



Inside This Issue:

This Week's Stories

[Galaxy Note 7: Samsung Set To Reveal What Made The Phones Explode](#)

[Hacking The Army](#)

Products & Services

[Kubo Robot Teaches Your Kids To Code, Launches Indiegogo Campaign](#)

[Apple's AirPods Are A No-Brainer — If You Have The Latest iPhone](#)

Emerging Technology

[Bots Will Replace People Before They Replace Apps](#)

[Hypersuit Promises To Let You Fly Through Virtual Reality](#)

Mergers & Acquisitions

[Oracle Boosts Cloud Offering With Apiary API Management Tool Acquisition](#)

[Alphabet's Google Buys Mobile App Tool Fabric From Twitter](#)

Industry Reports

[Netflix Expects HBO To Go Binge-First In An 'Internet TV World'](#)

[Carriers Sharpen Focus On Family Plans As Single-Line Users Look To Prepaid](#)

This Week's Stories

Galaxy Note 7: Samsung Set To Reveal What Made The Phones Explode

January 20, 2017

Samsung is finally ready to answer the burning question of what caused its Galaxy Note 7 phone to catch fire.

The world's biggest selling smartphone maker will hold an event Monday (late Sunday in the U.S.) to reveal the results of a months-long investigation into why some Note 7 devices burst into flames while charging.

It's the giant South Korean company's second attempt at explaining what went wrong with the flagship phone. The first time around, Samsung blamed the problem on one of its battery suppliers, but its response failed to stop the reports of fires.

"They really have to get it right this time given how their initial assessment turned out to be embarrassingly wrong," said Bryan Ma, vice president of device research at IDC.

The event, which will be live streamed on Samsung's website, will be closely watched by investors and devoted Samsung users.

The company said that independent experts who carried out their own investigations will also present their findings on Monday.

Problems with the Note 7 emerged right after its launch in August, with several reports of phones catching fire. Airlines and aviation authorities started warning passengers not to use or charge the devices on planes.

Samsung stumbled in its early response to the crisis, issuing a massive worldwide recall and offering replacements that it said were safe. But then reports started coming in that the replacement phones were catching fire, too.

The company finally killed off the troubled device altogether in early October.

In an effort to avoid further damage to its image after the humiliating fiasco, Samsung said it will discuss on Monday the new measures it's taking to make sure there's no repeat of the Note 7 debacle.

But the smartphone maker still has a long way to go before it fully restores confidence among customers, experts say.

"They have to reestablish credibility and trust," said Ma. "I also hope that they put a more human touch on the messaging this time to show consumers that they really care."

The handling of the Note 7 recall rubbed many consumers the wrong way, even in South Korea, the so-called "Republic of Samsung."

Hundreds of South Koreans filed a lawsuit against Samsung seeking compensation for the "psychological shock" of carrying around a device that could catch fire at any moment. The crisis burned through the company's smartphone profits in the third quarter of 2016. And it found itself the butt of jokes on social media.

The Note 7 isn't the company's only recent headache.

Vice Chairman Lee Jae-yong is a suspect in an investigation into a huge political corruption scandal that has rocked South Korea. Lee and Samsung have denied any wrongdoing.

Monday's Note 7 event should help bring at least one of Samsung's prolonged public relations nightmares to an end.

cnn.com

Hacking The Army

January 20, 2017

A hacker prodding a public-facing Army recruitment website in early December stumbled upon a vulnerability, then another, until he found himself suddenly connected to an internal Department of Defense network that should have prompted him for special access credentials. By the end of that night, Pentagon employees were swapping frantic phone calls and considering a complete shut-down of the compromised network. The intrusion was unexpected, but more concerning was the fact that the hacker hadn't set off any alarm bells — the Defense Department didn't know he'd gotten into the internal network until he told them about it.

The hacker who found the vulnerabilities was participating in the Army's first-ever bug bounty program, Hack The Army, a challenge that invites security researchers to put their skills to the test and pays them for their efforts. Defense Department security teams are trained to react swiftly to unexplained traffic on their networks, and not all of the Department's 3.2 million members knew the bug bounty was underway, so the panic was understandable. But the Army sanctioned and even celebrated the hack of its recruitment website — it meant the bug bounty program was working.

