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## This Week's Stories

### Netflix And Internet Video Pals Are Winning Big From Cord Cutting

April 20, 2017

As the debate over just how quickly consumers are abandoning pay TV and "cutting the cord" rages on, pay Internet video services are growing fast.

Premium Internet video services from Netflix to Hulu to Dish Network's Sling TV brought in \$8.3 billion last year, a 36% increase from 2015, according to the annual "Coach Potato" report from market tracking firm Convergence Research Group. Bolstered by new additions like AT&T's DirecTV Now and Google's YouTube TV, the market should increase 35% to \$11.2 billion this year followed by 32% jump to \$14.7 billion 2018, the firm said.

At the same time, the number of households that have cut the cord, or never subscribed in the first place—so called cord nevers—is growing.

Last year, 2.1 million households dropped pay TV service, up from 1.2 million in 2015, Convergence said. By the end of the year, 27 million households, or about 22% of the country, did not pay for cable or satellite TV service, up from 24 million, or 20% of households, in 2015. And the total should reach 30 million, or 25% of all households, by the end of 2017, Convergence said.

Fears that rampant cord cutting will hurt cable and entertainment company revenues have been a growing fear on Wall Street, especially after the issue hit the stock prices of giants like Viacom, Time Warner, and Disney hard in the summer of 2015. But since then, the data about cord cutting has been mixed and the stocks have recovered.

Even if cord cutting picks up, as Convergence expects, the trend isn't totally negative for the cable industry, since it's also the leading provider of broadband home Internet service. The high-speed home Internet market added 2.5 million subscribers, a 3% rise to 94.5 million homes, and grew 9% in revenue to \$51.3 billion last year, Convergence said.

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

### Why Almost 1,000 TV Stations Are About To Shift Channels

April 19, 2017

The Federal Communication Commission's latest airwave license auction wrapped up last week with wireless carriers and others bidding nearly \$20 billion for the rights to spectrum currently in use by 175 television broadcast stations. But the federal agency charged with overseeing the nation's spectrum use now has an even bigger task ahead: reassigning almost 1,000 TV stations nationwide that operate in the part of the UHF spectrum band being sold.

#### Why Are the TV Stations Being Moved?

The UHF spectrum band was established decades ago for television channels, with each station assigned six megahertz of airwaves within a total allocation of 228 megahertz. Almost 10 years ago, the FCC shifted the entire TV broadcast industry to digital technology that requires less spectrum per



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*“Executives at T-Mobile, which won the most new licenses at the auction, have said they expect to get some markets online this year. However, customers will also need new phones that are capable of using the new bands and those aren't expected until the end of the year or in 2018.”*

channel and can even allow two or more different stations to share a single channel assignment. With increasing demand for mobile phone service, and increasingly congested wireless networks, the agency realized that it could free up quite a bit of useful spectrum by squishing the existing station assignments into a much smaller amount of spectrum.

### **Why Do So Many Stations Have to Be Moved?**

No broadcaster was forced to sell their license. In an initial round of bidding, UHF TV license owners wanted a total of \$84 billion for all of their rights. But the wireless industry didn't need that much new spectrum, and couldn't have come close to the price broadcasters were seeking. Verizon and Sprint didn't buy any new licenses and AT&T spent under \$1 billion at the auction.

In the end, only 175 TV stations sold their licenses and will split about half of the auction's \$20 billion of proceeds. Of those stations, 12 are expected to simply go off the air, another 30 will shift to lower frequency VHF channels, and the rest are shifting to digitally sharing another station's UHF spectrum.

But to give the wireless carriers large swathes of spectrum in the same frequency around the country, the FCC plans to free up airwaves that currently cover channels 37 and above in every market. That means that 957 stations which did not sell their licenses in the auction have to be moved to lower frequencies that are remaining assigned to UHF TV broadcasting. Congress allocated almost \$2 billion to help pay for the moves, and the FCC has laid out a schedule to "repack" the nearly 1,000 channels to new frequencies over the next three years.

Still, broadcast experts say the timeline could be challenging to pull off. "The TV industry and its viewers are about to see a level of technical disruption that may be unprecedented," lawyers at the firm Pillsbury Winthrop Shaw Pittman wrote in a blog post after the auction concluded. "It's going to be a crazy time for TV stations."

