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## This Week's Stories

### Cellphone Carriers Are Bracing For Massive Data Usage During The Inauguration

January 13, 2017

All around the National Mall, what look like strange, giant meatballs or cheese wheels on a stick have been mysteriously cropping up. Fenced in and padlocked, these towering structures might easily be confused for spy equipment or extra security — perhaps not a bad guess for a city that's among the world's most heavily defended.

But in fact, they're part of a massive effort by cellphone carriers to prepare for an estimated million or more people who will be descending on Washington for the inauguration of President-elect Donald Trump.

Wireless companies are bracing for a torrent of data usage by smartphone-toting visitors who intend on sharing photos and videos of their experience online. And to support all that activity, the carriers are literally rolling out their most advanced cellular antennas, the meatball-shaped devices now dotting the nation's capital.

These “cells on wheels,” or COWs for short, have been placed in key locations so as to boost coverage and capacity. Unlike a typical cell tower, these mobile antennas are designed to handle surges of traffic surrounding large, public events such as NASCAR races and music concerts. Each one is capable of blasting out a dozen or more radio beams that together will allow hundreds of thousands of people to tweet, Instagram and post to Facebook on Jan. 20 as easily as they were standing in their own living room.

The companies declined to share estimates on how many thousands of gigabytes' worth of tweets and Facebook posts might traverse their networks next week. But to be safe, many have spent months boosting their mobile data capacity in the area by 400 percent or more. Some began their planning almost as soon as President Obama's last inauguration ended.

“This is going to be the most connected inauguration in history,” said Mark Funka, Verizon's regional director of system performance.

This isn't the first time carriers have put stopgap measures in place to handle the crush of additional traffic. Companies started doing it in earnest beginning in 2009, with President Obama's first inauguration. At the time, the country's data usage habits looked very different; only a third of Americans had a smartphone, according to the Pew Research Center. Most consumers had previously been on more basic phones, and so past inaugurations didn't put as much pressure on carriers' networks.

But those usage numbers have shifted dramatically during the past few years. Today, Pew estimates that nearly 80 percent of Americans are on smartphones, and 68 percent of the country is on Facebook.



All this means tremendous demand for wireless services, particularly for data. To keep up, carriers aren't just using mobile cell sites for the inauguration. They're also retrofitting existing cell towers with newer antennas that can tilt and adjust their angles to cover large crowds better. They're using new bandwidth management techniques that are only possible with the latest flavors of LTE, such as something called "carrier aggregation." That's when a company melds together airwaves that operate at different frequencies to create, essentially, a larger highway for data.

"These options weren't available to us four years ago," said Brian Harrison, a technical communications manager at AT&T, "but they are today, which is great, because user habits have changed so much."

Over the past year, Sprint has added three times the amount of bandwidth that's normally available in the area. T-Mobile says it's expanded its local network capacity by 10 times. AT&T is quintupling its LTE capacity and Verizon said it is enhancing it by six times.

In addition to boosting signals on the Mall, the carriers have upgraded facilities at locations likely to experience high traffic, such as Reagan National Airport, Union Station and area hotels. Signal capacity along the presidential parade route is also being buffed.

Although the COWs are temporary, much of the inauguration prep — like the retrofitted towers — will be permanent, meaning that D.C. residents and tourists will continue to benefit from the system upgrades long after the stands and crowds disappear. And when it comes to some of the carriers' newest technologies, Washington will be the vanguard; some of this stuff has only begun to roll out to the rest of the country.

[washingtonpost.com](http://washingtonpost.com)

## 5G Deployments Could Create 3 Million Jobs, Boost U.S. GDP By \$500 Billion, Report Says

January 12, 2017

A new report from Accenture commissioned by CTIA indicates 5G wireless networks could create as many as three million jobs and boost the U.S. GDP by approximately \$500 billion through direct and indirect benefits.

According to the study, wireless operators will invest as much as \$275 billion over the next seven years to deploy 5G across the nation, including \$93 billion on construction.

That investment, the report found, could directly create 350,000 new construction jobs and a total of around 850,000 U.S. jobs when accounting for suppliers and other partners in the same period.

On a larger scale, the report found the economic benefits of 5G networks could also create an additional 2.2 million jobs across the country.

