

This Week's Stories

Ultrabooks Could Save the PC

November 28, 2011

As the iPad eats away at personal computer sales, the PC appears to have found a potential savior in ... Apple?

It's an unlikely source, but it's true. Ultrabooks, the ultra-thin notebook computers with no hard disk drive or slot for a DVD, are a category of PC that was essentially invented by Apple (AAPL, Fortune 500) with its MacBook Air, which debuted in 2008. Now, PC makers are scrambling in their attempts to replicate Apple's secret sauce.

Market analysts expect them to succeed: Sales of Ultrabooks are forecast to boom over the next few years in the same way that netbooks took off in 2007 - until the iPad debuted. Ultrabook sales will reach 136.5 million in 2015, making up 43% of notebook sales, according to IHS iSuppli.

The rise of the Ultrabook is expected to happen quickly. This year, IHS predicts fewer than 1 million Ultrabook sales, making up just 2% of all notebook sales. But next year, the thin notebooks will rise to 13% of all laptop sales, then 28% in 2013 and 38% by 2014.

Consumer demand for PCs is slumping badly, particularly in the United States, Canada and Europe. Industry consultancy Gartner has repeatedly slashed its PC shipment forecasts over the course of the year.

The iPad isn't going to kill the PC entirely, but experts say its slowing purchases of laptops, particularly small notebook PCs like netbooks. When Hewlett-Packard (HPQ, Fortune 500) said it was considering getting out of the PC business in August, then-CEO Leo Apotheker cited as a prime reason that "the tablet effect is real."

"To compete with media tablets, notebook PCs must become sexier and more appealing to consumers," said Matthew Wilkins, principal analyst at IHS. "Enter the Ultrabook, which borrows some of the form-factor and user-interface advantages of the media tablet."

In May, Intel (INTC, Fortune 500) first unveiled the Ultrabook -- a name it trademarked. Intel describes an Ultrabook as a notebook PC that is thinner than 0.8 inches, has Flash memory, can be turned on instantly, is always connected and has a battery life of longer than eight hours.

That list rivals the features found in the iPad and similar tablets -- and, of course, the MacBook Air.

Unlike netbooks -- which typically have cramped keyboards, sluggish processors and stripped-down versions of Windows XP -- Ultrabooks have full-sized keyboards, run the latest version of Microsoft (MSFT, Fortune 500) Windows and will feature Intel's newest chipsets.

Down the road, analysts believe Ultrabooks will have touch screens and will be detachable from their keyboards, further blurring the line between the PC and tablet.

That's right on time for Windows 8, Microsoft's completely redesigned next version of its PC operating system, which will run on both traditional PCs and tablets.

"With the introduction of the Ultrabook, the computing industry is poised for yet another paradigm shift," said Len Jelinek, research director and analyst, semiconductor manufacturing at IHS. "The technology now exists that actually could bring about a convergence of major mobile devices."

But as with all consumer electronics, price is going to be the critical make-or-break factor.

The small handful of Ultrabooks currently on the market are quite expensive, with most priced above \$1,000. Next year, however, Intel says Ultrabooks will begin sporting next-generation 3-D "Ivy Bridge" processors that are designed for high-performance yet power-sipping notebooks and tablets. Intel expects that thin notebooks will then drop well below \$1,000.

The PC keeps on finding new ways to stay relevant. First there was the laptop. Then netbooks. Now Ultrabooks.

And it's got Apple to thank for it.

money.cnn.com

10 Social Networking Tips For CIOs

December 1, 2011

If you're thinking of bolting your company's social network activities onto your existing IT infrastructure, you're headed for problems. Your company will have a much better chance of success rebuilding your infrastructure around the social network environment.

On Wednesday, I spent a day at Salesforce.com's Cloudforce 2011 event in New York City. Now, Salesforce CEO Marc Benioff and company are among the most extreme advocates of rebuilding organizations around the "social enterprise" idea, but I'm not just drinking their Kool-Aid. It's apparent that social networking environments are ready to break the confines of marketing departments and find their way throughout company operations.

So what is the social enterprise? In Benioff's model, it entails a three-step process: creating a social customer profile that extends beyond simple customer contact information; creating an internal social network; and creating a customer social network and product social network.

If you can imagine an organization whose technology improves customer interaction, where business intelligence systems measure customer sentiment, and where internal discussions are as vibrant as those among Facebook-proficient employees, you'll start to get the idea.

If your 2012 priorities already include cloud computing, mobility, prosumer hardware, and new business applications, you might not be eager to add a robust enterprise social network to that agenda. But you must.

Here are my 10 tips for CIOs to create the foundation for a social networked enterprise.