"Frankly, my reaction was, 'Great,'" Secretary of the Army Eric Fanning explains. "A lot of people's first reaction to Hack The Army was, 'Why would you invite people to hack you?' Well, we're being hacked every day, all day long, by people who are wishing to do us harm. So this idea of setting up this competition, vetting the participants, and then being in a situation where they tell us what they find is great. If they're not finding vulnerabilities and, in some cases, finding vulnerabilities that really surprise us, then I don't think the competition is doing all that we want it to do."

Sec. Fanning's reaction represents an evolution in the way government — following the lead of tech companies like Google and Facebook — views security research. Government agencies and private industry giants haven't always been so nonchalant about getting hacked. Fears of foreign hackers have consumed Capitol Hill in the wake of large-scale data theft from the Office of Personnel Management and the Democratic National Committee, and companies have responded to bug reports with legal threats. Although many larger firms have established programs today that allow for safe vulnerability disclosure, hackers still have reasonable fears about prosecution and prison time.

"The shadow of that still lingers very strongly with security researchers," says Alex Rice, the chief technology officer of HackerOne. "The risk is significant, and that's true for the industry and especially for the government."

HackerOne is one of several companies that offer bug bounty as a service, pairing the likes of Twitter, Uber and Dropbox with hackers who will test their sites and services for vulnerabilities. One of

"HackerOne is one of several companies that offer bug bounty as a service, pairing the likes of Twitter, Uber and Dropbox with hackers who will test their sites and services for vulnerabilities. One of HackerOne's latest clients is the Defense Department."

HackerOne's latest clients is the Defense Department, which launched its first bug bounty, Hack The Pentagon, last spring and followed it with Hack The Army in November. The Defense Department has been relatively slow to accept the concept of a bug bounty, adopting it only after years of implementation in the tech industry.

Although the idea of bug bounties reportedly originated in the mid-1990s at Netscape. Rice traced it back even further, digging up a Hunter & Ready advertisement from 1983 that offered to reward hackers who discovered bugs in its VRTX operating system with Volkswagen Beetles. "Get a bug if you find a bug," the tagline read.

Bug bounty programs didn't hit the mainstream until Google instituted the first extensive bug bounty in 2010, quickly followed by Facebook, Yahoo and other tech companies. Apple came late to the concept, launching an invitation-only program last year.

The Defense Digital Service, the Pentagon-based wing of the U.S. Digital Service, has encouraged the Defense Department to catch up with the industry. Born out of the disastrous launch of healthcare.gov, USDS pairs tech workers with government agencies to improve technical competency.

Chris Lynch heads the Defense Digital Service and has championed bug bounties within the Pentagon and with skeptical hackers who didn't believe he could get the project off the ground.

"We know for a fact that sending a wide variety of hackers into a wide environment will result in something meaningful. It is a fact. We cannot hire every amazing hacker and have them come work for us, but we can do these crowdsourced bug bounties," Lynch says. "I'm done with being afraid to know what our vulnerabilities are. That's not okay."

The Defense Department tested the waters with Hack The Pentagon, which invited participants to attack public-facing Department of Defense websites. Hack The Pentagon was considered a proof-of-concept project — a way for bug bounty advocates like Lynch to show that the program would improve security without risking the breach of classified material or crucial systems. After the program's success, worries about what would happen if the agency welcomed hackers began to fade.

"Those qualms are lessened today than they were six months ago," says Lieutenant General Paul Nakasone, who leads Army Cyber Command. "My first thought was, 'Wow, it only took them 10 minutes to identify a vulnerability. How long would it have taken for us to discover?'" (According to official Hack The Army stats, the first vulnerability was reported in just five minutes.)

Lt. Gen. Nakasone's teams help patch the problems uncovered by bug bounty participants. Containing hackers within an agreed-upon network with established rules has helped ease concerns, he explained. As an olive branch, the Army didn't require participating hackers to undergo background checks prior to joining the program, even though some private companies make background checks mandatory. Instead, Hack The Army participants only have to undergo a background check if they want to collect their financial reward.