"5G will be transformative for all Americans. Accenture's report confirms the significant benefits from the next generation of wireless, driven by hundreds of billions of dollars that the wireless industry will invest to deploy 5G," CTIA President and CEO Meredith Attwell Baker said.

The report indicated benefits would be seen in communities of all sizes, with small and medium-sized locales with populations between 30,000 and 100,000 gaining 300 to 1,000 jobs while larger cities like Chicago seeing as many as 90,000 jobs created.

The number of jobs added in the short-term, of course, will vary by state, with those like California, Florida, and New York adding the most (11,000, 6,000, and 5,000, respectively) while others like Oregon and South Dakota make more modest gains (1,100 and 200, respectively).

The roll out of 5G would also facilitate the implementation of more, smart city setups, the report noted, which could provide savings and other benefits valued at as much as \$2 trillion over a 20-year period.

In particular, the study called out fuel savings, increases in revenue from earners like public parking, and a reduction in gun crime as some of the benefits smart cities can bring.

“Not only will 5G deployment unlock substantial job growth and economic gains in cities and towns across the country, it will help make our lives safer,” Baker commented.

“The Accenture report importantly underscores the need for policymakers at all levels of government to take action—cities and states with modernized zoning and siting rules that support tomorrow’s networks will be the first to realize the economic and civic benefits of 5G.”

[wirelessweek.com](http://wirelessweek.com)

## Qualcomm, Microsoft Citi Join Israel's Team8 Cyber Syndicate

January 9, 2017

*“With mobile networks increasingly used for managing finances, paying bills and shopping online, Qualcomm plans to work with Team8 to find ways to mitigate risk, said Quinn Li, vice president and global head of the company’s venture arm.”*

Team8, founded by veterans of an elite Israeli intelligence unit to solve what they consider the world’s most pressing cybersecurity problems, welcomed Citigroup Inc. and the venture arms of Microsoft Corp. and Qualcomm Inc. into its syndicate.

The group of military veterans, who have raised more than \$92 million, plan to launch two companies this year. Existing portfolio companies Illusive Networks Ltd., which entices hackers to trigger an alarm by planting false data, and Claroty, whose platform secures critical industrial infrastructure, generated \$22 million in sales last year.

Security breaches are growing increasingly sophisticated. At the end of 2015 hackers took out power in the Ukraine. In February 2016 more than \$80 million was stolen from Bangladesh’s account at the Federal Reserve Bank of New York. U.S. intelligence services recently said Russia was behind hacking during the 2016 U.S. election campaign, which disproportionately affected the Democratic Party.

“We aren’t talking about more of the same,” Nadav Zafrir, co-founder and chief executive officer of Team8, who commanded the Israel Defense Force’s 8200 unit, said of the intensifying cyber threats. “Adding the powerful brands of Microsoft Ventures, Qualcomm and Citigroup will dramatically improve our research capabilities and access to the world’s biggest enterprises.”

### Egos Aside

Team8 starts with a research team that pinpoints and seeks to solve a major cyber vulnerability, then spins off the technology into a company that gets initial financing from the group. It created the syndicate as a way for the corporate world to share information and get a head of the attackers.

“We need to put our egos aside,” Zafrir said. “The level of collaboration in the world of cyber attackers would blow your mind.”

Qualcomm, Microsoft and Citigroup join the group’s existing syndicate partners, who include Cisco Systems Inc. AT&T Inc., Accenture Plc, Nokia OYJ, Temasek Holdings and Sumitomo Mitsui Financial Group Inc. Team8 employs 180 people in Israel, the U.S., the U.K. and Singapore and plans to hire

another 100 staffers this year. Microsoft and Qualcomm made undisclosed investments in the group, Zafir said.

### Burgeoning Threats

Yoram Yaacovi, chief executive officer of research and development at Microsoft Israel, said cooperation is important in a world where the number of unique cyber threats has grown to some 700,000 each week from 20,000 just two years ago. Nagral Kashyap, Microsoft Ventures corporate vice president, said in the group's press release that the company will work closely with Team8 to research cybersecurity challenges.

With mobile networks increasingly used for managing finances, paying bills and shopping online, Qualcomm plans to work with Team8 to find ways to mitigate risk, said Quinn Li, vice president and global head of the company's venture arm.

