Weekly *Wireless* Report

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This Week's Stories

DNC Hack Serves As Cautionary Tale For IT Pros

July 26, 2016

The FBI is currently investigating a hack that surfaced the contents of email from the Democratic National Committee (DNC).

About 20,000 email messages were leaked late last week, highlighting officials' favor towards Hillary Clinton and throwing the party into disarray ahead of its 2016 Democratic National Convention. Chairwoman Debbie Wasserman Schultz will resign as a result.

The messages, which were published on WikiLeaks, did not shed any light on who was behind the breach. Clinton's campaign says it believes Russia conducted the hack to benefit Donald Trump, and sources close to the matter claim Russian hackers gained access to the DNC's system.

"A compromise of this nature is something we take very seriously, and the FBI will continue to investigate and hold accountable those who pose a threat in cyberspace," wrote the FBI in a statement, as reported by a number of news outlets.

Regardless of who the FBI finds guilty, this politically charged attack carries a few key lessons for IT pros. If the DNC is vulnerable to having their sensitive content breached and published, your organization could also be at risk.

Following the breach and publication of DNC emails, cyber-security industry experts spoke out about the importance of protecting sensitive data, maintaining email best practices, and having the right response prepared for when an attack takes place.

"This situation demonstrates that all data has value to someone -- even if it's not commercial data," said Mark Kraynak, SVP and general manager of enterprise solutions at Imperva, in an email. Kraynak explained how an attacker may value data more than its owner, at least until the information is compromised.

"Situations like this are a great reminder of the need for all organizations to ensure the security of their data and that they have appropriate response mechanisms in place for the inevitable attack," he continued.

Some security pros say they believe sophisticated hackers will always be one step ahead of the businesses they plan to attack. Brad Taylor, CEO at Proficio, noted a popular lesson within the security space -- once an experienced attacker is on your network, he or she can complete a breach in less than 30 minutes and maintain a presence for over 250 days without being detected.

"Security controls of any organization will never be capable of keeping out a determined adversary," Taylor cautioned. "Like water coming through a screen door on a submarine, they will find a way into any network."

Travis Smith, security researcher with Tripwire, says he expects it will be found that the DNC hack originally started with a phishing email. "Why knock down the wall if you can be welcomed in through the front door?" he asked.

"Phishing, spear-phishing, and whaling continue to be the dominant entry point for attackers, as humans are often the weakest link in an organization's security architecture," Smith explained.

Employees should be cognizant of suspicious email and of how they act online, cautioned Lamar Bailey, senior director of security R&D for Tripwire.

"We do not know the source of this leak," Bailey noted in an email to InformationWeek. "It could have been a hack, weak password, misconfiguration, or even an inside job. Regardless, the same things can happen to any business."

In terms of key lessons IT and security managers can take from these hacks, Bailey emphasized that data needs to be classified, and proprietary or confidential information should be treated with extra precautions.

While the 2016 presidential election has made political candidates like Clinton and Trump prime targets for cyberattacks, organized cyber-criminals have the potential to infiltrate any organization they have on their radar. Is your business protected?

informationweek.com

Verizon Announces $4.8 Billion Deal For Yahoo's Internet Business

July 25, 2016

"The deal, which was reached over the weekend, unites two titans of the early internet, AOL and Yahoo, under the umbrella of one of the nation's largest telecommunications companies."

Verizon, seeking to build an array of digital businesses that can compete for users and advertising with Google and Facebook, announced on Monday that it was buying Yahoo's core internet business for $4.83 billion in cash.

The deal, which was reached over the weekend, unites two titans of the early internet, AOL and Yahoo, under the umbrella of one of the nation's largest telecommunications companies. Verizon bought AOL for $4.4 billion last year. Now it will add Yahoo's consumer services — search, news, finance, sports, video, email and the Tumblr social network — to a portfolio that includes AOL as well as popular sites like The Huffington Post.