Hack The Army also gave hackers more exciting targets than the public-facing domains like defense.gov that were up for attack during Hack the Pentagon. The Army edition of the program included recruitment websites with access to personal data and recruiting stations across the U.S.

"We chose intentionally this suite of assets, knowing they were the crown jewels," says Lisa Wiswell, the digital security lead of Defense Digital Service. "It's where we have recruits enter their personally identifiable information and all kinds of stuff. We do a lot to secure it today."

techcrunch.com

Products & Services

Kubo Robot Teaches Your Kids To Code, Launches Indiegogo Campaign

January 20, 2017

Kubo Robot wants to teach your kids to code. And to get started on that goal, the Danish company is launching a crowdfunding campaign on Indiegogo.

The Copenhagen, Denmark-based company wants to raise \$30,000 on Indiegogo to get feedback on its design for Kubo, a robot that teaches kids to code. The idea is that if a child can complete a jigsaw puzzle, then they can learn to code. I saw the company demo the tech at CES 2017, the big tech trade show in Las Vegas last week.

Kubo will ship in the spring of 2017. The company has created a TagTile programming language, which enables children as young as three to explore and understand programming concepts in a screenless, tangible environment. You can connect tiles together on a table and create the basic instructions for the robot to move around.

The TagTile programming language consists of colored puzzle pieces that give Kubo instructions. Preschool and elementary school children connect the tiles in the order they want Kubo to perform each action. Kubo wheels along the tiles and reads the directions, and when placed on a “play” tile, acts out the sequence. Through this process, children learn programming concepts like loops, functions, routines, subroutines, and more.

Kubo expansion packs will teach other lessons. Using different sets of TagTiles, children can learn to spell, add and subtract, or even string together a melody. With sets of TagTiles for language, mathematics, and music, in addition to coding, Kubo hones children’s critical thinking, communication, collaboration, and creativity, while teaching them technology without screen time.

“Kids are surrounded by technology, but most are simply consuming video or text through a screen. We want to make them creators, not consumers,” said Tommy Otzen, CEO and cofounder of Kubo Robot, in a statement. “By 2034, 47 percent of jobs will be automated. Our children will be living and working alongside robots and technology. They need to learn from an early age how to interact with that technology, and coding gives them the skills to do so.”

Each Kubo robot comes with a set of TagTiles and is easily upgradable. You can swap out Kubo’s head and add new functionality. The only assembly Kubo requires is to connect the robot’s head to its body and lay out the tiles. It’s quick to set up, giving teachers more time for lessons, and intuitive enough that any parent or teacher can impart the principles of coding without any technical knowledge of their own.

“Most teachers and parents aren’t engineers, but most engineers aren’t educators either,” said Daniel Lindegaard, chief technology officer and cofounder of Kubo Robot, in a statement. “Unlike most educational technology, Kubo is designed around pedagogical principles instead of engineering principles, and gives every classroom and household the tools that will prepare children to lead in the 21st century.”

Early backers of KUBO’s Indiegogo campaign can preorder Kubo for their children or classrooms starting at \$170. Rivals include Lego’s Boost robots.

venturebeat.com

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“Preschool and elementary school children connect the tiles in the order they want Kubo to perform each action. Kubo wheels along the tiles and reads the directions, and when placed on a “play” tile, acts out the sequence”

Apple's AirPods Are A No-Brainer — If You Have The Latest iPhone

January 19, 2017

When Apple introduced the iPhone 7 and 7 Plus in September, it presented consumers with a sort of problem: most headphones and earphones wouldn't work with these smartphones, because they don't have a headphone jack. ("Courage"!)

But at the same event Apple proposed a solution: new wireless headphones and earphones, including AirPods, a wireless version of the classic white EarPods.

In addition to letting you make phone calls and listen to music, AirPods give you a new way to access Apple's Siri virtual assistant: Just tap one of the earbuds twice.

I, for one, look goofy in them. My girlfriend thinks they're a fashion faux pas. And I suspect that some people do a double-take when they see me wearing them on the streets of San Francisco, thinking, "Wait, something's off, where are the wires...?"

But their wirelessness makes life easier in some ways. When you're working on your desktop, you can just stand up without worrying about unplugging. When you're walking, you can go upstairs without worrying about messing up the cable that's plugged into your phone. And your hands have one less thing in which to get tangled. You can keep listening as you put on a shirt or take it off.