Itai Jaeger, head of Citigroup's security innovation center in Israel, said he planned to work with Team8 to design and develop solutions for enterprises, close product gaps and brainstorm on emerging threats.

[industryweek.com](http://industryweek.com)

## Products & Services

### Apple Looking To Expand Apple Music By Offering Original TV Shows And Movies: Should Netflix, Spotify, And Amazon Worry?

January 13, 2017

*"Apple currently has three projects for unique video content, though none of them fit the traditional mold of scripted TV programs."*

Apple is reportedly thinking of venturing into the significant new business of original TV shows and movies, according to sources by the Wall Street Journal.

Such a move would widen Apple's presence in Hollywood and will allow it to better challenge rivals in a variety of industries such as Spotify, Netflix, and Amazon.

#### Original Content For Apple Music

According to the Wall Street Journal report's sources, the original content will be made available to Apple Music subscribers who pay the monthly fee of \$10. Apple Music currently offers documentary-style videos on artists, but these content are far from the programs that Apple is said to be planning for the service.

Apple is said to have been in discussion with veteran producers over the past few months on possibly acquiring the rights to scripted TV programs.

The company is said to have also reached out to experienced marketing executives from networks and studios in a bid to hire them for the promotion of Apple's future original content.

In addition to TV programs, Apple said to these executives that the company also has preliminary plans of going into the production of original movies, sources indicated.

Apple executives have apparently told Hollywood connections that they are planning to launch original scripted content by the end of this year.

## Apple's Current Projects On Video Content

Apple currently has three projects for unique video content, though none of them fit the traditional mold of scripted TV programs. The first is the spinoff of the "Carpool Karaoke" segment of The Late Late Show hosted by James Corden, which recently revealed that that series will feature a changing roster of hosts.

Apple is also working on Planet of the Apps, which is a reality show that will feature developers creating apps, highlighting the development process and any deals being made with producers that include Jessica Alba, will.i.am, Gwyneth Paltrow, and others.

## Why Is Apple Thinking Of Producing Original Content

Apple has come to a pivotal moment of its history, as it saw its first annual decline in sales since 2001. While the iPhone has continued to be the company's central product, sales have started to flatten out for the device as consumers upgrade their iPhone models less often or switch to cheaper or more customizable smartphones made by other brands.

Apple has not yet found a product or service that could provide it with the massive sales growth that the iPhone once had, but analysts think that selling content can at least be part of the answer.

## Should Spotify, Netflix, And Amazon Worry?

Apple Music has struggled to catch up to the massive subscriber numbers of rival Spotify, but a move into original content will likely boost the service's subscriptions and potentially lessen the gap between the two music streaming apps.

Netflix, however, might be able to relax despite the announcement, as offering original content is being seen as an added value for Apple Music and not an outright challenge to video streaming services.

Apple looks like it is thinking of releasing a few TV programs and movies, which will not allow it to compete with the dozens of original shows and movies offered by Netflix.

BGC Financial research director and senior technology analyst Colin Gillis, meanwhile, believes that for Apple to become a serious contender in the original content business, it will need to follow Amazon's gameplan of selling hardware basically at cost and then making revenues through other means such as original content and advertising.

[techtimes.com](http://techtimes.com)

## Snapchat Launches Universal Search To Simplify Navigation

January 12, 2017

Snapchat just made it much easier to navigate the app and find friends, groups, Discover publishers and Our Stories with a universal search bar that's always accessible at the top of the app. Launching today for some people on Android and rolling out soon to all iOS and Android users, the search bar lets you dig out of Snapchat the best content and conversations.

The company tells TechCrunch the interface is designed for speed, so you can locate what you're looking for and keep snapping. It might not be a coincidence that last year Snapchat was said to have acquired mobile search startup Vurb, which mysteriously shut itself down recently.

*"The visual style and "Quick Chat" suggestions will let you hop to a particular friend's message thread or story a lot faster."*

First and foremost, the visual style and “QuickChat” suggestions will let you hop to a particular friend’s message thread or story a lot faster. Snapchat has been derided as confusing to some because of its unique layout and how it originally relied on users knowing how to swipe around. It only added navigation buttons in June 2016, but now users will be able to get around via search.