### **What Do Viewers Have to Do to Watch Channels That are Moved?**

The vast majority of viewers subscribe to a cable or satellite TV service. They won't have to do anything because they get their TV channels via a wire or satellite broadcast that isn't affected by the frequency swaps.

But millions of viewers, perhaps as many as one in five, still depend on an over-the-air antenna to get local TV channels. All channels converted to a digital format back in 2009, so over-the-air viewers should be able to continue to find channels that are moved through a process known as rescanning. Some digital TV and converter boxes automatically perform a periodic rescan, which checks all available frequencies for active channels, but other equipment must be triggered to rescan manually. The FCC has a web page with video instructions explaining how to rescan.

### **Will Viewers Need New Equipment?**

Almost no one who watches over-the-air TV will need new equipment. In rare cases where a viewer has an antenna that only received UHF channels and a station they watch is shifting down to the VHF band, they would need to purchase a VHF-capable antenna.

But with so many stations needing to buy new transmission equipment as they shift frequencies, the transition may also speed the deployment of a new technology standard known as ATSC 3.0 that allows broadcasters to send programming in super high-definition 4K resolution. So far, the FCC says broadcasters who adopt ATSC 3.0, which would require that viewers purchase new equipment, continue to also broadcast in the basic ATSC 1.0 standard in use today.

## When Will Wireless Carriers Get to Start Using the New Spectrum?

The FCC set out a 39-month transition schedule to move all the TV stations and get the spectrum into the hands of wireless carriers. But that doesn't mean every YouTube and Snapchat-happy smartphone user will have to wait until 2020 for relief. Some TV stations and some local markets will complete the transition much sooner.

TV stations going dark will go off the air within 90 days of getting their auction winnings. And the very first phase of the channel transition shift is scheduled to be completed by November of next year.

Executives at T-Mobile, which won the most new licenses at the auction, have said they expect to get some markets online this year. However, customers will also need new phones that are capable of using the new bands and those aren't expected until the end of the year or in 2018.

[fortune.com](#)

## Products & Services

### Apple Makes A Bunch Of Apps Free For Everyone

April 18, 2017

iOS and Mac users can now download iMovie, GarageBand and iWork suite without having to shell out for the app or a new device.

Hey, how would you like a copy of Apple's iMovie, GarageBand and iWork suite for free and totally legal?

Apple updated the apps on Tuesday, making them available for free to all iOS and Mac users. The apps were previously free to anyone who purchased a new iOS or macOS device in the past several years, but the update means a device purchase is no longer required.

Those interested in using the apps who hadn't purchased a device recently probably would have been on the hook for \$9.99 per app and \$19.99 for iWork, a suite of productivity applications that competes with Microsoft Office and Google Docs. It includes Keynotes, Pages, Numbers and iPhotos.

Apple began giving away iWork and iLife suites in 2013 to buyers of new iOS devices, such as iPads, iPhones and iPod Touches.

[cnet.com](#)

### Snapchat Introduces World Lenses – Live Filters For Just About Anything

April 18, 2017

Snapchat is adding a new way to use its app that brings its popular filters beyond faces. The new 'World Lenses' add augmented reality elements to any scene you can capture with your camera, placing 3D objects you can actually walk around with your smartphone's camera, which is actually a lot closer to what we used to mean when we said "augmented reality" in its earlier days.

Snap notably doesn't use "augmented reality" or "AR" once in its blog post announcing the news, preferring instead to talk about how users can "paint the world" with "3D experiences." The intro video, however, will reveal something pretty familiar to anyone who bought into the early hype of

*"Amazon is now in a race to garner as much traction as possible with Alexa as quickly as it can. And to do so, it's making the software that powers the voice-recognition and speech-processing in the Echo available to third parties to use — for free."*

the Nintendo 3DS, which came with AR cards that let you place and virtually interact with 3D graphics that looked like they were anchored to, and blended with, the real world.

Based on the demo videos Snap provided, this is a much more impressive incarnation of AR, however, that requires neither QR codes nor other kludgy markers to anchor and generate the graphics you see applied to whatever's captured via your camera lens in real time. The gifs below should provide some sense that what's happening here goes beyond the timid stumblings of the very first smartphone and portable console AR products.

They should be fairly easy to use – Snap says you just tap the screen while using the rear-facing camera to cycle through available World Lenses, and it adds that these will be updated on a daily basis, too.

