, or on the road. We've been amazed by the breadth of organizations who've embraced Workplace — from a shipping company that can now connect with their ship crews using Live video, to a bank that now uses Workplace instead of fax machines and newsletters to share updates with its distributed bank branches. Large multinational companies like Danone, Starbucks and Booking.com, international nonprofits such as Oxfam, and regional leaders such as YES Bank in India and the Government Technology Agency of Singapore have all embraced Workplace. People work in different ways, around the world, and Workplace's mission is to help them stay connected.

The Best of Facebook, Plus New Features

We've brought the best of Facebook to the workplace — whether it's basic infrastructure such as News Feed, or the ability to create and share in Groups or via chat, or useful features such as Live, Reactions, Search and Trending posts. This means you can chat with a colleague across the world in real time, host a virtual brainstorm in a Group, or follow along with your CEO's presentation on Facebook Live.

We've also built unique, Workplace-only features that companies can benefit from such as a dashboard with analytics and integrations with single sign-on, in addition to identity providers that allow companies to more easily integrate Workplace with their existing IT systems.

Today we're also announcing Multi-Company Groups, shared spaces that allow employees from different organizations to work together, to extend collaboration beyond your company in a safe and secure way. These will be rolling out to all customers in the coming weeks.

Scaling the Solution: Introducing the Workplace Partner Program

To help more companies get started with Workplace, we are announcing the Workplace Partner Program, a group of technology and professional service organizations such as Deloitte who will work with us to bring Workplace to even more businesses across the globe. This means that companies will have more ways to access Workplace — by working with our teams directly or via our approved and trained partners.

Workplace will be priced competitively — companies only pay for people who are actively using the product.

The new global and mobile workplace isn't about closed-door meetings or keeping people separated by title, department or geography. Organizations are stronger and more productive when everyone comes together. For more information, or to get Workplace by Facebook for your company, visit workplace.fb.com. Or stay in touch on our Facebook Page at facebook.com/workplace.

newsroom.fb.com

Emerging Technology

Google Chrome To Become Faster And More Power Efficient When Version 55 Is Released In December

October 13, 2016

As of September 2016, Google Chrome had a 54.41% desktop browser market share, according to Net Applications. This proves that Google Chrome is the most preferred desktop browser over Microsoft Internet Explorer, Microsoft Edge, Mozilla Firefox, Apple Safari and Opera. However, Google Chrome's weakness is that it consumes a substantial amount of memory. And as you open more tabs and install more extensions, the memory problem compounds.

Last year, The Verge performed a test to determine how long the battery would last on a MacBook Pro while using Apple Safari against Google Chrome. In the test, The Verge visited a series of websites until the battery stopped working. While using Apple Safari, the battery lasted 13 hours and 18 minutes. And while using Google Chrome, the battery lasted 9 hours and 45 minutes. Fortunately, Google is preparing to fix this problem.

Google engineers working on Chrome have found a way to cut the memory use of the browser in half. This will be made possible by integrating a new V8 JavaScript engine in Google Chrome version 55. Google tested the new V8 JavaScript engine on websites like YouTube, The New York Times, Imgur, Twitter and Reddit and found that it used 50% less RAM on average compared to before.

Specifically, the Google Chrome team is working on reducing the JavaScript engine heap size in version 55. However, the Chromium team — which are the engineers working on Chrome — said that there is a trade-off between garbage collection throughput, latency and memory consumption. Essentially, garbage collection latency can be reduced by using more memory. For devices that have under 512MB of RAM, it can be challenging to prioritize latency and throughput over memory consumption may result in "out-of-memory crashes." The V8 JavaScript engine heap strategy would be able to determine when the next garbage collection will happen based on the number of live objects and provide some slack. While the browser is in memory reduction mode, V8 will use less slack — which will require less memory since more frequent garbage collections will be performed. Tom's Hardware also pointed out that the Chromium team also made improvements to the V8 JavaScript engine by removing parsed scripts when it is no longer being used from memory at a faster pace.

The Google Chrome update may not be that noticeable if your desktop computer already has a lot of memory like 8GB or 16GB of RAM. However, people with computers that have 4GB of RAM will likely notice a difference in speed and battery life. Google Chrome on mobile devices is also expected to become faster.

It's also worth mentioning that Google released a new version of Chrome today (version 54) for Windows, Mac and Linux. This version of Chrome has mostly under-the-hood improvements and bug fixes. But one of the noteworthy changes in version 54 of Chrome, HTML5 will be automatically used when a Flash embed for YouTube is detected. "This is done to reduce the overall usage of Flash in Chrome," says the changelog.

