Weekly *Wireless* Report

Week Ending:
October 21, 2016

KS&R Data to Knowledge

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This Week's Stories

Can't Access Your Favorite Website Today? You're Not Alone

October 21, 2016

If you live on the East Coast and had trouble accessing Twitter, Spotify, Netflix, Amazon or Reddit Friday morning, you were not alone.

A large-scale distributed denial of service attack (DDoS) on Internet performance company Dyn brought many popular sites to a standstill. The attack largely affected people on the East Coast, and by 9:30 AM ET, many sites appeared on their way back to normal.

Dyn reported the sites going down at around 11:10AM UTC, or roughly 7:10AM ET, posting on its website that it "began monitoring and mitigating a DDoS attack against our Dyn Managed DNS infrastructure."

In an update posted at 8:45AM ET, the company confirmed the attack, noting that "this attack is mainly impacting US East and is impacting Managed DNS customers in this region. Our Engineers are continuing to work on mitigating this issue."

An update at 9:36AM ET said that all should be back to normal.

Amazon, whose web service AWS hosts many of the web's popular destinations including Netflix, also reported East Coast issues around the same time. In an update posted at 9:36AM ET it said that it had "been resolved and the service is operating normally."

Amazon noted that it was suffering from a "hostname" issue and it was not immediately clear if it was related to the DDoS attack Dyn received.

Denial of service attacks are when someone, or a group of people, floods a particular site or service with large amounts of fake traffic in an attempt to overwhelm the system and take it offline. It was not immediately clear who initiated Friday's attack or why.

A post on Hacker News first identified the attack and named the sites that were affected. Several sites, including Spotify and GitHub, took to Twitter this morning to post status updates once the social network was back online.

Twitter users similarly took to the service to keep lists of which sites were down and comment on the situation. The term DDoS quickly vaulted to among the top of the site's list of "Trending Topics" in the United States.

"DDoS attack this morning takes out Reddit, Twitter & Spotify," wrote user @Anubis8. "Work productivity increases by 300%."

Dyn and Amazon did not immediately respond to a request for comment.

usatoday.com

China Dethrones U.S. As Its iOS App Revenue Hits Record $1.7 Billion In Q3

October 20, 2016

"China's phenomenal iOS revenue growth rates have driven it to be the No. 1 iOS market by revenue well before year's end. Not only has this proven true, but China is leading the U.S. by over 15 percent."

China has dethroned the U.S. to become the largest market in the world for iOS App Store revenue, earning more than $1.7 billion in the third quarter, according to market researcher App Annie. Games are the lion's share of that revenue at 75 percent.

The U.S. had been the No. 1 iOS market since 2010. As App Annie predicted in Q1, China's phenomenal iOS revenue growth rates have driven it to be the No. 1 iOS market by revenue well before year's end. Not only has this proven true, but China is leading the U.S. by over 15 percent. In Q3 2016, Chinese consumers spent more than five times the amount they spent just two years prior on the iOS App Store.

Revenue growth is expected to continue, with China projected to drive the largest absolute revenue growth for any country by 2020. New revenue streams such as in-app subscriptions have generated significant growth. As consumer behavior matures, non-game revenue is expected to become a bigger proportion of the overall pie by 2020. In China, non-game apps are led by entertainment, social networking, books, photos, and videos. Those categories tripled this year.

Entertainment apps showed the largest absolute gains after games, with video streaming apps like iQIYI, Tencent Video, and Youku leading the charge. Video streaming apps are shaking up the traditional television market by broadening their reach beyond the mobile screen. In September, iQIYI invested $23 million in smart TV brand Coocaa, a move that expands its distribution and influence into traditional television viewership. Furthermore, its investment in original content suggests that content streaming is an important piece of Baidu's growth strategy.

As an app publisher or marketer, if China wasn't a key priority in your app strategy, it should be now, according to App Annie. Understanding how to enter this market by learning the complexities of local infrastructure and unique cultural preferences is crucial to your app's success. In order to succeed, publishers will need a tailored go-to-market strategy, App Annie said.

Meanwhile, App Annie said that video streaming has become huge. Both short and long videos are becoming a big part of messaging apps such as Snapchat and Live.me. In China alone, livestreaming is predicted to be a $5 billion market by the end of 2017.

venturebeat.com

Products & Services

The Nintendo Switch Debuts With A Gimmick That's Actually Worthwhile

October 21, 2016

At long last, Nintendo has revealed the NX, and it's no longer called that. Rather, say hello to the "Nintendo Switch," a new home console that transforms into a portable version of itself on the whim, a design that seems to confirm everything that leaked about the system in the last couple of months.