The fate of Yahoo's chief executive, Marissa Mayer, who came under sharp shareholder criticism for failing to arrest the company's long downward spiral during her four-year tenure, is unclear.

In an interview, Ms. Mayer said, "I plan to stay. I love Yahoo and I want to see it into its next chapter." But she and Tim Armstrong, the chief executive of AOL, said it had not yet been decided if she would have a role at the company after the deal closed in early 2017.

If she is terminated, she will be due severance of about $57 million. If she received that payout, her total compensation from Yahoo for her service so far would be about $218 million, according to the compensation research firm Equilar.

Verizon, which has a vast amount of information about its customers' internet use, hopes the combination will help it create a strong No. 3 challenger to Google and Facebook for digital advertising revenue.

Yahoo, the Internet portal giant, has been struggling for a decade to find a winning strategy against competitors in search, social media and video. Now it is poised to give up, selling itself to Verizon for a small fraction of what it was worth at its height in 2000.

Mr. Armstrong said the acquisition strengthens Verizon's offerings to advertisers and consumers and gives it much more scale, since Yahoo claims one billion users who visit at least once a month.

"This deal is a leap forward from serving millions of customers to billions," Mr. Armstrong said in an interview. "Yahoo is one of the most powerful brands on the planet."

Verizon plans to keep most of Yahoo's current products, including its still popular email service, and invest in them to make them stronger. "Our strategy is to structure ourselves as a house of brands," Mr. Armstrong said. However, he said that Verizon has not yet decided what it wants to do in search, an area where Yahoo has waged a losing fight against Google for a decade.

The Yahoo purchase carries risks for Verizon, which is well known for its wireless phone and internet services but has little experience in the cutthroat business of digital content. Analysts say that its purchase of AOL has yet to prove its value, although Mr. Armstrong is a well-regarded operator.

Yahoo's leadership team, led by Ms. Mayer, spent the last four years trying to create a viable stand-alone strategy for the company without much success. Its market share among web users and advertisers had fallen, and Yahoo recently acknowledged that its $1.1 billion acquisition of Tumblr, a blogging network that was supposed to help Yahoo attract younger users, was worth about one-third what it paid.

Ms. Mayer said Verizon would help Yahoo get better distribution for its mobile apps in areas like search, mail, news, weather and sports. Verizon, she said, could promote Yahoo services on its smartphones and in its retail stores.

Although many on Wall Street have strongly criticized her, Ms. Mayer defended her tenure in an email to employees.

"We set out to transform this company — and we've made incredible progress. We counteracted many of the tectonic shifts of declining legacy businesses, and built a Yahoo that is unequivocally stronger, nimbler and more modern," she wrote.

Verizon agreed to pay an extra $1.1 billion on top of the purchase price to cash out Yahoo employees' restricted stock upon the close of the deal, Yahoo said. Many employees, particularly the senior executives, are also entitled to large severance packages if they are fired by Verizon.

The sale of Yahoo's business ends the company's 22-year run as an independent entity. Founded in a trailer in 1994 by two Stanford graduate students, it was the front door to the web for a generation of internet users but failed to keep up with Google in search technology and then missed the social media and mobile revolutions.

"It does mark the end of a particular time period for the company," Ms. Mayer said. "That said, there are great opportunities for Yahoo, for the brand, for the services, with Verizon."

After the close of the deal, Yahoo shareholders will still own shares in what is left of the company, essentially an investment fund with two holdings: a 15 percent stake, worth about $32 billion based on its recent share price, in the Chinese internet company Alibaba; and a 35.5 percent stake, worth about $8.7 billion, in Yahoo Japan.

The sale, which still must be approved by Yahoo shareholders and regulators, also does not include Yahoo's cash and its noncore patents, which it is trying to sell separately.

Yahoo was under pressure from shareholders to find a way to unlock the value of its Asian investments, and the sale of its core operations to Verizon was the first step.