Improved search could be a huge boon to brands, businesses and influencers hoping to build their Snapchat audience. Previously, Snapchat only offered a fractured search interface, with boxes for finding specific conversations, accounts to follow and Stories or Discover channels scattered in three different places.

With universal search also comes new revenue opportunities. Snapchat could potentially let advertisers pay for sponsored placement atop search results, or as suggestions in the search interface. This could allow Snapchat to directly monetize the desire of brands to build an audience on its network. When asked if ads were coming to search, the company declined to comment on future plans. As Snap Inc. heads toward a 2017 IPO at an expected valuation around \$25 billion, it needs to prove it has plenty of different ways it could earn more money in the future.

With the new search bar, you can jump to your own profile by tapping your Bitmoji on the left. If you tap a friend’s auto-suggest card or search result, you’ll start a chat with them, or you can tap their Story thumbnail to instantly start watching it full screen. Tapping and holding on someone’s card shows their mini profile. Beyond accounts, you can find specific daily editions of Discover channels or particular Our Stories by searching for their titles. You’ll also now be able to see in your profile your “best friends” that you Snap with often.

Snapchat is also now allowing people anywhere at any time to submit to Our Story, the app’s curated and themed slideshows for holidays, events and more. Users won’t have to pick a specific Our Story to submit to and instead just opt in to Snapchat being able to use their posts as it wants. Snapchat can then figure out how it wants to aggregate the content, allowing it to create Our Stories based on submission trends. Snap Inc. tells TechCrunch that now it won’t be restricted to building Our Stories only from pre-selected events or locations where it expects something special to happen.

Snapchat has long been criticized for making it too tough to find new accounts to follow, as it lacks any suggestions or recommended user list. It’s maintaining that “we won’t tell you what’s cool” philosophy here. But at least now people don’t have to pull up the formerly buried tools, and having the search box persistently visible could spark people to seek out more accounts to watch.

Still, if it wants to avoid people’s Story lists going stale with the same old boring friends, Snapchat might need a way to highlight great accounts you should add. It already offers profile QR codes, and the ability to send accounts or Discover content to friends. But a more top-down way to find accounts relevant to your interests would more directly attack the problem.

While five months ago things looked good for Snap’s IPO, the surprisingly swift success of the Snapchat Stories clone Instagram Stories now poses a threat.

Instagram’s version just hit 150 million daily users — the same number Snapchat touts — and is already starting to show full-screen photo and video post-roll ads similar to Snapchat’s.

To keep creators and common users loyal to its platform, Snapchat needs to help them keep building their audience. Meanwhile, it must demonstrate potential money-makers beyond what Instagram has copied. Universal search could provide an answer to both.

[techcrunch.com](http://techcrunch.com)

## Emerging Technology

### The 5 Biggest Announcements From The Tokyo Nintendo Switch Event

January 13, 2017

Nintendo announced a whole bunch of details about the upcoming Switch console last night in Tokyo, including the price, release date, and new games that are coming to the console. And while we may still have questions about Nintendo's new hardware, we now have a clearer picture than ever about what Nintendo's vision of the future of video games looks like.

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*"The Nintendo Switch will be released internationally on March 3rd for \$299.99."*

#### The Nintendo Switch is coming March 3<sup>rd</sup>

First things first. The Nintendo Switch will be released internationally on March 3rd for \$299.99. The Switch will be available in two versions: either a console with all-gray Joy-Con controllers, or one with a Neon Red and Neon Blue Joy-Con set.

As for accessories: the more traditional Pro Controller will cost \$69.99, while extra Joy-Con pairs will run \$79.99 each, with individual Joy-Con costing \$49.99. Each Joy-Con controller, whether purchased individually or paired, also includes a wrist strap attachment. Extra Joy-Con Charging Grip controllers will run \$29.99 with the ability to recharge the Joy-Con controllers, replacement Switch Docks will be \$89.99, and a Wii-esque Wheel accessory will run \$14.99 for a set of two.

Alongside the Switch, Nintendo has announced several launch titles for March 3rd, headlined by the highly anticipated The Legend of Zelda: Breath of the Wild and minigame collection 1-2-Switch.

#### The Switch Gets Some Specs

Nintendo also finally answered some of the biggest outstanding questions about the Switch hardware. The screen was confirmed to be a 6.2-inch, 1280x720 resolution display, with up to 1080p output available on a TV set when docked.