1. You don't have to create everything from scratch. While Salesforce may be the most vocal vendor in this sector, many companies offer enterprise-level social network systems. What makes them enterprise-level? The ability to meet security, privacy, and compliance needs, for starters.

2. Find the expertise within your company. It's not just the 20-somethings who are adept at using social networks.

3. You don't have to invent a reason for a social network. Case histories, difficult to find a few years ago, are now widely available. At the Salesforce event this week, Daniel Flax, CIO of TheStreet, showed how

the financial media company is using social networks to engage with customers. Martha Poulter, CIO of GE Capital, discussed how its GE Edge is spurring innovation among senior executives at midsize companies. Dig into those kinds of case histories and ask your peers how their social media projects were funded and how they're producing.

4. Social networks require top-down buy-in. Often, an internal social network such as Chatter or Yammer can languish until the boss starts creating and responding to discussions.

5. Think beyond the marketing department. The idea of "earned media," using external social networks to build and monitor brands, has been the province of the marketing folks. But customer service, product development, and supplier interaction are prime candidates for an extended social network infrastructure.

6. Understand the new development platforms. Facebook isn't just a social network, but also a development platform, as is LinkedIn, Twitter, and Google+. These platforms use their own distinct application methodologies and APIs.

7. Think beyond the PC. Social networks and mobility go hand in hand. Tablets and smartphones are where much of the social networking action will take place both within and outside your company.

8. Think beyond text. YouTube, Facebook, and Google+ are multimedia-friendly.

9. Don't try to do it all at once. A full-blown enterprise social network is a big undertaking. The good news is that you can start with fairly simple internal and external collaboration applications and move sequentially into broad-based social applications and social measuring and monitoring.

10. No one has all the answers. As Michael Kringsman, president of technology consultancy Asuret and longtime chronicler of enterprise IT successes and failures, described it: "The social enterprise is not a product, but a concept." The more you can share your experiences with other CIOs, the more advice you'll get back. After all, isn't that what enterprise social networks are all about?

www.informationweek.com

Products & Services

Report: Kindle Fire Clinches No. 2 Spot in Tablet Wars

December 2, 2011

Amazon's Kindle Fire tablet is wasting no time in capturing its share of the media tablet market. Just two weeks after its introduction, the Kindle Fire has taken second place in the global media tablet business in the fourth quarter, according to a report from IHS iSuppli.

Coming up from zero in the third quarter, Amazon will ship 3.9 million Kindle Fire tablets during the last three months of 2011, according to a preliminary projection from IHS iSuppli.

This will give Amazon a 13.8 percent share of global media tablet shipments in the fourth quarter, exceeding the 4.8 percent held by Samsung, which holds the No. 3 spot, and second only to Apple's commanding 65.6 percent portion of the market.

The report estimates that additional shipments of the Kindle Fire will contribute to a 7.7 percent increase in the IHS forecast of total media tablet shipments in 2011.

"Initial market response strongly suggests that Amazon, with the Kindle Fire, has found the right combination of savvy pricing, astute marketing, accessible content and an appropriate business model, positioning the Kindle Fire to appeal to a brand-new set of media tablet buyers. The production plans make it clear that Amazon is betting big on the product," wrote Rhoda Alexander, senior manager, tablet and monitor research for IHS, in statement.

IHS now predicts global media tablet market shipments will amount to 64.7 million units in 2011, compared to the previous forecast issued in August of 60 million. The total shipment level represents 273 percent growth from 17.4 million units in 2010.

The forecast for the following years also has been increased, with shipments expected to rise to 287.2 million in 2015, up from the previous forecast of 275.3 million, as shown in the figure attached.

"At a rock bottom price of \$199 – which is less than the \$201.70 it now costs to make the device – the Kindle Fire has created chaos in the Android tablet market," Alexander said. "Most other Android tablet makers must earn a profit based on hardware sales alone. In contrast, Amazon plans to use the Kindle Fire to drive sales of physical goods that comprise the

majority of the company's business. As long as this strategy is successful, the company can afford to take a loss on the hardware – while its Android competitors cannot."

IHS suggests that the lower prices of the Kindle Fire could push Apple to reduce prices of the iPad 2 to be more competitive when the iPad 3 launches.

"This will provide a value alternative for entry-level users in the same way that the company continued to offer the iPhone 3 when it rolled out the iPhone 4," the reports states, suggesting this approach would allow Apple to maintain its target profit margins on both the iPad 3 and the iPad 2, while offering end-users an ever-expanding family of products.

www.wirelessweek.com

Report: Verizon to Launch Two Droid-branded Motorola LTE Tablets

December 2, 2011

Verizon Wireless (NYSE:VZ) will launch two Droid-branded, LTE-enabled tablets this month from Motorola Mobility (NYSE:MMI) in a bid to reinvigorate the Motorola brand in tablets, according to a *CNET* Report.