"For investors, this came to the expected conclusion: Verizon was the front-runner very early on," said Robert Peck, an analyst with SunTrust Robinson Humphrey. "The real question for investors now is what's next? Will Yahoo have an efficient liquidation of the Asian securities?"

nytimes.com

Products & Services

Blackberry's New Android Device Billed As 'World's Most Secure' Smartphone

July 26, 2016

BlackBerry is on a mission to stay competitive and relevant in the smartphone market even as it kills off its most iconic product.

The Canadian company unveiled its latest strategy with a new Android handset Tuesday -- DTEK50 -- less than a month after it said it would stop making the BlackBerry Classic.

The company is calling its latest device the world's most secure smartphone. The DTEK50, which will run on Android 6.0 Marshmallow mobile software, comes with its built-in DTEK software, which first made an appearance on the BlackBerry Priv smartphone last year. The software encrypts all data on the phone, including photos and videos, and gives users a way to control and monitor their apps for privacy risks.

While the device borrows its name from BlackBerry's existing Android app that monitors users' apps for privacy and security apps, the number 50 comes from a survey conducted by the company which found only half of respondents believe smartphones are somewhat secure.

On the surface, the DTEK50 is a relatively standard, unimpressive-looking smartphone with a 5.2-inch display. It comes with 16GB of memory, which can be expanded with a microSD card. The device is also its thinnest smartphone to date, coming in at a slim 0.3 inches -- the same as the iPhone 6S Plus.

But the DTEK's biggest selling point is its security features. In addition to encryption tools, it touts malware protection baked directly into the software. Most importantly, the phone will install security patches as soon as updates are available.

DTEK50 will go on sale Tuesday at $299 and start shipping in early August.

BlackBerry launched its first Android phone, the Priv, in November. Years ago, it would have been unthinkable for the company to sell a device that didn't run its own operating software. But mobile habits changed faster than BlackBerry adapted, so now it's playing catch up.

Although the Priv sold out at launch, the device hasn't helped boost the company's overall phone sales.

With the new DTEK50, BlackBerry hopes to capitalize on the popularity of the Android platform with its brand as a secure software and hardware maker.

BlackBerry CEO John Chen said last year that the company needs to sell 5 million smartphones by September to make the business profitable, or he might consider giving up the hardware business. He has since revised this number down to 3 million. When CNNMoney asked Chen earlier this year why BlackBerry is staying in phone business rather than focusing solely on its security software, he emphasized how the hardware component is an important part of its security services.

"I would like to provide end-to-end security solutions for my customers where they want it and need it," Chen said at the time.

But Chen also admitted that the high-end smartphone market is saturated, and there are fewer ways devices can be distinguished from one another.

"We are as guilty as anybody else," he said. "This is an industry issue."

cnn.com

Apple Is About To Hit The 1 Billion Mark In iPhone Sales

July 25, 2016

But sales are slowing down

It's a figure that's roughly equivalent to a seventh of the world's population: Apple may sell its 1 billionth iPhone this week—if it has not done so already, according to a new report.

Wall Street analysts told the Financial Times they anticipate Apple will report about 40 million in iPhone sales during its third-quarter earnings report Tuesday. That results in a grand total of 987 million iPhones sold cumulatively. Apple is also expected to reveal roughly 13 million in iPhone sales each of the three months following—taking Apple's total iPhone sales up to 1 billion by the end of July.

Apple already reported over 1 billion active devices in April, a figure which includes its laptops, watches, smartphones, and more.

But excitement for the 1 billion mark figure is likely to be dampened. Apple posted a disappointing second quarter back in April with its first ever drop in iPhone sales. Since the iPhone has made up the brunt of Apple's sales, investors are worried whether the company can continue to post high growth.

Apple is still expected to post a decline in sales during the third quarter, as consumers hold back on purchasing new smartphones for more than the traditional two years.