When used in handheld mode, the Switch gets between three and six hours of battery life on a charge, depending on the demands of the games being played, but can be easily recharged on the go through a USB-C port. The Switch has 32GB of internal storage, which can be further expandable with microSD cards. And, in a first for a Nintendo home console, the Switch won't be region locked, meaning that games from anywhere in the world will work on any device.

#### More Joy-Con Features Unveiled

Nintendo also showed off some new features for the modular Joy-Con controller. The mysterious square button on the left Joy-Con was announced to be a Capture button for quickly recording gameplay screenshots, and eventually video clips at some point farther down the line. Additionally, each Joy-Con controller will have full motion control functionality, similar to the Wii Remote, for motion gameplay, along with advanced haptic feedback that Nintendo is calling "HD Rumble" for even more immersive gameplay.

When using the Joy-Con controllers undocked, either for cooperative play or motion gaming, Nintendo is including a wrist strap attachment that can be clipped onto the inside of the controller halves to help prevent flinging them into your TV or nearby friends. Additionally, Nintendo revealed that the Switch-facing side of each Joy-Con contains shoulder buttons, allowing each Joy-Con half to be used as a full controller. The wrist strap attachment has the added benefit of making those shoulder buttons somewhat larger and easier to press.

Furthermore, the right Joy-Con controller contains an IR camera that Nintendo claims is able to identify the shape and locations of objects. For example, the Joy-Con can distinguish between a hand throwing rock-paper-scissors motions, as well as determine how far away it is from the controller. And as noted earlier, the Joy-Con will come in Neon Blue and Neon Red colors at launch, in addition to the previously seen gray.

### Games! Games! Games!

It wouldn't be a new Nintendo console without some new games, and Nintendo came prepared with a wealth of new games for the switch. Leading the charge is *The Legend of Zelda: Breath of the Wild*, which will be a flagship launch title for the new console.

But Nintendo also showed off a new Mario game, *Super Mario Odyssey*, an open-world sandbox game that looks to be a successor to the classic *Super Mario 64*, and adds real-world locations and an anthropomorphic hat to the series when it releases for the holiday season later this year.

Nintendo also announced two new titles: *1-2-Switch*, a party game collection that will be available at launch that showcases the Joy-Con's wide range of features, and *ARMS*, a motion-controlled boxing game.

Additionally, a sequel to Nintendo's colorful shooter *Splatoon* — *Splatoon 2* — was announced for the summer, which adds new levels and weapons to the mix. Nintendo also showed off several new RPGs for the Switch, including *Xenoblade Chronicles 2*, four *Dragon Quest* games, a new entry in the *Shin Megami Tensei* series, *Project Octopath Traveller* from Square Enix. Also announced at the presentation was *Fire Emblem Warriors* from Koei Tecmo, who had previously developed *Hyrule Warriors* for the Wii U.

Several other Switch titles also made brief appearances at the Tokyo event, including an announcement that EA's FIFA games would be returning to Nintendo's consoles after a four year absence, along with *The Elder Scrolls V: Skyrim*, *NBA 2K18*, *Minecraft*, *Steep*, *Rime*, Sega's upcoming *Project Sonic 2017*, and an upgraded version of *Mario Kart 8* titled *Mario Kart 8: Deluxe*. Nintendo also noted that over 50 companies have expressed interest in creating games for the Switch, with over 80 games already in development.

### Nintendo Is Charging For Online Play

It's a sad day in the gaming world, as Nintendo announced that online service for the Switch will require a monthly fee starting in the Fall 2017. According to Nintendo president Tatsumi Kimishima, "Users will be able to try out Nintendo Switch online services for free during a trial period after launch," after which the Switch will transition to a paid system for online service. While it's a little disheartening to see the last free online multiplayer system go, it could be a sign that Nintendo is finally ready to take internet services more seriously with the Switch.

[theverge.com](http://theverge.com)

## CES 2017: Lessons From Looking Back And Guide To Looking Ahead

January 11, 2017

The tech, media and marketing worlds have left the Consumer Electronics Show in the rear-view mirror (some taking longer than others thanks to snow back East).