The report, which noted that Verizon and Motorola declined to comment on specifications, pricing or launch date, said Verizon will sell the Motorola Droid Xyboard in 10-inch and 8-inch variants. The tablets have been rumored on blogs for several weeks. A Verizon spokesman did not immediately respond to a request for comment.

"As we've previously mentioned, we're planning to bring several new LTE devices to market including two tablets," Motorola said in a statement. "We haven't made any official announcements in the U.S. but we look forward to sharing more details soon."

According to the report, the devices will run the Honeycomb version of Google's (NASDAQ:GOOG) Android platform, and will sport a 1.2 GHz dual-core processor, 1 GB of RAM, a 5-megapixel camera in the back and a 1.3-megapixel front-facing camera. The devices will feature Gorilla glass, are both thinner than a AAA battery and will have sharp corners similar to Motorola's new Droid Razr, according to the report. The devices are marketed overseas as the Xoom 2.

The Xyboard tablets will represent Motorola's second big stab at capturing the tablet market following the

introduction and middling reception of its Xoom tablet earlier this year. Motorola shipped just 100,000 Xoom tablets in the third quarter after shipping 440,000 Xooms in the second quarter and 250,000 Xooms in the first quarter of this year. The addition of the Droid branding also indicates that Verizon will likely market the devices heavily along with its other Droid-branded devices.

Verizon launched the Xoom in February and promised an LTE upgrade sometime in the second quarter for customers who bought the device with EV-DO connectivity so. However, that upgrade did not arrive until late September and required customers to send their devices to Motorola to receive the upgrade.

Motorola's efforts to push further into the tablet market are notable in light of Research In Motion's (NASDAQ:RIMM) struggles in the area. RIM today said it will take a \$485 million charge in its fiscal third quarter related to weaker than expected sales of its PlayBook tablet.

www.fiercewireless.com

Emerging Technology

Get Diagnosed by Spitting On an iPhone, Social Graces Terminal

November 30, 2011

Korean scientists reckon that the capacitive touchscreens on our phones and tablets could help diagnose diseases from what's floating around in your mouth. It works through the screen's ability to detect minute capacitive differences in disease-carrying liquids placed on its surface. Experiments by Hyun Gyu Park and Byoung Yeon Won at the Korea Advanced Institute for Science and Technology in Daejeon managed to detect chlamydia microbes in three different concentrations.

Once again, the iPhone acted as medical chief, although the setup isn't yet able to distinguish between different bugs. There are also teething troubles with the touchscreen, as capacitive read-outs can be affected by moisture and sweat that are on the screen alongside your 'sample.'

One solution to this would be to create a disposable film that attaches to the iPhone surface. There's a second reason for this, as Park diplomatically puts it: "Nobody wants direct application of bio-samples onto their phone." Let's hope Siri doesn't take it personally.

www.engadget.com

Mergers & Acquisitions

Russia's Yandex Searches for Mobile Growth, Buys SPB Software

November 28, 2011

Taking a page from its search counterparts in the East and West like Baidu (NSDQ: BIDU) and Google (NSDQ: GOOG), Russia's Yandex has scooped up a mobile software company, SPB Software, to grow its mobile offerings. The financial terms of the deal were not disclosed.

SPB, which has offices in Russia, Taiwan Thailand, develops software for the full range of smartphone platforms—from Android to iOS to Windows Phone—and their content includes games, productivity tools, as well as a product it calls the SPB Shell 3D, which can be used to customize the user interface of particular operating systems.

So far the mobile platforms that SPB covers with Shell 3D include Android, Symbian and Windows Mobile (but not Windows Phone 7), and it has worked with mobile operators as well to customize generic operating systems on devices that they sell to their respective customer bases.

The official announcement of the deal highlights SPB's Shell 3D as a particular focus for Yandex, which plans to integrate its search capabilities and other mobile services such as news feeds and cloud services into the skin.

The acquisition could also mean that Yandex's search engine and other services will likely be used as the backbone to any further games or tools that SPB develops in the future.

It is not clear how the acquisition will impact deals that SPB already has in place with other customers, or where the new company will sit within the wider Yandex organization. We have contacted both companies to ask these questions, as well as any details that can be disclosed on the acquisition price. No details on the acquisition, but Olga Steidl, a VP for SPB, says that the company will "definitely continue to work with external clients such as carriers and device manufactures."