Some analysts are also holding on to hope that the new iPhone model coming out in 2017 will jump start Apple's lagging sales.

fortune.com

Emerging Technology

So Digital Billboards Ads Change With The Speed Of Traffic Now

July 29, 2016

"Digital billboards supplied with data from Internet services company Inrix lets them deliver both. For five weeks this summer, eight digital billboards along highways in Toronto and Montreal tailored messages to suit how fast people were moving."

You hate creeping through traffic. But advertisers love it, because you're a captured audience with plenty of time to consume sophisticated messages. If you're zipping along, they have just a moment to pitch you burgers, or tires, or cloud services. In the days of yore—like, last year—that meant Mad Men had to choose between big visuals targeting leadfoots and text-heavy spots for the rush hour warrior.

Digital billboards supplied with data from Internet services company Inrix lets them deliver both. For five weeks this summer, eight digital billboards along highways in Toronto and Montreal tailored messages to suit how fast people were moving. The multinational food giant Danone was the first to try the new strategy, displaying four ads based on congestion levels, from “Moving right along” to “I’m never getting there!”

Inrix has seen companies use its data to trigger two ads, but never four. The copious amount of data flowing from navigation systems and apps made it possible. “It’s all part of making digital advertising more and more relevant,” says Kevin Foreman, who oversees geoanalytics for the company.

Chances are you don’t know you’re contributing oodles of traffic data to Inrix. But you’ll find its software in navi systems favored by Audi, Ford, and Volvo, to name a few. Major fleets like UPS use it, too. And of course Inrix has an app, which competes with Waze. In all, 270 million drivers in 45 countries contribute anonymized travel information to Inrix. The company gives you something in exchange, though: It feeds that raw data into algorithms that help government agencies spot crashes and jams, or aid users in dodging congestion.

Inrix also has a healthy sideline selling that data to outdoor advertising companies (you know, the guys that run billboards), which use it to find new ways of selling you things. Canadian digital billboard supplier Dynamic Outdoor came up with the idea for a campaign based on external data feeds, which would change according to information provided by Inrix and others. (The Danone campaign also changed its copy based on the weather—a hot day translated into an ad featuring a cool, blue pool.)

Essentially, Dynamic Outdoor’s software periodically pinged Inrix servers for real-time traffic updates, then brought Danone’s ad up to speed based on how grueling the commute was.

Did it sell more yogurt? The advertising industry is still developing a data-based standard for measuring billboard effectiveness. (Individual companies generally measure their return on investment by quantifying local spikes—or dives—in sales, but don’t disclose that info.) Still, plenty of research suggests that people cotton to outdoor ads targeting their specific demographic—race, income level, age, and maybe, rush hour status. By now, you’re used to targeted ads following you around online. They’re coming to your commute, too.

wired.com

NFL To Put Microchips in Footballs To Study Kicks

July 24, 2016

The NFL's newest experiment gives new meaning to the term chip-shot field goal. In an effort to study whether goal post uprights should be narrowed, and by how much, the league will have microchips inserted in each K-ball (kicking ball) this preseason, the Toronto Sun's John Kryk reports.
Dean Blandino, the NFL's senior vice president of officiating, told Kryk that data gathered by the chips will be analyzed by the competition committee after the season to determine how the goal posts can be reasonably manipulated to make kicks more challenging.

If the experiment goes well in the exhibition season, Kryk reports, the competition committee might choose to continue it in regular-season Thursday night games.

For years, the league has looked into the concept of "smart footballs," equipped with miniature GPS units and accelerometers. Those could determine not only the precise location of the footballs, but factors such as ball speed, spin and trajectory.

The chips weigh no more than half an ounce.

"You can't change the weight, the spiral, the torque or the feel of the football," Priya Narasimhan, then an associate professor of engineering at Carnegie Mellon University, told The Times in 2011. "It's really critically important, otherwise you've just ruined the whole purpose."