This genuinely sounds like a fun, worthwhile addition to Snapchat that builds on the popularity of its previous Lenses launches. But we knew they were coming, and we've actually known for a while now: It's highly likely that Snap's competitors are aware, too, and it's probably only a matter of time before they clone this feature the way they have previous tech, too. Still, there's plenty of opportunity for additional revenue from this new addition to the Snapchat product arsenal, though at launch, there won't be any sponsored third-party World Lenses.

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

## Emerging Technology

### Mastercard Trials First Fingerprint Credit Card In South Africa

April 20, 2017

In another fintech first in Africa, Mastercard are piloting a credit card with a built-in fingerprint reader following two separate trials with a major retailer and bank in South Africa.

South Africa is the first market to test the "evolved technology," the credit and debit card provider says of this next-generation biometric card. The trials were with Absa Bank, owned by Barclays Africa, and supermarket chain Pick n Pay, and a full rollout is expected later this year.

To use the card, people first need to visit their bank, where the fingerprint is registered and encrypted onto the card. It can then be used at merchants to validate purchases. People simply hold their finger over the built-in sensor when making a transaction at a point-of-sale terminal (often called an EMV) instead of typing in a PIN code. It will work with any card terminal around the world.

This technology might ultimately negate having such PIN codes for credit cards, says Mark Elliott, Mastercard's Southern Africa President.

"The reality is customers have too many PINs in their lives to remember today," he said. "Increasingly what we're doing is introducing new technologies – such as selfie pay to authenticate the customer – so it's more in tune with who you are rather than what you can remember. I think that's where we're going."

He added: "The way people live their lives today, is that they increasingly open their phones with a fingerprint. They get into hotel doors with a fingerprint. So it just makes sense that we start to use credit and debit cards with a fingerprint."

South Africans willingness to try new technologies and their familiarity with using biometrics for identification made it an ideal market to test this, he said.

"South Africa has embraced biometrics for the last five to six years. When I heard there was a product that would be rolled out globally, we saw an opportunity to bring it to South Africa because of that early adoption in cutting-edge technologies and an understanding of biometrics."

Pick n Pay and Absa have embraced it because "they are seeing real use cases". One scenario he sketches is when travelling internationally, for which South African banks require its customers to notify them in advance to prevent fraud. "If you go overseas and you've forgotten your PIN number or you've forgotten to tell your bank that you've gone overseas, they can't argue with your fingerprint. The reality is you are in New York in Macy's transacting."

Ajay Bhalla, Mastercard's president for enterprise risk and security, added: "Consumers are increasingly experiencing the convenience and security of biometrics. Whether unlocking a smartphone or shopping online, the fingerprint is helping to deliver additional convenience and security. It's not something that can be taken or replicated and will help our cardholders get on with their lives knowing their payments are protected."

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

## Apple Readies iPhone Overhaul For Smartphone's 10th Anniversary

April 18, 2017

*"Apple is testing a revamped iPhone with an all-screen front, curved glass and a stainless steel frame alongside upgrades to the current models."*

Ten years after Steve Jobs held up the original iPhone to a gushing San Francisco crowd, Apple Inc. is planning its most extensive iPhone lineup to date. Apple is preparing three iPhones for launch as soon as this fall, including upgraded versions of the current two iPhone models and a new top-of-the-line handset with an overhauled look, according to people familiar with the matter. For the redesigned phone, Apple is testing a new type of screen, curved glass and stainless steel materials, and more advanced cameras, the people said. Those anxiously awaiting the redesigned iPhone, however, may have to wait because supply constraints could mean the device isn't readily available until one or two months after the typical fall introduction.

The iPhone is Apple's most important product, representing about two-thirds of sales. It also leads customers to buy other Apple devices like the iPad and Apple Watch, and serves as a home for lucrative services like the App Store. This year's new iPhone lineup comes at a critical time. Last year, Apple broke its typical upgrade cycle by retaining the same iPhone shape for a third year in a row and endured a rare sales slide. Samsung Electronics Co.'s new S8 lineup has also been thus far well received after last year's Note 7 battery debacle.

For the premium model, Apple is testing a screen that covers almost the entire front of the device, according to people familiar with the matter. That results in a display slightly larger than that of the iPhone 7 Plus but an overall size closer to the iPhone 7, the people said. Apple is also aiming to reduce the overall size of the handset by integrating the home button into the screen itself via software in a similar manner to Samsung's S8, the people said.