Are AirPods perfect? No, no. When I use my AirPods I keep a backup pair of wired EarPods nearby. You know why? AirPods eventually run out of battery life. It's sort of like my comfy old noise-canceling Bose headphones — except AirPods don't last as long.

Still, it's a cool product. I love pushing open the charging case with my thumb, and I love the popping sound it makes when I close it. The stubby little case reminds me of the oldest iPhones and iPods — and I mean that in a good way.

And gosh, they're comfortable — I can wear them for more than four hours straight. But your mileage may vary here, just like with other headphones and earphones. No two ears are alike.

They're louder than many headphones I've used, and the sound quality is good enough.

AirPods typically last five hours, as advertised. But they can survive a lot longer if you don't mind slipping them into their charging case when the internal batteries run out. (You'll know when one of them stops working after making a few sad-sounding beeps.) I got up to 20 hours of usage after recharging them again and again using the case. (Apple promises up to 24 hours.)

But I do have my gripes with the AirPods.

While the pairing experience on the iPhone and the Mac is very good, it's less reliable and functional, and more like a pair of regular Bluetooth headphones, on Android and Windows. There's no way to see how much battery life is left on those operating systems, and you don't have Siri. I've run into occasional pairing issues on Android Nougat or Windows 10 — the Bluetooth settings will say the AirPods are connected, but sometimes music won't play. It can be frustrating.

When Siri is available, you can tell it to do certain things, which is good, but the delay for pausing or adjusting the volume is too long for me. I'd like to see Apple come up with a new way to do those things, just like on its traditional EarPods and other wired headphones. Also, Siri needs to take a hint

from Amazon's Alexa and start relying less on a paired display in order to provide a truly voice-first experience.

And although I like that music stops playing when you pull an AirPods out of your ear, I don't like that this feature won't work when the AirPods are paired to an Android device. Clearly iOS — and specifically the iPhone — is the optimal platform for AirPods.

At the bottom of the AirPods case is a Lightning port for charging. I wish a USB-C port would be there instead, in line with Apple's latest MacBooks. Here again you see proof that AirPods are iOS-first.

At least they are now. I hope Apple improves the experience on other platforms, but judging by how Apple Music works on other platforms, I don't think that's likely.

Ultimately, if you think you want a pair of AirPods, you have one decision to make: Are you ready to set aside your wired headphones that work just fine?

If you have an iPhone 7, you may well find its missing headphone jack infuriating. If that's the case, AirPods are worth trying, or even a no-brainer.

If you have an older iPhone, AirPods aren't nearly as necessary, but you may still want them because of the great pairing experience, and Siri.

If you have an Android phone with or without a headphone jack, AirPods aren't the best way to go wireless.

At \$159, they're not cheap. Plus they may make you look goofy, no matter what phone you use. Nevertheless, some people will be keen to buy them just because they're the latest product Apple has come out with since the Watch in 2015.

For me personally, until Siri is smarter and the batteries last longer, I can't help but think of the old saying, "If it ain't broke, don't fix it." I'm sticking with EarPods.

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Emerging Technology

Bots Will Replace People Before They Replace Apps

January 16, 2017

"You can build a bot that fits so naturally into people's current workflow that users may not even realize they're talking with a bot and not a person, much like X.ai was able to do with their call-scheduling bot Amy Ingram."

The bot land grab is officially under way and everyone is rushing to recreate successful app ideas in chat interfaces. Somehow the old pitch by analogy — we're "AirBnB for pets" — has found a way to be even less original. Now any aspiring entrepreneur need only take the name of a successful app and add "as a chatbot" at the end.

Of course, this is nothing new. The exact same thing happened at the start of the mobile revolution. The top tech minds were busy jamming interfaces designed for 18-inch monitors into iPhone screens and calling it good. It was only later that people realized, rather than just cramming successful website ideas onto mobile devices, the real opportunity was in leveraging the fact that these new screens were, in fact, mobile. A taxi-hailing website would have only been minimally useful. Sure, I could order a cab at the beginning of my night, but an app comes into play when I'm out and about. Uber was successful because it leveraged the unique features of a mobile platform.