But before we all rush headlong through the rest of 2017, it's worth taking a breath to review a few quick takeaways from the annual Sin City Summit that should guide us in months and years to come:

### **The increasing importance of authenticity**

I can't recount how many different conversations I had in which authenticity arose as a critical concern. In a world of increasingly virtual interaction, that is an elusive but highly valued currency.

Authenticity is an issue for brands who want to make sure that their reputation is not harmed by running marketing messages in wholly inappropriate or offensive digital environments (think of a Coca-Cola ad on a white supremacist blog – or better yet – don't). It is an issue for the agencies seeking to navigate the increasingly complex media and technology universe on behalf of those same brands looking for the right validation of who they work with and what platforms are "safe." It is an issue for established and emerging publishers seeking to distinguish themselves in a content crossroads teeming with fake news and fake people (like bots).

Ronald Reagan was fond of invoking the old Russian proverb of "Trust but verify" in dealing with arms control negotiations (no, I'm not invoking our president-elect here). When the reality of what's behind the digital curtain may be very different from what's in front, that Reagan-esque adage is a beneficial one in guiding who you partner with on technology, content, and marketing (not to mention almost any other aspect of your business).

### **Focus less on new technology than about how technology learns and communicates**

Are we getting to the point where we have enough stuff? I would hardly leap to that conclusion, but the device market was down 3% in 2016, and some of the hottest consumer items such as the Amazon Echo and VR equipment are hardly brand new. Yet the wonders of enhanced intelligence from the stuff around us seems to be just beginning.

I've been an Echo devotee for at least a year, and Alexa (the voice of the Echo) feels like a member of the family. It's (she's?) not much to look at from a design perspective, and there is virtually no physical interaction, but Alexa's capabilities are increasing exponentially.

Entering CES, Alexa had over 1500 "skills" (think of them as apps) from playing music on-demand to telling jokes to adjusting home lights and thermostats. I understand that an additional 700 are on the way shortly.

Alexa and compatriots like Google Home and new products from Lenovo and others are in many ways a gateway to the "Internet of Things." I've never loved this term but until a better one comes along it must suffice as a catchall for the insertion of enhanced artificial intelligence and wireless communications into virtually every physical product we drive, wear or use.

The eventual ubiquity of the internet of things seems rivaled only by the historic jurisdiction of my former employer, the all-powerful U.S. House Energy and Commerce Committee, whose reach famously extended to everything that moves, burns, or is sold.

### **The world of audio remains underdeveloped territory**

Speaking of Alexa, part of what is so wonderful about these voice-activated devices is the ease with which it facilitates bringing sound into your environment. Whether it is music, headlines, the weather, or a meditation, it very simply demonstrates the power of audio in our surroundings.

Yet it feels like the world of audio, in the spectrum of media content options available, has enormous room (and arguably a crying need) for innovation and growth. For example, look at the world of podcasts – literally hundreds of thousands of sound (no pun intended) options, but name one

*"Authenticity is an issue for brands who want to make sure that their reputation is not harmed by running marketing messages in wholly inappropriate or offensive digital environments."*

platform for listening to podcasts that resonates with consumers the way Netflix, Amazon or Hulu does for video. And how about sound as a tool for telling stories of brands? I had an interesting discussion with a digital content producer about the iconic sound associated with Intel Inside. How old is that – decades? Yet how many other brands have used sound to truly define themselves? The time is more than ripe for leveraging the power of our auditory sense.

Data still needs a whole lot of humanity to turn it into useful information

In baseball, data-driven Moneyball has been all the rage at least since Michael Lewis coined that term. But the Chicago Cubs won a World Series by marrying the data wizardry of their President Theo Epstein and his analytics team with the golden gut of Manager Joe Maddon. In the marketing world, we're still at the front end of our love affair with data, but it should also come with a cautionary note.

I'm sure it wasn't the first time she used it, but I loved the line I heard at the MediaLink-sponsored panel discussion from Lindsay Nelson, Global Head of Brand Strategy at Vox. As Nelson drily noted, "No client ever asked me to send them another spreadsheet." I think we all know what she's talking about. There is no lack of data today, and no lack of companies and platforms that can gather it, crunch it, sort it, store it, and deliver it. But accompanying the data with real insights, and the context that often comes from informed, experienced judgment? As MasterCard might tell us, that is priceless.