After Google Chrome version 55 is rolled out, the Chromium team is planning to continue releasing memory optimized updates in the future. Their goal is to especially reduce Chrome's memory load on devices that have less than 1GB of RAM.

Google Chrome's update with the new JavaScript engine is expected to be released on December 6th. But you will be able to download a beta of the new version of Chrome from the Chrome Beta channel sooner. The beta version of Chrome may have some bugs so you will need to be cautious while using it. Google Chrome is available on Windows, Mac, Linux and iOS. And it is the default browser on Android and Chromebooks.

forbes.com

Sony PlayStation Is Launching Mobile Games On Android And iOS To Take On Nintendo

October 13, 2016

"The games are to be released in the year ending March 2018 on Apple's iOS and Alphabet's Google Android operating system through Sony's ForwardWorks subsidiary, which it opened earlier this year to focus on mobile gaming."

Sony's PlayStation gaming business is planning to launch more than five smartphone games, the company said on Friday, following in the steps of Nintendo as the Japanese electronics giant aims to take a slice of the lucrative mobile games market.

The games are to be released in the year ending March 2018 on Apple's iOS and Alphabet's Google Android operating system through Sony's ForwardWorks subsidiary, which it opened earlier this year to focus on mobile gaming.

Japan and then other Asian countries will be the first markets to receive the games.

Console makers have been struggling in the world's third-largest games market where mobile revenues make up over 50 percent of the $12.4 billion market, according to games research firm Newzoo. In contrast, consoles make up about 38 percent of the market, a trend that is not typical in many other countries globally. And 61 percent of the country's 69 million gamers spend money. This is attractive for Sony.

"Japan is a market where Sony and other console makers are struggling to sell units. Sony had to react. People are consuming smartphone games like there is no tomorrow," Serkan Toto, CEO of Japanese gaming consultant and advisory group Kantan Games, told CNBC by phone.

Sony did not elaborate on what titles would come first.

The announcement comes as Sony looks to continue the strong momentum it has seen in its gaming division. Its PlayStation VR (virtual reality) headset went on sale on Thursday, while the company also recently released refreshed versions of its PlayStation 4 console.

Console makers have had to look at mobile gaming for new sources of revenue. Last year, Nintendo signed a deal with games maker DeNA to bring a number of titles to mobile. Earlier this year, Nintendo launched "Pokémon Go" in partnership with Niantic, which was a big success for the company. And Nintendo announced in September that it is bringing "Super Mario Run" to Apple's iOS.

Lack of brand power?

While Nintendo's mobile strategy has got off to a good start, Toto said that Sony's intellectual property (IP) – its characters and games – are not as strong as Nintendo's from a brand perspective and if the first few titles don't hit home with consumers, it could be a struggle for the Japanese giant.

"Sony doesn't have the same power as the Nintendo IP. There is nothing that comes even close to Mario," Toto said.

"If the first couple of games from that company just don't work, I think the smartphone game business will see the same fate as the portable game business. Nobody talks about the Vita anymore," the analyst added, referring to Sony's PS Vita handheld console.

cnbc.com

Mergers and Acquisitions

Google Acquires FameBit To Better Connect YouTube Creators With Brands

October 11, 2016

"Google's relationship with brands and YouTube's partnerships with creators, combined with FameBit's technology and expertise, will help increase the number of branded content opportunities available

Google announced on Tuesday that it has acquired FameBit, with plans to leverage its technology platform to help YouTube creators better connect with brands. Financial terms of the deal were not disclosed.

"We believe that Google's relationship with brands and YouTube's partnerships with creators, combined with FameBit's technology and expertise, will help increase the number of branded content opportunities available, bringing even more revenue into the online video community," said Google vice president of product management Ariel Bardin in a blog post.

FameBit started out as a service that let creators network with brands in order to strike up sponsorship or partnership deals. "Our main goal is to mainstream YouTube marketing, to make it a part of every brand's monthly social media advertising strategy," said cofounder and chief operating officer Agnes Kozera in 2014. "I believe that we will achieve this by keeping the smaller brands in mind, making it easy and affordable for everyone to get endorsed by YouTubers."

Google reports that FameBit will "continue to work just like it has and will remain a standalone operation for now." In addition, it hopes that the inclusion of a democratized marketplace will not only help creators monetize their work, but also give multi-channel networks and agencies the abilities to find the right influencers to help spread their message.

In their own blog post today, FameBit cofounders Kozera and David Kierzkowski remarked, "With Google's relationship with brands large and small, and YouTube's partnership with creators around the globe, we hope to connect even more brands to creators, engage more audiences, and make brand marketing more creative and authentic than ever."