Similarly, the winners from this next interface revolution will be the startups that leverage the fact that conversational interfaces are, well, conversational. Just like the shift from desktop to mobile

didn't mean everything was necessarily better on mobile, not everything that was great as an app will be great on conversational interfaces. The idea of a "Tinder you talk to" may seem fashionable but ignores the fact that people actually like using Tinder (although few will admit to it). Far from being some arduous chore, Tinder is a game, a delightful distraction from engaging with real-life strangers.

Sometimes visual interfaces are just an inherently better way of solving a user's problem. A waiter could tell me all of the beer options, but if we were in Portland that monologue might drag on for the better part of an hour. What's worse is that by the time he got to the end, I would have fully forgotten the first options. Sometimes it's just easier to look at a beer menu. Furthermore, many of the most successful apps were successful because their interactions worked well on visual interfaces. Trying to recreate it in a voice interface may leave many well-intentioned startup teams ice-skating uphill.

This leads me to my obvious conclusion for what will be the most successful bots. The most successful new ideas will be the ones that leverage the unique feature of conversational interfaces — that is, conversation. The low hanging fruit that so many in the tech world seem content to ignore is in recreating real conversations that people are forced to have, and making them better with bots. In this way, the easy choice for disruption is not replacing apps but replacing people. If you're looking for a place to start, that's it.

I can appreciate that anyone who has used one of the early versions of chatbot might balk at the idea that a bot's conversation could outperform a person. After all, even the densest of customer service representatives can generally get the gist of what you are talking about without falling into a "sorry I don't understand" loop the moment your questions deviate even slightly from their training material.

It is worth remembering that these technologies are still very new. If you look back, it's not like the apps from 2007 were blowing anyone away either. Also, thanks to the collective training power of neural nets, it is not hard to imagine that these systems will improve at a much faster rate than apps did.

Ignoring the current technical shortcomings, bots also offer many advantages over their current human competitors. Namely, they are hardwired to care, which is far more than I can say for the vast majority of customer service conversations I have with people. A bot doesn't have a fight with its girlfriend and then vent its frustration on users. A bot isn't distracted by the nagging feeling that it should have stayed in school to avoid the bleakness of its current reality, in the middle of me talking to it. Users have a bot's full attention, free of all the bias, pettiness, and forgetfulness that plagues conversations with humans.

Furthermore, it is just easier to replace a conversation with a conversational interface. When tech teams were stuck with the unenviable task of converting from human-to-human interactions to human-to-screen interactions, there was a lot of guesswork that went into figuring out what would work. It was like needing to bike across town with a blindfold on — you had a general sense of what direction you needed to go, but the only way to progress was by hitting a wall.

That's not the case anymore. Recreating conversations is much easier, although it does involve an underused skill set — e.g., listening. Want to learn how the conversational interface for your paralegal bot should work? Try shadowing a paralegal. They have already spent years developing the perfect conversational interface, and you can just borrow it.

Perhaps the main reason the biggest opportunities in the bot market is in replacing people and not apps is simply a matter of economics. If an app is solving users' problems, it is likely doing it for virtually nothing, whereas there are endless examples of humans that are being paid huge monthly sums for their half-baked efforts. Even a small increase in inefficiency can save businesses millions of dollars.

In a recent conversation with David Beisel of Nextview Ventures, I was trying to glean some insights on where the real opportunities are for conversational interface technologies. Even though he knows the voice computing startup market, he noted it was still too early to tell who will be the unicorns of bots. His savvy for investing revealed itself when he told me about one of the startups they recently invested in, called Troops.AI, which is a bot that improves the productivity of sales teams. He said, "It was an easy decision because it helps sales people sell more and do it more easily, and that anything that makes businesses money is bound to do well."

I would add any startup that saves businesses money is an obvious bet too. Virtually every large company has a dedicated human resources department, with each employee making on average \$57,420 (BLS) in exchange for their core skillset of filtering hundreds of resumes to a couple dozen appropriate resumes. The repetitiveness of this job makes it feel like a website should have already replaced this job. However, using any of the websites that have tried to replace HR workers shows why companies still use HR employees. First you upload your resume, then you have to type out everything written in your resume into these obtusely organized text fields that are meant to serve every potential employee from CMO to janitor. Applying for a job online is enough to make a user think being unemployed and living under a bridge might not be such a bad alternative.