[forbes.com](http://forbes.com)

## Mergers and Acquisitions

### Fitbit Acquires Vector Watch As Smartwatch Segment Struggles

January 10, 2017

Fitbit has acquired London-based smartwatch vendor Vector Watch for an undisclosed sum, continuing a spending spree that has seen the struggling wearables market consolidate in recent months.

Vector was founded in 2015 and raised a little more than \$12 million through three fundraising rounds, according to Crunchbase. Vector was a relatively small player, but had garnered attention by achieving a 30-day battery life despite an always-on screen.

"We believe this is an important milestone as a moment when we will start building other new and amazing products, features and experiences, incorporating our unique technology and knowhow with Fitbit's experience and global community," Vector said in a blog post on its website. "Our smartwatches will maintain functionalities and features. You will continue to enjoy the Vector Watch experience: A 30-day battery life smartwatch, with customizable watch-faces and dedicated streams. However, new product features (software and hardware) will not be added."

Fitbit's fitness bands have come to dominate a wearables market where more sophisticated devices have failed to gain much traction. Fitness bands saw double-digit growth in the third quarter of 2016 and accounted for 85% of wearables sales during the period, according to IDC. Fitbit led all vendors with a 23% market share, followed in order by Xiaomi and Garmin.

Fitbit acquired the smartwatch pioneer Pebble last month for less than \$40 million, according to a Bloomberg report, although Pebble's debt and other obligations exceed that sum. And the Vector pick-up is the latest indication that Fitbit hopes to build on its success by producing wearables that with more sophisticated features and functionality than simple fitness trackers.

But it isn't clear how much demand exists for such devices. Apple generated a significant amount of buzz with its Apple Watch, but shipments plummeted 71% year-over-year in the third quarter, IDC estimated, and the company claimed a mere 4.9% of the wearables market. And IDC said global smartwatch shipments sank 52% in the third quarter due to a lack of new devices and platforms.

“Without a clear use case for smartwatches—which have more features than fitness trackers, but significant overlap with smartphone functionality—the more sophisticated, expensive devices have not caught on as quickly as expected,” eMarketer analyst Cathy Boyle wrote on the company's site last month.

[fiercewireless.com](http://fiercewireless.com)

## SoundCloud Is Losing A Lot Of Money — Is An Acquisition Coming Soon?

January 8, 2017

*“SoundCloud is one of the largest music streaming platforms out there, with a user base of 175 million listeners listening to its huge troves of content.”*

Music streaming site SoundCloud launched its premium music service, SoundCloud Go, in March of 2016, following sites such as Spotify, Pandora, and Apple Music. While the company has seen revenue grow, the Financial Times warns that the company could run out of cash by the end of the year unless it entices new investors.

The company saw some growth following the launch of SoundCloud Go, but it comes after SoundCloud lost almost \$52 million in 2015 according to MusicBusiness Worldwide.

In September, word broke that Spotify was in talks to acquire SoundCloud to the tune of \$1 billion, but it later backed away, reportedly because it was preparing for an initial public offering (IPO) in 2017. Earlier this week, MusicBusiness Worldwide reported that Google was rumored to be eyeing the company for \$500 million — just half of the price that SoundCloud had been looking for.

Fast Company reported that while SoundCloud faces a daunting future, CEO Alex Ljung is hoping that the shift to a premium service will help turn things around, and that the company is looking for a fresh round of investment.

With SoundCloud Go, the company has entered a tough market, where streaming services such as Pandora and Spotify have struggled to remain profitable.

Getting additional investment might be the only thing that can help save the company — as Fast Company points out, “not even a massive influx of paying subscribers would necessarily save SoundCloud.”

However, SoundCloud is one of the largest music streaming platforms out there, with a user base of 175 million listeners listening to its huge troves of content.

It's a platform frequently used by new musicians (as well as The Verge), and it remains an excellent place to discover new artists and tracks. Fast Company points out that it also attracts heavyweight artists as well, such as Chance The Rapper and Kanye West.

[theverge.com](http://theverge.com)

## Industry Reports

### Apple iOS And Related Services Revenue Could Surpass \$1 Trillion In 2017, Predicts Analyst

January 13, 2017

Apple's iOS hardware and related services are on track to generate a cumulative profit of \$1 trillion sometime in 2017, which will be a major landmark for a consumer product.