At the time, Narasimhan and her team of 10 engineering students were among multiple groups working on developing chip-equipped footballs. The primary goal was to come up with a system to determine the precise location of the ball, to determine, say, if it broke the plane of the goal line or if a first down was attained.

Knowing the exact location of the football isn't always enough in those situations. For instance, if a ball carrier is ruled down before the ball breaks the plane, then the play is not a touchdown.

The NFL has been reticent to use chip-in-ball or laser technology to measure first downs, in part because it likes the drama of the chain gang coming onto the field and officials studying the location link by link.

mobile-tech-today.com

Mergers and Acquisitions

Peek Raises $10 Million For Its Activity Booking Service, Reveals Yelp Partnership

July 28, 2016

Peek today revealed that it has raised $10 million in new funding from a group of investors interested in helping the activity booking service accelerate its growth. The latest infusion of cash came from Trulia founder and CEO Pete Flint, and included participation from TPG founder David Bonderman, former Oracle president Ray Lane, and Hyatt Hotels owners Gigi Pritzker and Michael Pucker.

In addition to its fundraising, the company has struck a partnership with Yelp. This means that Peek will power the activity bookings made on Yelp's site and mobile apps from companies that it has relationships with.

Launched in 2012, Peek wants to help you figure out what to do when you're traveling. It collects the best experiences in a location, organizes them so you can easily sort through your options, and makes it easy to book them all in one place. The business has grown 400 percent in the last six months, according to its CEO, Ruzwana Bashir, and says "hundreds of millions of dollars of bookings" are made through its platform.

With $10 million in the bank, the company will continue to scale its business. This includes paying for a growing team, which has increased 60 percent; building a new office in Utah; working with additional tour operators; and expanding into new international markets. Bashir stated that Peek is currently active in 35 large markets, as well as 600 smaller towns and regions in the U.S. and Mexico.

"I see lots of similarities with Peek and Trulia — as both companies empower small businesses and are laser-focused on providing the best possible experience for their customers — and there are compelling network effects," said Flint. His involvement, along with that of other new investors, provides Peek with a strategic partnership. While Flint can help the company work with small businesses — such as travel operators and activity guides — Lane will educate Peek on how to work with large corporations and how to integrate the activity booking engine into more places.

The inclusion of Pritzker and Pucker may also open doors for Peek with hotels and others in the travel industry who are in search of new ways to improve a guest's experience.

It's also worth noting that Eric Schmidt, Jack Dorsey, and former Travelocity CEO Carl Sparks are returning as existing investors.

The partnership with Yelp signals the next phase of Peek's existence. When you see an activity listed on Yelp and make a booking, that process will be managed by Peek. As Bashir explained, "160 million people go to Yelp every month and are looking for great things to do." She added, "It's a huge opportunity to partner with someone equally sophisticated in tech. Yelp is a great platform that lets us integrate great booking."

Bashir declined to share financial terms of the partnership, but said that Peek will be looking at similar partnerships in the future — with hoteliers, airlines, and others who want the capability it offers but aren't interested in "doing the work to find an activity operator, get real-time bookings, and create editorial content."

Other partnerships Peek has in place include one with Hawaiian Airlines, which allows users to research and book activities while in the air en route to Hawaii. It uses an offline mode that saves them time so they can begin enjoying their vacation the moment they touch down. Peek also has a relationship with Virgin America.

To date, the company has raised $18 million in venture funding. It declined to state its valuation.

venturebeat.com

Sprint To Take On Some Ericsson Employees As Companies Renew Parts Of Network-Outsourcing Pact

July 27, 2016

Ericsson said today it has renewed parts of its managed services partnership with Sprint, extending portions of a seven-year, $5 billion contract that was set to expire in September.

The new agreement will see some Sprint take on some Ericsson employees, but exactly what work Ericsson will continue to do on Sprint's network – and how much money the new deal is worth – remains unknown.