The system rests in a base unit where you can play it using what appears to be a fairly standard, screen-free, possibly motion-free controller. Then, you can disassemble pieces of the controller, hook them up to a screen unit that rests in the base, and take it out into the world. You can play full Switch games on the go using this functionality, either by leaving the controller pieces attached the screen a bit like a Wii U gamepad, or you can prop the screen up like a tablet, and play using the detached pieces of the controller separately. If it sounds a bit complicated, that's why the video demo exists. It's actually pretty logical and seamless.

While I have many questions about the Nintendo Switch, and I'll get to those in a minute, I am genuinely impressed with what's been revealed here today. For the first time, this seems like a "gimmick" that will be hard to criticize, so long as it works as intended.

The last two Nintendo systems tried to push "new ways to play," first with the Wiimote, then with the second screen Wii U gamepad. The Wiimote and its motion functionality made the Wii a global hit, but hardly anyone will argue that outside of a few select games, that the motion control gimmick actually made many games better. The game goes for the Wii U gamepad, where its second screen functionality was mostly ignored, and when it was integrated, it revealed an experience that often felt worse than standard gameplay (see Star Fox Zero).

But Nintendo has done something pretty special here. They have combined their "new way to play" philosophy with a gimmick that might actually be genuinely useful for once, the ability to play console games on the go. They took the one thing everyone loved about the Wii U gamepad, the ability to play games off-screen when needed, and expanded the concept to make a fully mobile home gaming console.

This is a gimmick that almost doesn't even need to be tested in order to convince people it's a good thing. While you'd have to play a game using a Wiimote or the gamepad to be convinced of the concept (and often that was a tough sell), here? As seen in this trailer, just the mere idea of a console that can go anywhere has an innate appeal because people will know exactly what that will be like. You can instantly imagine playing Mario Kart on the train or Breath of the Wild on an airplane. Or for families, seeing two kids play multiplayer with a Switch in the back seat is just excellent. All of this sells itself, no additional arguments or demonstrations needed.

Some potential storm clouds on the horizon? Well, battery life, for one. We obviously do not know what sort of battery life the Switch has just from this trailer alone, but if it's bad, that could theoretically sink the entire system. A portable console with a huge, bright screen that's powerful enough to innately play full releases from Skyrim to Zelda has to use a decent amount of power. And anyone who owns a Wii U knows that battery life on a very similar product, the gamepad, is abysmal. Despite how cool this idea is, if this thing has two hours of effective battery life, it could negate the entire point of the system. Hopefully this is something Nintendo has paid a lot of attention to.

And some may not care about this all that much, but there's the question of how powerful a system can really be when it has to fit into a mobile screen, and still be able to play sprawling games normally. There's been no confirmation that the "home base" attachment boosts the system's power, but that's possible. What isn't yet clear yet is how the Switch will stack up against competition. No one believes it will be rivaling the PS4 Pro or Xbox Scorpio, but after the Wii U, has Nintendo made something that's even on the level of say, an Xbox One? We already know a big multiplatform release like Red Dead Redemption 2 isn't coming to NX, and despite claims of a lot of third party support, I'm going to have to see it to believe it.

Other observations about the Switch:

• It seems unlikely that Nintendo will be able to keep making a designated handheld like anything in the DS family for much longer. This introduction was almost entirely focused on mobile play, and it would seem to be a bit cannibalistic if both the Switch and 3DS co-existed for that long, or if a new DS was on the horizon

• I'm wondering a lot about potential sales here. Nintendo handhelds have always been huge sellers, and if the Switch does effectively replace both their console and handheld divisions, doesn't that mean sales expectations have to be pretty enormous? In that case, they would essentially be merging two product lines, and their investors would obvious want sales to go up, not down, as a result, but that's tough.

• Also to that point, how much will this thing cost? Most people wouldn't expect a Nintendo console to be priced over $300 to maybe $350 at launch, but again, combining a console and a handheld, might the Switch end up being more than that? Would that alter perceptions of Nintendo as the lower-cost alternative to Microsoft and Sony?