The iPhone is estimated to sell around 1.2 billion units by mid-2017, making it one of the most successful products of all time. This forecast comes courtesy analyst Horace Dediu who predicts a promising future for the company.

"As we look toward the second decade of the iPhone, the expectation isn't one of another 'big bang' but a process of continuous improvement," says Dediu.

The iPhone's success could enable the iOS ecosystem and its related services, which is inclusive of the iPod touch, the iPads, the Apple Watch and Apple TV, to reach a combined total sales of 1.75 billion units in 2017.

#### Forecasts

By mid-2017, the revenue generated from sales of iOS products will apparently touch \$980 billion. The analyst also notes that apart from hardware, Apple also generates revenue via iOS services - which include content - and this accounts for over \$100 billion presently. Based on this statistic, the iOS ecosystem would have managed to generate more than a whopping \$1 trillion in revenue for the Cupertino-based company in 2017.

The analyst, however, is unable to give a time window by when this milestone would be notched up.

The analyst is also of the belief that users are likely to bypass Android in favor of iOS instead of vice-versa as was the scenario in the past.

"Chances are higher that users will switch from Android to iPhone and not the other way. Again, the reasons have more to do with the ecosystem and quality of users (which are hard to measure) than with the hardware (which is easy to measure)," he noted.

To illustrate, in July 2016 Apple experienced the highest number of iPhone switchers in history.

Dediu also mentioned that the market was close to saturating and, therefore Apple should have the goal of capturing more people who are switching from the Android platform devices to the iOS ecosystem. Apple has been able to achieve this goal with its Macs.

The analyst further shared that products from Apple such as the AirPods, Apple Watch, Pencil and some wearables were representative of a future where the company's smartphone was the hub for a string of personal devices.

What sets Apple apart from the competition per Dediu is that it is able to seamlessly integrate its devices.

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## Amazon Bringing 100,000 Full-Time Jobs To The US By 2018

January 12, 2017

*"Amazon also said it would hire an additional 25,000 veterans and military spouses over the next five years, keeping an earlier promise."*

Amazon is about to go on a huge hiring spree, adding over 100,000 "full time, full-benefit" US jobs. They'll be available to people with "all types of experience, education and skill levels," the company wrote, ranging from engineers and software developers to entry-level fulfillment center positions. "Innovation is one of our guiding principles at Amazon, and it's created hundreds of thousands of American jobs," CEO Jeff Bezos said in a statement.

The company boasted that employees get "highly-competitive" salaries, along with health and disability insurance, retirement savings plans and company stock. It also offers 20 weeks of paid parenting leave, which can be shared with a spouse employed elsewhere. The company recently revealed that it pays male and female employees equally, and its diversity hiring is above average for the tech industry (which is to say, still not great).

Working at Amazon, both in executive and blue-collar positions, is famously difficult. Amazon has, in the past, also used a lot of contract labor to avoid paying benefits and other perks. Over the past few years, however, and with the latest hiring spree, the company seems to be shifting its workforce to more permanent positions -- even if employees work fewer hours.

We plan to add another 100,000 new Amazonians across the company over the next 18 months as we open new fulfillment centers, and continue to invest in areas like cloud technology, machine learning, and advanced logistics.

States that will benefit from the hiring spree include Washington, Texas, California and Kentucky, thanks to expansions, renovations and new construction of fulfillment centers. Amazon also said it would hire an additional 25,000 veterans and military spouses over the next five years, keeping an earlier promise. Along with fulfillment, Bezos said the company will expand in "cloud technology, machine learning and advanced logistics."

President-elect Donald Trump has threatened US companies that move jobs abroad with sanctions, but Amazon's hiring spree doesn't likely have anything to do with the new administration. Trump famously sniped at Amazon during the election, saying "Amazon is getting away with murder, tax-wise." Bezos replied in kind, saying Trump's lack of transparency (he still hasn't released his own tax returns) "erodes our democracy around the edges."

After a meeting with Trump and other tech leaders in December, including Tim Cook and Elon Musk, Bezos softened his tone, though. He said Trump's promised focus on innovation "would create a huge number of jobs across the whole country, in all sectors, not just tech."

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