The overhauled iPhone will use an organic light-emitting diode display that more accurately shows colors, while the other two phones will continue to use liquid crystal display technology and come in the same 4.7-inch and 5.5-inch screen sizes as last year's iPhone 7 and iPhone 7 Plus, according to people familiar with the matter. Apple's iPhone feature and design plans are still in flux and can change, they added. The people asked not to be identified discussing Apple's private testing and design plans.

For its redesigned phone, Apple has tested multiple prototypes with manufacturing partners in Asia, including some versions that use curved glass and stainless steel, according to one of the people.

One of the latest prototype designs includes symmetrical, slightly curved glass on the front and the back. The curves are similar in shape to those on the front of the iPhone 7. The new OLED screen itself is flat, while the cover glass curves into a steel frame. The design is similar conceptually to the iPhone 4 from 2010. An earlier prototype design had a thinner steel band, leaving more noticeable curved glass on the sides.

Apple also tested a more ambitious prototype with the same slightly curved front and steel frame, but a glass back with more dramatic curves on the top and bottom like the original iPhone design from 2007, one of the people said.

Apple suppliers have so far struggled to reliably produce heavily curved glass in mass quantities, so the company is more likely to ship the version with more subdued curves, the person added. The company is also testing a simpler design that has an aluminum back, rather than a glass one, and slightly larger dimensions, one of the people said.

Because of its early lead in the mobile OLED display space, Samsung will enjoy a rare upper hand in this year's high-end smartphone contest. At launch, Apple will exclusively use Samsung Display Co. OLED panels for the redesigned iPhone, as other suppliers won't be ready to supply mass quantities until later, Bloomberg News reported last year. Apple has ordered around 100 million panels from Samsung, the people said.

"This fall, it would be three years since we had a remarkable shift in iPhone hardware. This raises expectations for this year's phone having a material change in functionality and look," said Gene Munster, co-founder of Loup Ventures and a veteran Apple analyst. "The Samsung Galaxy S8 raises the bar for Apple to hit a home run."

Spokespeople for Apple and Samsung declined to comment. Apple has also experimented with integrating the iPhone's fingerprint scanner into the screen of the OLED version, which would be technically challenging, the people said. It's currently unclear if that feature will make it into the final product. Samsung also tried this approach for the S8, but ended up installing a more standard fingerprint reader on the back of its phone due to the challenges, another person said.

Significant camera changes are also in testing for Apple's overhauled iPhone. For the back of the phone, Apple is testing versions of the phone with the dual-camera system positioned vertically, instead of horizontally like on the iPhone 7 Plus, which could result in improved photos, according to people familiar with the matter. Some prototypes in testing continue to include the slight camera bump found on current iPhones, rather than having them flush with the back surface, the people said.

For the front-camera, Apple is testing dual-lenses, one of the people said. The current iPhone 7 and 7 Plus have single front cameras. As it has done in the past, Apple is using camera components from Sony Corp., the person added. Apple has explored adding augmented reality-based features and depth-of-field enhancements to its iPhone camera system. Company engineers in the past have also experimented with integrating cameras into screens, another person said.

All the new iPhones will run iOS 11, a mobile operating system that will include a refreshed user-interface and will be announced in June at the company's annual conference for developers, according to a person familiar with the matter.

Apple has been testing using faster processors based on a smaller 10-nanometer production process for all three new models, a person familiar with Apple's chip plans said. That's down from 16 nanometers for existing iPhones. The smaller processors are more efficient, allowing Apple to retain its battery life standards while adding more advanced features.

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

## Google Plans Ad-Blocking Feature In Popular Chrome Browser

April 19, 2017

*“The Chrome browser now accounts for a large portion of web-browsing globally, so switching on ad-filters within it could give Google more control over the ad-blocking situation, industry observers say.”*

Alphabet Inc.’s Google is planning to introduce an ad-blocking feature in the mobile and desktop versions of its popular Chrome web browser, according to people familiar with the company’s plans.

The ad-blocking feature, which could be switched on by default within Chrome, would filter out certain online ad types deemed to provide bad experiences for users as they move around the web.

Google could announce the feature within weeks, but it is still ironing out specific details and still could decide not to move ahead with the plan, the people said.