• I am really excited that apparently both motion controls and second screen tech have gone away, at least when playing the console at home. The controller for the Switch is just that, a controller with buttons and joysticks. Not a wand. Not something with an embedded screen. This is a pretty big deal for someone like me who has just about had it with Nintendo's wacky controllers over the last few generations. It seems like they've realized how much the people like the Pro controllers, and just built a controller around those design principles.

• The portable aspect of the Switch seems slimmer and smaller than even the Wii U gamepad, which is impressive given that the unit is running full-on console games. One worry was about hauling something around that was the size of a rather clunky gamepad, but from the looks of it, that isn't going to be an issue. This seems like the right size for the concept, but I may need to get my hands on one before I can say that for sure.

• Again, good name. Nintendo Switch is clean, and directly describes what the console does. Finally we are moving past the nonsense of Wii/Wii U. It should be very clear that this is a brand new system from Nintendo, and we won't stumble into the "What is a Wii U?" problem again.

I am the biggest Nintendo skeptic out there, but even I'm coming away from this Switch reveal pretty impressed. The success of the system will rely on a few factors like battery life and its software catalog, but at least this time, the central "gimmick" automatically seems like a positive rather than an unknown or potential negative right out of the gate. Almost everyone can get behind mobile play, and Nintendo was incredible smart to focus on their strengths in this regard.

forbes.com

Apple Lawsuit Says 90 Percent Of 'Official' Chargers Sold On Amazon Are Fake

October 20, 2016

Ever had to buy a new Apple charger from Amazon? Well beware even those labeled as the genuine article — according to a recent lawsuit filed by Apple, 90 percent of them are fake.

The iPhone maker is currently suing a company named Mobile Star LLC for trademark infringement, alleging that the firm has been passing off counterfeit Apple chargers as the real thing. PatentlyApple has posted the text of the lawsuit, in which Apple reports buying a number of Mobile Star's chargers from Amazon.

These chargers were listed as genuine Apple products being shipped and sold by Amazon. But Apple's engineers said that when the products arrived, they were found to be "poorly constructed, with inferior or missing components, flawed design, and inadequate electrical insulation." And they weren't just fakes; they were dangerous fakes — with the potential to catch fire or electrocute users.

"These chargers were listed as genuine Apple products being shipped and sold by Amazon. But Apple's engineers said that when the products arrived, they were found to be "poorly constructed, with inferior or missing components, flawed design, and inadequate electrical insulation."

Apple writes: "Consumers, relying on Amazon.com's reputation, have no reason to suspect the power products they purchased from Amazon.com are anything but genuine. This is particularly true where, as here, the products are sold directly 'by Amazon.com' as genuine Apple products using Apple's own product marketing images."

As supporting evidence, Apple also describes buying more than 100 "iPhone devices, Apple power products, and Lightning cables sold as genuine" by other sellers on Amazon. Amazingly, the company found that 90 percent of these products were actually fakes.

The lawsuit says that when Apple alerted Amazon to the problematic chargers supplied to it by Mobile Star, the online retailer turned over its entire inventory purchased from the company. In a statement sent to MacRumors, Amazon said it has "zero tolerance for the sale of counterfeits," and that it works "closely with manufacturers and brands, and [pursues] wrongdoers aggressively."

theverge.com

Emerging Technology

Tesla Has Begun Making All Its New Cars Self-Driving

October 20, 2016

"Drivers have repeatedly shown an aversion to self-driving cars. The technology that Tesla is announcing will still allow motorists to drive. The cars will have pedals and a steering wheel."

Tesla has begun equipping all its new cars with self-driving hardware. Elon Musk, Tesla's CEO, tweeted Wednesday night that the new Tesla drives itself with no human input, using eight cameras, 12 ultrasonars, and radar. All this hardware is mounted so the technology is not visible to drivers.

The company's current slate of cars being built now, the Model S sedan and the Model X SUV, has the hardware that will eventually make full autonomy possible. Cars previously built don't have the new hardware and — this is the moment in the article where early adopters groan — Musk said in a tweet that retrofitting vehicles won't be possible.

This isn't the first time Tesla has tried self-driving. The company already has a software feature that allows for some semi-autonomous driving. Musk says he wants to leapfrog the car and tech industries and put a fully autonomous car on the road by 2018. Ford is just one of the automakers that say they will have a self-driving car on the road by 2021.