"Going forward we've decided to renew portions of our managed services work with Ericsson when the current contract reaches its full term in September," Sprint CTO John Saw wrote in a post on the company's blog. "Ericsson will provide some multi-vendor services that support the ongoing operations and development of our network, while overall Network Service Assurance will be performed by Sprint. As a result, some Ericsson employees will transition to Sprint, while others will remain with Ericsson."

The network-outsourcing pact was initially announced in July 2009, with Sprint transferring 6,000 employees to the Swedish gear vendor and Ericsson taking over day-to-day operations of the CDMA, iDEN and wireline networks. The outsourcing arrangement, which was big enough to merit its own name – the companies dubbed it "Network Advantage" – was hailed as a "game changer" at the time by one analyst.

FierceWireless asked both companies about the status of the deal earlier this month, but both declined to address the question directly. Sprint likely cut back Ericsson's role substantially as it continues to look to cut costs in its network operations and elsewhere across the company.

"We've been clear that we're going to do things differently at Sprint," Saw continued. "And we have very aggressive goals to lower costs while at the same time improving our network and executing our densification and optimization strategy. With our diverse toolkit of innovative cell site solutions and our deep spectrum holdings, we're very confident in our ability to drive network improvements while reducing costs.

"Being closely connected to our network and our customers is a key aspect of Sprint's turn-around strategy. Therefore, this is the right time for Sprint to take on more direct responsibility for its operations."

The carrier raised eyebrows in May when it lowered its capex guidance for the rest of the year to $3 billion, down significantly from analysts' estimates in the range of $4.5 billion. And this week Sprint again surprised analysts when it said it spent less than $500 million on its network during the most recent quarter.

Meanwhile, Ericsson continues to struggle as carriers in mature mobile markets have largely completed LTE buildouts and are preparing to invest in 5G over the next several years. The company ousted CEO Hans Vestberg earlier this week after it posted net quarterly profit of $186 million, down from $240 million during the year-ago period. Sales fell to $6.3 billion, missing analysts' predictions of roughly $6.44 billion, Bloomberg reported.

fiercewireless.com

Industry Reports

Amazon's Profits Grow More Than 800 Percent, Lifted By Cloud Services

July 28, 2016

"Amazon reported net income of $857 million in its most recent quarter, the second quarter in a row in which it has shown a record profit. Its net income for those three months was also more than nine times the amount for the same period last year"

For most of its life, Amazon sacrificed profits if it could build another few warehouses to ship orders to customers more quickly or find some other investment to fuel its growth.

Now, it cannot avoid showing big profits thanks to the lucrative cloud computing business in which it has improbably become a leader.

On Thursday, Amazon reported net income of $857 million in its most recent quarter, the second quarter in a row in which it has shown a record profit. Its net income for those three months was also more than nine times the amount for the same period last year.

A big part of what has made Amazon's story as a company so captivating to investors is the single-minded focus of Jeffrey P. Bezos, the company's founder and chief executive, on making big long-term investments. Unlike Google and Facebook, which have highly profitable advertising businesses, Amazon's retail business has operated on thin profit margins that quickly vanish when the company begins spending heavily, pushing it into the red.

What is most striking about its recent habit of showing profits is that Amazon has not suddenly become stingy about making investments. In a conference call, Amazon's chief financial officer, Brian Olsavsky, said that the company would open 18 new fulfillment centers — the warehouses from which it processes customer orders — in the third quarter of this year, three times the number it opened in the same period last year.

Amazon plans to nearly double its spending on digital video during the second half of the year as it expands the offerings of its Netflix-like streaming service, he said. That spending increase reflects a nearly tripling in the number of original television shows and movies financed by Amazon.

"I would not take our financial results as an indication we're running out of investment opportunities," Mr. Olsavsky said.

For the second quarter, which ended June 30, Amazon reported net income of $857 million, or $1.78 a share, up from $92 million, or 19 cents a share, a year ago.