It is exponentially easier to apply directly through a conversation that can just ask about your experience as it pertains to the job you are applying for. This is exactly what the conversational AI startup Wade & Wendy created. Instead of sterile, life-draining online forms, their bots ask job seekers to elaborate on specific parts of their job experience to better filter applicants for any given job listing. Since this is the bulk of HR employees' workload, this can save businesses upwards of 50 percent on their current HR expenses.

Ultimately, trying to make apps more conversational may seem like the obvious answer for entrepreneurs looking to cash in early on this new tech revolution, but the juice may not be worth the squeeze. First off the solution may just be better suited for a visual interface, which could explain why it became such a popular app. Additionally, the efficiency of apps mean they are probably solving any problem for virtually nothing, so saving users \$.99 per download is hardly life changing. By comparison, automating half of an entire HR department's workload is a very big deal for any Fortune 500 company.

Furthermore, you can build a bot that fits so naturally into people's current workflow that users may not even realize they're talking with a bot and not a person, much like X.ai was able to do with their call-scheduling bot Amy Ingram. Amy is so good at communicating like a helpful assistant that most people don't even realize that she's a bot working for \$39 a month and not an executive assistant making \$51,725 a year (according to payscale.com). The real winners in the conversational interface revolution will be the ones competing with highly paid employees, not freemium business models.

venturebeat.com

Hypersuit Promises To Let You Fly Through Virtual Reality

January 16, 2017

Virtual reality may very well take us beyond such input devices as game controllers and joysticks. That's where Hypersuit comes in.

The Hypersuit is like an exoskeleton, a suit that makes you feel like you're flying in virtual reality. You lie on it in a flying position, and you can move your arms about in a variety of directions. I saw the Hypersuit at CES 2017, the big tech trade show in Las Vegas earlier this month.

Hypersuit, which is in a prototype state, is being built by a Paris-based startup by the same name that was started in 2016.

“The difference between a game controller and our project is that with the Hypersuit your all body is the joystick, so you can move freely, like Iron Man, instead of using your thumbs,” said Gregoire Arcache, founder of Hypersuit, in an email.

He said the inspiration came from the “oldest dream of mankind (flying) and the frustration of using VR sitting on a chair.” With Hypersuit, you can be a superhero, an astronaut, a scuba diver, or a wingsuit flyer.

The suit has a number of sensors that enable it to detect your movements. To finish it, the company will have to create both hardware and software.

The company hopes to ship the product in June. The price hasn't been set yet. Hypersuit has three cofounders and a team of four people. So far, they are self-funded, but they plan to start raising a round of funding next month.

Does it sound crazy? It probably is, said Arcache. But it could also be a lot of fun.

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Mergers and Acquisitions

Oracle Boosts Cloud Offering With Apiary API Management Tool Acquisition

January 19, 2017

Oracle acquired API management startup Apiary today for an undisclosed amount.

Apiary, which launched in 2011 and has raised a modest \$8.5 million, helps companies manage APIs, which is an increasingly important job. As every company becomes a software company, they are building platforms and providing ways for customers and third-parties to build applications using their technologies.

Cloud companies increasingly want to help customers deal with those APIs. Just last fall, Google bought a similar company when it acquired Apigee for \$625 million. At the time, Google's Diane Greene talked about the value of helping customers with their digital interactions.

Oracle's senior VP for cloud integration, Amit Zavery, sees a similar value proposition for Oracle customers. “With Apiary, Oracle will also provide customers advanced capabilities to design and govern APIs, allowing companies to manage the entire API lifecycle and deliver integrated applications,” Zavery said in a statement.

Oracle has been playing catch up when it comes to the cloud. After years of dismissing it, the database giant wants to be a player and take on the market leaders, like AWS, Microsoft Azure and Google Cloud. Just this week it held a cloud event in NYC and announced among other things it was opening three new data centers in Reston, VA, London and Turkey to help fuel its new cloud strategy.