The new hardware will initially lack some capabilities of the feature called Autopilot, which includes automatic emergency braking, collision warning, lane holding and active cruise control. Those and other aspects will be enabled as the company works to calibrate the new system, reports Tim Higgins of the Wall Street Journal.

"The software that would make Tesla vehicles fully self-driving still needs to be validated, and the system hasn't been approved by regulators. The company expects to reach those milestones in time, ultimately leading to vehicles that Mr. Musk said would be significantly less dangerous than current cars.

"'It will take us some time into the future to complete validation of the software and to get the required regulatory approval, but the important thing is that the foundation is laid for the cars to be fully autonomous at a safety level we believe to be at least twice that of a person, maybe better,' Mr. Musk told reporters on Wednesday."

What Tesla is proposing is a vehicle that has Level 4 autonomy. The Society of Automotive Engineers lists five stages of autonomy. The overwhelming majority of the cars on the road are at 0 or Level 1. Here's a quick cheat sheet:

1. **Driver Assistance** — Systems such as lane assist, anti-lock brakes, even navigation systems

2. **Partial Automation** — The car takes partial control but driver keeps hands on the wheel and eyes on the road
3. **Conditional Automation** — The vehicle steers, accelerates and decelerates but the driver must be able to take control
4. **High Automation** — When put into drive mode, the vehicle is in charge of all aspects of driving even if a human driver doesn't intervene
5. **Full Automation** — Full-time performance by the vehicle

"It's a big step for the industry," says Akshay Anand, an analyst with Kelley Blue Book. "The question then becomes how it translates to the consumer," he adds.

Tesla introduced its Autopilot feature as essentially a test feature, in the same way this new hardware update is being marketed. The company has been criticized for moving too quickly in the autonomous realm, which is summed up by the WSJ's Higgins.

"However, some observers worry that the technology lulls drivers into complacency behind the wheel. Germany's Transportation Ministry has asked Tesla not to use the term Autopilot in ads describing the system and the California Department of Motor Vehicles has issued draft rules that would prohibit the use of 'auto pilot' in marketing materials for systems similar to Tesla's.

"U.S. regulators are investigating a fatal crash that occurred in May in Florida, which Tesla has said was the first known fatality involving Autopilot. An update to Autopilot's software last month may have prevented that crash, Mr. Musk has said. The changes included making the system more reliant on radar to navigate.

"Mr. Musk expressed his frustration with the large amount of attention received by Autopliot crashes relative to automobile crashes in general. ‘It does not reflect well upon the media,' he said. He noted that a negative story dissuading people from using autonomous vehicles was effectively 'killing people' since the technology made driving safer."

Whether fair of not, Anand says Tesla has been under increased scrutiny because of accidents and a fatality related to its semi-autonomous feature. "The scrutiny will be magnified with this announcement," Anand says, adding, "For now, though, the bigger question is still how Tesla 'gets there' in terms of profitability and longer-term sustainability."

Drivers have repeatedly shown an aversion to self-driving cars. The technology that Tesla is announcing will still allow motorists to drive. The cars will have pedals and a steering wheel. In a study about driver attitudes, Kelley showed that Level 4 is the most appealing version of autonomy for consumers.

"It's actually not a challenge to offer a full range of Level 4 autonomous hardware to any new vehicle," says Michael Harley with Kelley Blue Book. Harley points out that the hardware Tesla is announcing isn't, on its own, groundbreaking with its collection of cameras, sensors, radars and processors. "The most critical piece of the puzzle," says Harley, is car-to-car communication. That, he says, "ensures full Level 4 autonomous riding is safe for passengers and pedestrians alike." Tesla made no announcement about car-to-car communication.

The Transportation Department only recently asserted its authority in the realm of driverless technology. Regulators said they would have to approve self-driving software code before it makes it to the road.

npr.org

Finger Smarts: A Different Kind Of Intelligence Headed For Your Phone

October 17, 2016

Artificially intelligent virtual helpers may have been all the rage this month with the launch of Google's Assistant and Samsung's play to acquire AI Company Viv, but one company is looking to bring a different kind of smart to your phone.

While digital assistants with machine learning capabilities are changing the way we vocally interact with our smartphones, software company Qeexo is aiming to revolutionize the tangible side of things by making touch screens more – well – touch-friendly.

"The company has come up with two different solutions, FingerSense and TouchTool, which allow devices to recognize more parts of the hand to offer a wider range of action beyond just unlocking a device or clicking an app."