Revenue jumped 31 percent to $30.4 billion from $23.19 billion a year ago. The results were well above the average estimate of analysts surveyed by Thomson Reuters of $1.11 a share in earnings and $29.55 billion in revenue.

"They're starting to really prove out their profitability," said Mark Mahaney, an analyst at RBC Capital Markets.

Amazon's shares rose more than 2 percent in after-hours trading after the release of its results.

The company reported operating income of $718 million from its Amazon Web Services business, up from $305 million a year ago. That is slightly more than the profit it showed from its North American retail business.

The North American retail business, though, brought in $17.67 billion in revenue compared with $2.89 billion for Amazon Web Services, an indication of the significantly higher profit margins in cloud computing.

Amazon first began renting access to computers and software in its data centers over a decade ago. While it was dismissed by many for straying from its focus on electronic retailing, it is now the leader in cloud computing, ahead of companies like Microsoft and Google.

Still, the retail business that Amazon is best known for is growing at a torrid pace even though it is now more than two decades old. The company's North American retail revenue jumped 28 percent as it continued to benefit from a shift in consumer spending to online from offline stores.

The company's spending on new warehouses and delivery services has played an important role in helping it gobble up a bigger portion of the money people spend on consumer goods.

"They are defying the laws of gravity," said Gene Munster, an analyst at Piper Jaffray. "It shows their level of market share gains is increasing."

nytimes.com

Smartphone Market To Rebound In 2016 With New Phones From Samsung, Apple

July 28, 2016

The worldwide smartphone market is poised to rebound in later this year, Strategy Analytics predicted, as new flagship handsets from major vendors come to market.

The market research firm said global smartphone shipments essentially stagnated in the second quarter, growing just 1 percent from 338 million to 340.4 million units shipped. Increasing smartphone penetration in China and other major markets shackled sales, Strategy Analytics said, and macro-economic and political factors such as the U.K.'s decision to leave the European Union have slowed growth.

"However, there are emerging signs that the global smartphone market has reached a bottom in the first half of 2016, and the growth outlook for the second half of this year is improving due to multiple big new product launches from Samsung, Apple and others," said Linda Sui, a director at Strategy Analytics, in a press release.

The forecast comes on the heels of a Canalys report earlier this week that indicated the worldwide smartphone market showed modest growth in the second quarter after a disappointing first quarter. More than 330 million smartphones were shipped during the period, Canalys said, which was flat sequentially but up slightly from the same period a year ago.

Strategy Analytics' data regarding market share also mirrored Canalys' figures: Samsung led the market with 77.6 million smartphone shipments during the quarter, Strategy Analytics said, demonstrating 8 percent growth year over year. Sales of the iPhone fell 15 percent to 40.4 million shipments as the company's worldwide market share fell from 14 percent to 12 percent.

Meanwhile, Huawei's remarkable growth has stalled as Samsung's momentum has increased and smaller players such as Oppo and Vivo have emerged, Strategy Analytics said. Oppo was the fourth-largest smartphone vendor worldwide during the second quarter, the firm said, shipping 18 million phones and claiming 5 percent of the market. Xiaomi rounded out the top five with a 4 percent market share, down from 6 percent a year ago.

So while Huawei claims to be on track to ship 140 million smartphones this year – a figure that would mark a 30 percent increase over last year – it may not be able to reach that goal if it can't score a partnership with major U.S. carrier.

"Huawei maintained third position with 9 percent global smartphone marketshare in Q2 2016, broadly the same level as a year ago," Woody Oh of Strategy Analytics said in the announcement. "Huawei's smartphone growth rate has slowed dramatically, to just 5 percent annually in Q2 2016, compared with 52 percent annual growth in Q2 2015. Huawei is facing rising competition from OPPO, Samsung, Vivo and others, and Huawei's recent growth spurt has slammed to a halt."

fiercewireless.com