Oracle has a long history of acquiring and assimilating companies, but it's unclear how this move will affect existing Apiary customers as it becomes part of the Oracle cloud team. Apiary executives were obviously positive about it. “Oracle customers will have unique access to a comprehensive API management platform providing control and increased agility, enabling them to focus on innovation,” Apiary founder and CEO, Jakub Nešetřil, said in a statement, — but how that will play out remains to be seen.

It's worth pointing out that Oracle did make a statement that as part of the acquisition process, it will review the product roadmap "and will be providing guidance to customers in accordance with Oracle's standard product communication policies." You can take from that what you will.

[techcrunch.com](#)

Alphabet's Google Buys Mobile App Tool Fabric From Twitter

January 18, 2017

Google isn't buying Twitter Inc., but it's buying one of Twitter's remaining parts.

Alphabet Inc.'s online search division agreed to purchase Fabric, a Twitter business that provides a software toolkit for mobile apps. The companies didn't disclose financial terms.

For Twitter, the deal allows it to offload another asset as it faces pressure to deliver growth. For Google, which is absorbing Twitter employees working on Fabric, the acquisition is designed to help it recruit mobile developers, a key constituent, to its cloud computing service.

"When we look at Fabric, we see it as a great opportunity to bring together two amazing developer platforms, to really have the best of breeds," said Jason Titus, vice president of Google's Developer Product Group.

As part of the deal, Google also gets Crashlytics, Twitter's popular tool for tracking software failures. Titus wouldn't say how many employees are moving over as part of that service.

In May, Google said it was extending Firebase -- a cloud-based mobile software tool it acquired in 2014 -- into a broader developer platform, competing with similar offerings from Facebook Inc. and Twitter's Fabric. Firebase gives mobile app creators tools to build and monitor their apps more easily. It's a critical service for Google's effort to lure developers away from Apple Inc., a more lucrative ground, and push them to create apps for the mobile web, where Google makes a bulk of its advertising dollars.

Most of Google's developer services are free, although they have a paid tier. In its sales pitch, Google is particularly interested converting mobile app developers into paid users of its cloud service.

Fabric's departure from Twitter is another sign of the social media company slimming down. Twitter executives have been seeking ways to sharpen the company's focus as user and revenue growth slows. During a failed process last year to find a buyer for the whole company, management also discussed spinning off non-core assets, people familiar with the matter said at the time. Google was involved in the discussions. Twitter recently shut down Vine, its short-form video product.

When Twitter introduced its Fabric tool in 2014, the social media firm highlighted its potential in China. Google's Titus said Firebase recently signed Chinese e-commerce giant Alibaba Group Holding Ltd. as a customer, along with Jet.com, a U.S. e-commerce startup recently acquired by Wal-Mart Stores Inc.

Alibaba uses Firebase for apps outside mainland China. Firebase, like most Google services, is not available there. Titus said Google may expand its developer tools to China, but stressed that it has no immediate plans to launch Fabric in the country.

[bloomberg.com](#)

"For Google, which is absorbing Twitter employees working on Fabric, the acquisition is designed to help it recruit mobile developers, a key constituent, to its cloud computing service."

Industry Reports

Netflix Expects HBO To Go Binge-First In An 'Internet TV World'

January 18, 2017

"Netflix just announced its final earnings report for 2016, revealing that it grew by seven million customers to 93.8 million."

Netflix just announced its final earnings report for 2016, revealing that it grew by seven million customers to 93.8 million. That's two million more than it had projected, up more than 25 percent for the year and puts the 100 million benchmark squarely in its sights for 2017. Beyond revealing that House of Cards will launch in Q2 instead of Q1 this year, Netflix mentioned the strong performance of original series like The OA and 3%. Regarding the latter, Netflix says it was watched by "millions" of US viewers and is the first Portuguese-language show to travel that way.

Ten years after launching Watch Instantly streaming and one year after making it available nearly worldwide, Netflix is now an internet-first video company and according to its letter, expects others to follow. Noting the BBC's new BritBox plans for online video, the company says it presumes HBO won't be far behind when it comes to favoring internet viewers over linear ones, by launching series all at once instead of week-by-week.