With the battle for creators' attention and content, YouTube needs to shore up its offering to prove why it's still the de facto place for videos instead of leaving an opportunity for them to migrate to Facebook or Twitter. To date, FameBit said it's trusted by 11,330 brands and 45,595 creators.

Prior to its acquisition, FameBit raised $1.5 million in venture funding — $1.4 million came in July 2014 — from 500 Startups, DeNA, Science, Third Wave Digital, HIGHLINEvc, and Allen DeBevoise. Eventually, Science became the majority shareholder in FameBit.

venturebeat.com

Here's The Most Likely Buyer Of Twitter And What It Will Do

October 11, 2016

It's not going to be pretty. Not that long ago, Twitter's share price was soaring, based on repeated rumors that everyone from Google to Disney might be interested in acquiring it. But the stock has come back to earth with a thud—falling by 30% in the past week—as potential bidders have disappeared.

Although the *New York Times* reports Twitter is still in talks with enterprise-software giant Salesforce.com about a potential deal, at least one financial analyst believes there is a far more likely buyer.

John Hempton, who runs an Australian hedge fund called Bronte Capital, says a private-equity buyer is much more likely than a tech or media acquisition. He also believes that once the deal is done, CEO Jack Dorsey will be fired, along with hundreds or possibly thousands of other staff.

Although he is not a household name by any means, Hempton has a track record of successful calls on stocks such as Valeant Pharmaceuticals and HerbaLife. He is a former Australian tax official who went on to work for Platinum Asset Management, and then launched his own fund.

Hempton laid out his analysis of what is likely to happen to Twitter in a blog post on Tuesday. Although he is mostly known for short-selling stocks, he says he is "long" Twitter (meaning he owns the shares) because he is expecting a takeover bid.

In a nutshell, Hempton argues that Twitter's business, while attractive to users, is financially unsustainable. The company has significant revenue with sales of $2 billion last year, but he notes that it also has sky-high costs. Last year, Twitter lost over half a billion dollars.

The vast majority of that loss was produced because of equity grants to employees, which don't actually involve cash but are still an expense—and become even more of a problem when the share price nose-dives the way Twitter's has.

"If costs were rising that fast and the service were noticeably improving and engagement growing, then you could be tolerant," Hempton says. "Making money is far less important in a growing tech company than increasing your relevance and the moat that surrounds your business."

At Twitter, however, neither of these things is the case. The service is barely growing at all when it comes to the number of active users, and its revenue growth rate is continuing to shrink.

"Twitter has become a parody of bad Silicon Valley management-the sort of management that existed in the dot-com boom where quite literally burning shareholder funds was considered a mark of innovation," says the fund manager. However, Hempton believes Twitter has an underlying business that "should be salvageable."

The problem, he argues, is that strategic buyers like Google and Disney and even aren't looking for a massive turnaround that they need to focus a lot of time and resources on fixing. That is only likely to appeal to a financial buyer, who can do the extreme cost cutting required.

"Somewhere near half a billion dollars of costs need to be taken out almost immediately. And that involves firing people," Hempton says. "It's inevitable anyway—because Jack Dorsey burning half a billion dollar per year isn't a sustainable business."

The answer, the fund manager says, is a "Wall Street bastard" who can make the cuts that are required to return Twitter to some form of profitability.

Hempton argues that in the right hands, Twitter could theoretically have an operating profit margin of as much as 40%. But it would mean firing a lot of people, he says—including CEO Jack Dorsey, who recently sent staff a memo in an attempt to boost morale, after reports of potential bidders losing interest.

"If you can't make this have a 40% operating margin then—frankly you are inadequately brutal," Hempton says. "So expect it to be bought. By some Wall Street bastard armed with a lot of debt. And that bastard will fire a lot of people."

There have been whispers for some time that Silicon Valley investor Marc Andreessen might be interested in making a bid for Twitter. But if Hempton is right about what a private-equity buyer would have to do, even Andreessen may not be the friendly savior for which some Twitter staffers have been hoping.

fortune.com

Industry Reports

Samsung Discontinues The Galaxy Note 7 Over Fire Concerns

October 11, 2016

"'(We) have decided to halt production and sales of the Galaxy Note 7 in order to consider our consumers' safety first and foremost,' the South Korean firm said in a filing to the Seoul stock exchange."

Investors wiped nearly $20 billion off Samsung's market value on Tuesday.