Unacceptable ad types would be those recently defined by the Coalition for Better Ads, an industry group that released a list of ad standards in March. According to those standards, ad formats such as pop-ups, auto-playing video ads with sound and “prestitial” ads with countdown timers are deemed to be “beneath a threshold of consumer acceptability.”

In one possible application Google is considering, it may choose to block all advertising that appears on sites with offending ads, instead of the individual offending ads themselves. In other words, site owners may be required to ensure all of their ads meet the standards, or could see all advertising across their sites blocked in Chrome.

Google declined to comment.

The ad-blocking step may seem counter-intuitive given Google’s reliance on online advertising revenue, but the move is a defensive one, people familiar with the plans said.

Uptake of online ad blocking tools has grown rapidly in recent years, with 26% of U.S. users now employing the software on their desktop devices, according to some estimates.

By switching on its own ad-filter, Google is hoping to quell further growth of blocking tools offered by third-party companies, the people said, some of which charge fees in exchange for letting ads pass through their filters.

Google already pays to be part of an “Acceptable Ads” program offered by software company Eyeo GmbH, for example, which develops popular ad-blocking tool Adblock Plus. As a result, advertising on Google’s search engine and some of the other ads it powers are allowed to pass through Adblock Plus’s filters.

But the continued growth of ad-blocking is a worrying trend for Google, which generated over \$60 billion in revenue from online advertising in 2016. It’s also a concern for other online publishers and services that rely on advertising revenue to support their businesses, many of which work with Google to help sell advertising space on their properties.

The Chrome browser now accounts for a large portion of web-browsing globally, so switching on ad-filters within it could give Google more control over the ad-blocking situation, industry observers say.

In the U.S. Chrome has nearly 47.5% of the browser market across all platforms, according to online analytics provider StatCounter.

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

## Mergers and Acquisitions

### Snap Reportedly Buys Geofilter Patent That Could Protect It Against Facebook

April 21, 2017

*“...it could also give the company leverage against competitors — such as Facebook — who may try to incorporate similar features.”*

Snap has reportedly signed a deal worth \$7.7 million to get its hands on a patent for geofilters — the localized filters whose sale to advertisers provides the company with a chunk of its revenue. TechCrunch reports that Snap obtained the patent (titled: Methods and systems of providing visual content editing functions) from Mobli, an Instagram rival that launched in 2011.

The patent allows for location-based filters to be created and distributed on the server side, meaning that the app does n't have to be updated with each new filter. The sale was orchestrated by Mobli co-founder Moshe Hogeg, TechCrunch says, and confirmed in an email sent to Mobli's shareholders. Snap's decision to go through with the purchase was reportedly motivated by the desire to protect itself from any future lawsuits, as geofilters mark one of Snap's four primary sources of income.

Buying the patent should secure Snap against any legal action from Mobli, certainly, but it could also give the company leverage against competitors — such as Facebook — who may try to incorporate similar features.

Facebook has a lengthy track record of borrowing from Snap, adding post timers, facial filters, and clones of Snapchat's stories feature across its range of products that include Instagram and WhatsApp. It's succeeding at beating out the incumbent in some cases, too: Instagram Stories are now more popular than Snapchat's original version.

Most recently, Facebook added geostickers to Instagram, offering location-specific tags that users can paste over images. The feature is only live in two cities at the moment, but could be an indication that Facebook plans to roll out a wider geofilter function in the future to eat more of Snap's lunch. If that does happen, Snap's newly acquired patent may give it some legal grounding to bite back.

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

### Following Universal Deal, Spotify Locks Down Indies In Long-Term Licensing Pact With Merlin

April 20, 2017

Spotify and independent label organization Merlin have agreed to a multi-year licensing agreement that ensures an uninterrupted flow of music from non-majors to the music streaming leader, plus extends to Merlin members the same flexible release option that was core to a recent deal with Universal Music Group.

Merlin represents over 20,000 indie labels, who collectively make up roughly 12 percent of the global digital music market. The deal will give Merlin's members, including Beggars Group, Domino, Epitaph/Anti, Kobalt Music Recordings, Secretly Group, Sub Pop and many others, improved access to data and marketing opportunities going forward.