Netflix says that its original shows were five of the top ten shows searched for globally, according to Google, with Stranger Things at #1. The company is "pleased" with the rollout of offline viewings so far and says its customers are also "pleased" with the recent integration on Comcast's X1 boxes.

Also garnering a mention is the incoming administration and its potential impact on net neutrality, which Netflix now says isn't that big of a deal for its business. That's because "we are now popular enough with consumers to keep our relationships with ISPs stable." Despite that, it continued to push for strong net neutrality, saying "We hope the new US administration and Congress will recognize that keeping the network neutral drives job growth and innovation."

On the live video call, Reed Hastings declined to expand upon his net neutrality statement towards the Trump administration and said the company plans to "rinse repeat" on some of the things it's been doing to grow so far.

engadget.com

Carriers Sharpen Focus On Family Plans As Single-Line Users Look To Prepaid

January 17, 2017

Carriers are honing their focus on family plans as competition in the U.S. market continues to ramp up. And they're increasingly looking to prepaid to offer service to users with single lines.

T-Mobile underscored that trend earlier this month when it announced plans to scrap its long-standing Simple Choice plans in favor of its T-Mobile One plans, killing taxes and fees for users on the "unlimited" offering. A single line of unlimited voice, text and LTE data costs \$70 a month for customers with accounts that pay automatically. A second line is an additional \$50, and additional lines (up to a total of eight) are \$20 each.

The operator markets its plans as four lines for \$40, but the T-Mobile One offering is actually more expensive than the old Simple Choice plan for users with a single line. COO Mike Sievert dismissed concerns that the move might alienate single-line customers, saying most of those single-line customers go with prepaid anyway.

“We still continue to have—both on MetroPCS and on T-Mobile—great single-line deals on prepaid,” Sievert said. “And the vast majority of phone customers today who have single lines tend to buy prepaid.”

Carriers have good reasons to target families with postpaid plans, of course. Multiple-line accounts generally have lower churn than those with single lines, and while they obviously don’t generate as much ARPU, their monthly bills are generally significantly higher.

But another major factor is that the revenue gap between prepaid and postpaid has closed in recent years. Moffett Nathanson estimated last year that T-Mobile has seen its postpaid ARPU fall from \$54.07 to \$46.05 since the first quarter of 2013, for instance, while prepaid ARPU has risen from \$35.96 to \$37.58.

Similarly, Verizon’s postpaid ARPU peaked at \$58.04 in the third quarter of 2014, but has since fallen to \$51.87. But its prepaid ARPU rose from \$22.86 to \$31.68, which may signal that nation’s largest carrier is better monetizing the prepaid users it isn’t shedding.

“The carriers’ focus on postpaid family plans has always been there since a family plan (in the past with two-year contracts) presents a low churn scenario,” William Ho of 556 Ventures told FierceWireless via email. “That is, every line is tied to phone upgrades around the 2-year mark. That subscriber retention focus hasn’t really changed. Equipment installment plans with 24- and 30-month installments also create a similar low churn (handcuffed) outcomes. But the same multi-line strategy is also in play in prepaid with some carriers with the same goals—more subscribers, lower churn and higher per account revenue.”

Indeed, competition among the major U.S. carriers in the prepaid market has ramped up significantly in the last few years. T-Mobile’s MetroPCS and AT&T’s Cricket have come to dominate the segment, but Sprint is plotting to regain market share with its upcoming relaunch of Virgin Mobile. And Verizon—which last year all but gift-wrapped its prepaid business for TracFone—has begun selling prepaid services through some exclusive dealers.

The trend of targeting families with postpaid services and focusing less on single-line postpaid accounts is likely to continue as carriers do battle in a U.S. market where growth has slowed to a crawl. But operators may be overlooking an opportunity to market their offerings to families who don’t need four or five lines, Roger Entner of Recon Analytics observed.

“That free fourth person is becoming the anchor to keep an account at the carrier,” Entner said via email. “T-Mobile has been particularly aggressive when it comes to chasing and catching up to AT&T and Verizon when it comes to family plan customer numbers as they are leading in that segment. At the same time, the focus on four line accounts is a bit misguided as the average household size in the U.S. is still 2.7, which would make the true hot spot target the three-line family. None of the carriers have really recognized this demographic fact.”

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