Samsung Electronics scrapped its flagship Galaxy Note 7 smartphone on Tuesday less than two months after its launch, dealing a huge blow to its reputation and outlook after failing to resolve safety concerns.

Samsung announced the recall of 2.5 million Note 7s in early September following numerous reports of the phones catching fire and on Tuesday it finally pulled the plug on the $882 device in what could be one of the costliest product safety failures in tech history.

The decision to scrap the Note 7 came after fresh reports of fires in replacement devices prompted new warnings from regulators, phone carriers and airlines.

"(We) have decided to halt production and sales of the Galaxy Note 7 in order to consider our consumers' safety first and foremost," the South Korean firm said in a filing to the Seoul stock exchange.

Samsung said earlier it asked all global carriers to stop sales of the Note 7s and the exchange of original devices for replacements, while it worked with regulators to investigate the problem. The company is offering to exchange Note 7s for other products or refund them.

Samsung's decision to pull Note 7s off the shelves not only raises fresh doubts about the firm's quality control but could result in huge financial and reputational costs.

Analysts say a permanent end to Note 7 sales could cost Samsung up to $17 billion and tarnish its other phone products in the minds of consumers and carriers.

Investors wiped nearly $20 billion off Samsung Electronics' market value on Tuesday as its shares closed down 8%, their biggest daily percentage decline since 2008.

The premium device, launched in August, was supposed to compete with Apple's latest iPhone for supremacy in the smartphone market. Well received by critics, its first problem was a shortage as pre-orders overwhelmed supply.

But within days of the launch images of charred Note 7s began appearing on social media, in the first sign that something was seriously amiss with the gadget.

“This has probably killed the Note 7 brand name – who knows if they’ll even be allowed to re-release it,” Edward Snyder, managing director of Charter Equity Research, said before Samsung announced it was halting sales and production of the smartphone.

Cause Unknown

The South Korean firm did not comment on whether it had identified the cause of the fires in the replacement devices, although officials in Seoul said it was looking at several possibilities including the batteries.

“It is more difficult to analyze the cause of the accidents this time because of various patterns of the accidents,” an official with the Korean Agency for Technology and Standards, which met with Samsung and experts on Monday, told Reuters.

China’s quality watchdog said Samsung would recall all 190,984 Note 7s sold in the mainland.

The U.S. Consumer Product Safety Commission said Samsung was making the right decision by halting sales and exchanges of the device.

“No one should have to be concerned their phone will endanger them, their family or their property,” CPSC Chairman Elliott Kaye said in a statement.

The U.S. Federal Aviation Administration and South Korea’s transport ministry added their voices to concerns from the aviation industry, saying no Note 7s should be used or charged inside airplanes.

Verizon Communications, the largest U.S. wireless carrier, said it may shift marketing away from the Note 7 heading into the critical holiday selling season.

“We have the new iPhone, we’re about to launch the new Google Pixel, which is exclusive to us. We’ve got great phones from Motorola as well,” Verizon spokeswoman Kelly Crummey said.

“I think you’ll see our marketing focused on those devices because there is certainty on those at this time.”

fortune.com

Sprint To Donate Devices, Data Plans To High-School Students

October 11, 2016

Sprint Corp. said it plans to give one million low-income high-school students free devices and free data connections over the next five years.

The announcement made Tuesday expands a program the carrier began in 2014 that gave wireless data connections to 50,000 students. Sprint Chief Executive Marcelo Claure said many students weren’t able to take full advantage of the offer because they didn’t have and couldn’t afford devices.

“Being an immigrant in this country, and seeing that this problem mainly affects African-Americans and Hispanics, it touches my heart and I wanted to make sure we got it done right,” Mr. Claure said on a call with reporters.

Sprint, which has lost money for years, is in the midst of a huge cost-cutting effort across its business. The carrier also has been raising money by selling assets like used smartphones and network infrastructure and leasing them back as a way to get lower borrowing costs than are available on high-yield debt markets.

Most of the devices Sprint is giving away have been donated by manufacturers, though Mr. Claure declined to name which ones. Students will be able to select, with input from the schools, whether they'd like a smartphone, tablet or laptop. Sprint will also begin asking its customers whether they'd like to donate used devices to students in need.

Mr. Claure estimated the retail value of one million connections—each of which will get 3 gigabytes of monthly data through high-school graduation—is roughly $2.2 billion, but he said the actual cost will be less than that because supporting each additional data connection is minimal. "It's inconsequential to Sprint," he said in an interview.

Still, Mr. Claure also said the carrier would scale back donations to other causes and focus all its philanthropic efforts on this initiative.

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