According to CEO Sang Won Lee, Qeexo believes there are better ways to interact with touch screens beyond the current multi-touch standard. That's why the company has come up with two different solutions, FingerSense and TouchTool, which allow devices to recognize more parts of the hand to offer a wider range of action beyond just unlocking a device or clicking an app.

Unlike a solution like Apple's 3D Touch, which focuses on sensing finger pressure, FingerSense is a touch platform that allows a device to distinguish between different touchscreen inputs including fingertips, knuckles, nails and styluses. TouchTools is another solution that looks at the pose of a user's hand to call up virtual tools.

"Multi-touch is just counting the number of fingers touching the screen, but we've proven to the market that there is a better way to utilize the touch screen," Lee said. "TouchTool will provide another dimension by making the device smart enough to understand user intentions based on the shape of their hand."

Similar to the virtual assistant introduced by Google, Lee said Qeexo's solutions use machine learning to remember and cater to a user's touch. But unlike a digital assistant, Lee said the machine learning used by FingerSense and TouchTools is embedded in the device rather than based on an outside server.

Though there is currently no crossover that would allow a virtual assistant to learn and respond to FingerSense or TouchTools gestures, Lee said the two technologies collide where the Qeexo solutions can provide faster access to the assistants via a simple gesture on the device screen.

According to Lee, TouchTools and FingerSense can also be applied in the home or in a vehicle to make user interactions with touch screens simpler and safer. In cars, for instance, Lee said TouchTools could give drivers safer access to their touchscreen's voice-activated menu via a knuckle swipe.

"With analog buttons (in car consoles), you didn't have to pay much attention to where your fingers were because you could just feel around and know where your hand was," Lee said. "But when you're interacting with a touch screen today there's no way to find the right button without looking at the screen, which takes a driver's attention away from the road."

Lee said Qeexo is currently working with unspecified automakers to develop the best solution for vehicle applications, but the company's FingerSense solution is already out in the smartphone market.

In August, FingerSense made its debut in the U.S. and international markets via Huawei's Honor 8 smartphone. Lee said is also working with Alibaba and noted the company's solutions have received "a lot of attention" from Chinese manufacturers.

Another place to keep an eye out for FingerSense? Google's Nexus.

Lee said Qeexo is working to enable FingerSense on Google devices and in particular is aiming to allow developers to try FingerSense APIs on the Nexus 6p. Lee declined to comment on whether Qeexo is working on anything else with the tech giant.

Though TouchTools was announced in July as a proof of concept, Lee said more news about TouchTools applications is coming at the Consumer Electronics Show in January.

wirelessweek.com

Mergers and Acquisitions

Time Out To Pay $3 Million In Stock To Acquire YPlan, An Event Ticketing Startup That Had Raised Nearly $40 Million

October 21, 2016

Event ticketing startup YPlan has been acquired by travel publication Time Out in a deal worth £1.6 million ($1.96 million), a figure that will rise to £2.4 million ($2.94 million) after a year if certain terms are met.

Digging down into the details of the acquisition reveals that Time Out won't be parting with any cash directly — it will be swapping 1,166,644 in ordinary shares, with each share representing a value of £1.393. The deferred £0.8 million will be payable "12 months after completion subject to no warranty claims being made under the sale and purchase agreement," according to a statement.

Founded out of London in November 2012, YPlan emerged as one of the most popular event-booking apps in the U.K. capital, letting users book tickets on the spot for myriad shows happening that same day. The service later launched in New York in 2013 and in San Francisco six months later.

In an interview with VentureBeat last year, YPlan cofounder Rytis Vitkauskas laid out his vision for how YPlan would become a $1 billion company. In reference to WillCall, a company similar to YPlan that was acquired by Ticketfly in 2014, Vitkauskas said:

WillCall launched as we were writing the code for YPlan. They carved a niche, got stuck in San Francisco, tried New York and L.A., and then got acquired. We're not sure that's the right approach — one niche that's very deep, and one where there is not much margin in. I'm not sure that's the path to building a billion-dollar business, which is what we're here to do.

YPlan had raised $37.5 million, including a $12 million round in 2013 that saw actor Ashton Kutcher enter the fray. But things started to look grim for YPlan earlier this year when news emerged it was cutting 30 percent of its workforce as it scaled back its U.S. operations. "As a startup, we are reliant on an exceptional team to drive our business forward," said Vitkauskas at the time. "As we continue to evolve our proposition, it is crucial that we now streamline our operations and align the right teams to the focus areas where we see the best opportunities to maximize the company's growth."