The acquisition of SPB, in any case, is the latest in a number of steps from Yandex to grow its influence with and exposure to mobile consumers: late last week Yandex announced that it would become the default search client on Windows Phones distributed

in Russia. In October, Yandex inked a similar deal with Samsung to be pre-loaded on its Bada devices.

So far Yandex has stayed away from moving to an all-out phone launch, as Google and Baidu have done, but if these moves are any indication of its bigger plans, don't rule it out completely, either.

moconews.net

Cable Companies to Resell Verizon Wireless Service

December 2, 2011

NEW YORK (AP) — Cable companies Comcast Corp., Time Warner Cable Inc. and Bright House Networks are giving up on their dreams of creating their own wireless network, opting instead to resell Verizon Wireless service.

The companies said Friday that they have agreed to sell their wireless licenses — which they haven't been using — to Verizon Wireless for \$3.6 billion.

Cable companies have long had ambitions to get into wireless, and some of them have linked up with Sprint Nextel Corp. and Clearwire Corp. to offer service. Lately, there has been speculation that the cable companies would invest in ailing No. 3 and 4 carriers Sprint or T-Mobile USA to gain access to the wireless market, particularly since AT&T Inc.'s deal to buy T-Mobile USA is firmly opposed by regulators.

The link-up with No. 1 carrier Verizon Wireless and the sale of the spectrum appears to preclude a deal between a cable consortium and one of the weaker players in wireless. Instead, the biggest cellphone company will strengthen its hand, if the spectrum sale is approved by regulators.

U.S. Shares of Deutsche Telekom AG, the parent of T-Mobile USA, were down 25 cents, or 2 percent, at \$12.53 in morning trading. Sprint shares were down 1 cent at \$2.69.

"It's really hard for a cable company to expect to compete in a highly competitive wireless market," said Time Warner Cable spokesman Alex Dudley. He pointed to Cox Communications, another cable company, which this year shut down its plans to build out a wireless network.

"We got a good price for the spectrum," Dudley said. "An arrangement like this makes a lot of sense." The cable companies paid \$2.2 billion for the spectrum in 2006, so they're getting a 64 percent gain on a five-year investment. The spectrum covers about 85 percent of the country's population, and would

have been sufficient to start up an independent wireless network.

Shares of Philadelphia-based Comcast rose 77 cents, or 3.4 percent, to \$23.34. New York-based Time Warner Cable shares rose \$1.90, or 3.1 percent, to \$62.82. Orlando, Fla.-based Bright House Networks is privately held.

Time Warner Cable currently resells access to Clearwire's wireless data network as "4G" service. Dudley said it could continue to provide service to existing subscribers, but the arrangement with Verizon Wireless is exclusive, so it will stop selling to new subscribers.

Comcast, the country's largest cable company, owned the majority of the spectrum holding company, and will get \$2.3 billion from the sale. Time Warner Cable, the second-largest cable company, will get \$1.1 billion. Bright House, the sixth-largest, will get \$189 million. The three companies and Verizon Wireless will resell each other's services, so it will be possible to sign up for cable service in a Verizon Wireless stores.

Billing will be separate, but the cable companies have the option to start selling Verizon Wireless service under their own brand in four years. Cox had a similar arrangement with Sprint, but gave it up last month, saying it was too small to compete with the big cellphone companies.

Verizon Communications Inc., the New York-based phone company that owns 55 percent of Verizon Wireless, runs its own, competing cable-TV service called FiOS in some areas. In the rest of its local-phone territory, it resells satellite TV service from DirecTV Group Inc., based in El Segundo, Calif.

www.syracuse.com

Industry Reports

GSI Commerce: Mobile Sales Surge 254% on Black Friday 2011

November 28, 2011

Record numbers of consumers turned to their smartphones and tablets during this year's Black Friday holiday shopping frenzy, with digital retail services provider GSI Commerce reporting a 254 percent increase in U.S. mobile sales compared to year-ago totals.

eBay-owned PayPal experienced a 516 percent year-over-year increase in global mobile payment volume. The number of consumers shopping via PayPal mobile services grew 371 percent from Black Friday 2010 and jumped 148 percent compared with the average Friday. Shoppers in New York City made the most mobile Black Friday purchases through PayPal, followed by consumers in Houston, Miami, Los Angeles and Chicago.

Shoppers in the U.S. purchased more than 2.5 times as many items via eBay Mobile on Black Friday 2011 compared to a year earlier. Consumers shopped eBay Mobile for shoes, computers, consumer electronics, sporting goods and jewelry. In terms of sold items, shoppers in New York City made the most eBay Mobile purchases, trailed by Houston and Chicago.

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