Unsurprisingly, Spotify's new "flexible release policy" -- coined earlier this month with UMG's landmark pact (more on that here) -- is also part of the deal. That policy gives Merlin's label partners the ability to make new albums available only on the service's premium (paid) tier for the first two weeks after release. After that, albums are made accessible to free tier users.

Other particulars of the Spotify/Merlin deal have not been disclosed.

Merlin has worked with Spotify since the streamer launched in 2008, via a single global license providing access to the music of its partner labels.

"Merlin was a launch partner to Spotify back in 2008, and our partnership has thrived ever since," said Merlin CEO Charles Caldas in a statement. "This new agreement lays the path to future sustainable growth for us both, and we look forward to remaining an integral part in the service's continued success."

Beggars Group founder Martin Mills, who is chairman of Merlin, said the updated pact "allows independents in the Merlin community the comfort of knowing they have a highly competitive deal and parity of access to the service, whilst creating a commercial environment in which Spotify can grow to the benefit of all of us."

Spotify co-founder and CEO Daniel Ek said on Twitter that he was "super happy" about the new agreement, and communications chief Jonathan Prince added that the deal "means new ways to break indie artists, connect them to fans, build audiences and share data!"

With Merlin and Universal deals in place, Spotify has two major entities to come to terms with: Warner Music Group and Sony Music Entertainment. These long-term licensing agreements are seen as a crucial step as Spotify tries to clear the path for going public, either with an IPO or a direct listing as rumored.

According to the RIAA, streaming now accounts for 51 percent of U.S. recorded music revenue, with Spotify and rivals like Apple Music and Amazon fueling 11.4 percent growth in 2016 following years of decline.

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

## Industry Reports

### Verizon Subscriber Losses Highlight Need For M&A Exploration

April 20, 2017

Verizon Communications Inc.'s struggles worsened in the first quarter, as a decision to sell unlimited mobile data services came too late to stanch the worst subscriber loss in more than a decade.

The largest U.S. wireless carrier shed 307,000 customers in the period, dragging down sales and profit and sending shares sinking to their lowest price since November. The performance marks a dramatic reversal from the first quarter of last year, when Verizon added 640,000 users.

The results also show Verizon's openness to improve its fortunes through M&A amid rapidly shifting industry boundaries. Chief Executive Officer Lowell McAdam is considering merger possibilities to reset the course of the company, and would be open to talks with Comcast Corp., Walt Disney Co. or CBS Corp., Bloomberg reported this week.

"We're confident in executing our strategy organically," Chief Financial Officer Matt Ellis said on a conference call, commenting on the Bloomberg report. "If there's the right opportunity out there to accelerate the strategy inorganically in a way that adds shareholder value, we're always looking at those opportunities."

Ellis added that Verizon would "of course" take calls from potential merger suitors. "But we're also very confident with the assets we have and the plans we have."

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*"Chief Executive Officer Lowell McAdam is considering merger possibilities to reset the course of the company, and would be open to talks with Comcast Corp., Walt Disney Co. or CBS Corp., Bloomberg reported this week."*

Earnings of 95 cents a share missed analysts' 96-cent average estimate. Shares of Verizon fell as much as 2.5 percent to \$47.71 in New York Thursday, their biggest decline intraday since January and lowest price since November. The stock had already declined 8.3 percent this year through Wednesday.

"The company needs a strategic transaction to support their wireless business for the long-term," Jonathan Chaplin, an analyst at New Street Research LLC, wrote in a research note Thursday.

With the wireless industry maturing, Verizon has focused on building a fiber-rich 5G network and developing a mobile media and advertising business that will place the company in direct competition with tech giants Google and Facebook.

In the meantime, Verizon is trying to retain as many customers as it can by allowing them to stream video and use apps on their phones without worrying about exceeding a cap. In its first quarter offering a package that includes unlimited data, the company failed to show investors it can both add new customers and protect profit -- a feat that smaller rival T-Mobile US Inc. has managed to pull off amid a price war that has roiled the mobile-phone industry.

The move into unlimited data marked an about-face for Verizon, which has steadfastly refused to offer unlimited data plans for fear of obliterating the bottom line, choosing instead to focus on network quality for the highest-paying customers. But after quarters of slowing subscriber growth, and with a new head of wireless and chief financial officer in the fold, the phone giant went on the offensive in mid-February.

It is said a big customer exodus through the first six weeks of the quarter forced Verizon to go unlimited.