To have burned through close to $40 million, the bulk of which came less than two years ago, is notable, and the fact that the company didn't raise any more cash, electing to sell for next to nothing, is perhaps a red flag for other tech startups. For the year ending December 31, 2015, YPlan reported a pre-tax loss of £6.2 million ($7.58 million), though "subsequent reductions in its cost base" have reduced the losses for this year.

Time Out was launched as a London-focused city guide publication in 1968, though it has expanded internationally since then. The company has been pushing its digital smarts in recent years, and as with many other “legacy” publications, the print-based incarnation is now completely free. Time Out went public and raised around £90 million ($110 million) earlier this year, indicating at the time that it may pursue acquisitions to grow.

“Developing ecommerce and monetizing our audience is an important element of our ambitious growth strategy,” explained Julio Bruno, CEO of Time Out Group. “We acquired YPlan because its advanced technology will significantly accelerate this strategy. It will enable us to offer our large audience more online booking opportunities, whilst improving the user experience.”

Moving forward, it appears that YPlan will continue to operate as is and will be integrated into Time Out’s existing business. The deal actually makes a lot of sense for Time Out and YPlan, given that Time Out is used by more than 100 million people around the world to find things to do in major cities, and the publication already sells tickets for events. If it wasn’t for the terms of the deal, this could otherwise have been pegged as a great exit and a win-win for both companies.

“Today is an exciting day for YPlan as we become part of Time Out, a global media and entertainment company,” said YPlan’s founders, putting a somewhat positive spin on the story. “Both companies are an excellent fit. For us as founders, the acquisition is a natural continuation of our vision for YPlan: to enable people to discover and do amazing things, whether in their beloved home cities or while traveling. We’re both very proud to join with our team such an iconic brand and to be part of Time Out’s next chapter.”

venturebeat.com

Comcast’s NBCUniversal Invests Another $200 Million In BuzzFeed

October 20, 2016

“The investment marks the latest effort by a TV giant to link up with a digital media company well versed in reaching the kind of young viewers fleeing the traditional cable bundle. NBCUniversal also invested $200 million in Vox Media last year around roughly the same time as the BuzzFeed investment.”

Comcast Corp.’s NBCUniversal is investing another $200 million in BuzzFeed, doubling its investment in the digital media company, according to people familiar with the matter.

The new investment gives BuzzFeed a post-money valuation at about $1.7 billion, the people said. Last year, NBCU invested the same amount in BuzzFeed at a post-money valuation of $1.5 billion, meaning that, excluding the new cash, the company’s valuation is essentially unchanged.

Recode first reported the investment.

Typically, fast-growing startups look to raise their valuations significantly when they receive follow-on rounds of funding. When they don’t, it can signal stress in their businesses or a change of expectations by the investor.

BuzzFeed missed its revenue projection for 2015 by an amount in the range of about 20%, forcing the company to cut its forecast for this year, one of the people said. BuzzFeed is on track this year to meet the new target, the person said.

“Our business has never been better,” a BuzzFeed spokeswoman said.

An NBCUniversal spokeswoman declined to comment.

A new media darling, BuzzFeed has grown quickly through its focus on listicles, branded content and increasingly video.

But the company's results have been affected by a variety of factors including slower-than-anticipated growth in content-licensing revenue and the difficulties monetizing some platforms where it has a huge audience, such as Facebook, one of the people familiar with the matter said.

BuzzFeed isn't alone in facing these challenges—other highflying digital media companies are running into headwinds also.

The investment marks the latest effort by a TV giant to link up with a digital media company well versed in reaching the kind of young viewers fleeing the traditional cable bundle. NBCUniversal also invested $200 million in Vox Media last year around roughly the same time as the BuzzFeed investment. Walt Disney Co. has a significant interest in Vice Media, and Discovery Communications recently invested $100 million into a new digital venture that includes social media-geared publishers Thrillist and NowThis.

wsj.com

Industry Reports

Uber And Lyft Made Up 52% Of Business Travel Transportation Expenses In Q3

October 21, 2016

"While ride hailing has become quite popular, Uber continues to dominate market share with 75 percent of travelers over Lyft's 6 percent, when taxis are factored in."

Another quarter has passed and Uber and Lyft have once again become the preferred method of transportation for business travelers. According to Q3 2016 numbers released by online travel and expense management service provider Certify, 52 percent of those using transit for work-related purposes opted to use a ride-hailing service. This is the first time that ride hailing has made up the majority of the ground transportation expenses for business travelers.

Last quarter, ride hailing made up 48.7 percent of business expenses.

While ride hailing has become quite popular, Uber continues to dominate market share with 75 percent of travelers over Lyft's 6 percent, when taxis are factored in. Taxi ridership continues to decline, dropping more than 3 percentage points sequentially.

"Of all the disruptive technologies to come out of the sharing economy over the past several years, nothing has captured the interest of businesspeople or captured more headlines in the media than Uber and the global rise of ride hailing," said Robert Neveu, Certify's chief executive in a statement. "Tracking at 52 percent of the ground transportation total in the third quarter, it's remarkable to see that ride hailing is now more frequently expensed by business travelers than taxi and car rental combined, and more popular than taxi at any time during the three years Certify has been reporting on this data."

For the most part, the average cost for business travelers also went down. Certify stated that it saw costs for Uber drop 10 percent to $22.91, while taxis fell 9.77 percent to $35.91 quarter over quarter. Lyft, however, saw the average cost rise nearly 5 percent to $21.80 during the same time period.

San Francisco was the top city for Uber and Lyft usage in Q3, while taxis were preferred in New York City.

Certify analyzed more than 10 million business traveler receipts and expenses to ascertain the preference of those traveling for work in North America.

venturebeat.com

Microsoft Reports $22.3 Billion In Q1 2017 Revenue: Surface Up 38% And Phone Down 72%

October 20, 2016

Microsoft today reported earnings for its first fiscal quarter of 2017, including revenue of $22.3 billion and earnings per share of $0.76. In Q1 2016, Microsoft saw $21.7 billion in revenue and earnings per share of $0.67.

Analysts had expected Microsoft to earn $21.71 billion in revenue and earnings per share of $0.68. In short, the company beat expectations. The company's stock was down 0.49 percent in regular trading, but up some 5 percent in after-hours trading (expected, given the results). Microsoft said it returned $6.6 billion to shareholders in the form of share repurchases and dividends during the quarter.

"We are helping to lead a profound digital transformation for customers, infusing intelligence across all of our platforms and experiences," Microsoft CEO Satya Nadella said in a statement. "We continue to innovate, grow engagement, and build our total addressable market."

Microsoft's earnings results are broken into three operating groups. Let's dive into the details.

Productivity and Business Processes

This segment, which includes results from Office and Office 365 (commercial and consumer customers), grew 6 percent to $6.7 billion.

Office 365 has now added less than 1 million subscribers for two quarters in a row. In Q1, 0.9 million subscribers were added to hit 24 million. Office commercial products and cloud services revenue grew 5 percent, with Office 365 revenue up 51 percent. The company's subscription revenue stream continues to deliver, much like it did when Office was a traditional software business.

Intelligent Cloud

This segment, which includes results from server products and services (including Windows Server and Azure), grew 8 percent to $6.4 billion.

Server products and cloud services revenue grew 11 percent. But the big highlight as always was Azure revenue, which grew 116 percent, and usage of Azure compute, which more than doubled year over year once again.

Last quarter, Microsoft's commercial cloud business exceeded a $10.0 billion annual run rate. The company is still projecting this number to hit $20 billion by 2018.

More Personal Computing

This segment, which includes results for Windows licensing and devices (Surface, phones, and Xbox), declined 2 percent to $9.3 billion.

Windows OEM Pro revenue increased 1 percent, while non-Pro revenue decreased 1 percent. Surface revenue increased 38 percent, from $672 million in Q1 2016 to $926 million in Q1 2017. The Surface Pro 4 and the Surface Book continue to chug along, but Microsoft still won't break out exact numbers.

Phone revenue declined 72 percent. We continue to see the effects of Microsoft's employee cuts and Nadella's plan to focus on fewer devices.

Advertising revenue from search, excluding traffic acquisition costs, grew 9 percent. Microsoft has previously attributed this to Windows 10, which includes tighter Bing integration.

Gaming revenue declined 5 percent. This is despite winning U.S. market share from Sony.

This was another decent quarter for Microsoft. We'll hear a lot more from the company soon, starting with the Windows 10 news next week.

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