"Though they lost more than 300,000 customers in the quarter it would have been much worse had they not offered unlimited halfway through the quarter," said Kevin Roe, an analyst at Roe Equity Research LLC. "Verizon just wasn't competitive without unlimited, and now they are. The coming quarters will probably look a lot different than the past quarters."

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

## YouTube Jumped To The Top Of The App Store Following News Of Mobile Live-Streaming Expansions

April 20, 2017

*"YouTube's bump up in the charts is indicative of its large and powerful community, and the potential for the mobile live-streaming technology to impact the way these video creators reach their audience."*

Demand for mobile live streaming on YouTube appears to be strong, given the fact that YouTube shot up to the top of the App Store -- a position it hasn't held since December 2015 -- following reports of YouTube opening up this feature to more users. Earlier this week, YouTube was spotted having relaxed its earlier restrictions on mobile live streaming, which was initially only available to creators with 10,000 or more subscribers.

YouTube recently dropped the requirement down to only 1,000 subscribers. The company did not make an official announcement about the change, but YouTube confirmed the details with TechCrunch -- noting that the feature is now broadly open to all users with 1,000+ subscribers, not a random pool.

The iOS app then subsequently flew up to the top of the App Store yesterday, according to Sensor Tower's data. It continued to sit at number one, as of the time of writing. (By time of publication, it dropped to #2).

We should note that YouTube is nowhere nearly as highly ranked on Google Play, where it's a #2 video player, but #210 overall app. But this speaks more to the fact that YouTube comes pre-installed on many Android smartphones, and doesn't require a separate download.

The folks at Sensor Tower were the first to notice the App Store jump, and App Annie has also confirmed that YouTube had not ranked #1 for Overall iPhone downloads in the U.S. since December 2015.

The third-party firms' data may vary from the actual App Store listings, but we checked the App Store directly several times yesterday as well as this morning, and saw YouTube at the top.

YouTube is already a highly ranked iOS app, of course – its lowest Overall ranking this month so far was #9, for example, and it hasn't really dropped below that all year.

But it still takes a sizable amount of momentum to climb up the ranks when you're in the top 10 – indicating that there was an increase in downloads and the velocity of downloads over the past couple of days.

There are several reasons that an established app like YouTube could have seen a large enough increase in downloads to account for its move to the top of the charts, seemingly overnight.

The company could have changed its ASO strategy (App Store Search Optimization), for example. Like SEO, but for the App Store's search interface, a tweak here could have helped the app become more visible and highly ranked in the search results. But App Annie says there has been no notable change on this front.

YouTube could have also run advertising or marketing campaigns to boost downloads, or snagged a "Featured" position in the App Store. But again, App Annie has not spotted anything different here, either. More specifically, YouTube hasn't had any noticeable changes in terms of featuring during the past week, the firm says.

The app may have benefitted from other apps around it seeing a decrease in downloads, which then decreased their rankings. That is to say, not only did YouTube likely see a huge growth in the number of downloads to make this move, it also had to be growing faster relative to its peers. (It wouldn't have increased its ranking if its surrounding apps had also experienced a similar growth in downloads – it only rose because it grew bigger than the other apps around it.)

That's remarkable, however, because YouTube's gain occurred amid a flurry of news from Facebook, which has been holding its annual developer conference F8 this week.

At the event, the company announced a slew of changes coming to its apps, including things like its Camera Effects platform that will bring more AR features to Facebook's Camera; new chat extensions for Messenger and group bots; QR codes in Messenger and upgrades to its assistant M; an offline mode for Instagram, and more.

One would think that all the Facebook news could have bumped up Facebook's own apps in the App Store's rankings. But YouTube outpaced both Facebook and Messenger, as well as Snapchat, which had tried to head off F8 with an AR lens update of its own.

YouTube's bump up in the charts is indicative of its large and powerful community, and the potential for the mobile live-streaming technology to impact the way these video creators reach their audience. This, in turn, will make YouTube a significant threat to rival streaming services like Twitter's Periscope and Facebook Live.

The top 10 apps this morning are mobile games Ballz (#2, then moved to #1) and Blackbox (#7), and Messenger (#3), Snapchat (#4), Instagram (#5), Facebook (#6), Snapchat's Bitmoji (#8), Google Maps (#9) and Netflix (#10). YouTube was ranked number one for most of this morning, in addition to yesterday.

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