

## **FoneCast - Big announcements from Apple, Samsung, Microsoft and LG**

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**00:01 Speaker 1:** You are listening to TheFonecast, essential news and information every week for the UK mobile phone industry. Today's program is sponsored by 51Degrees, providing device data, device detection, and mobile analytics for thousands of companies online. Find out more by visiting [51degrees.com](http://51degrees.com) from any web browser.

**00:28 Iain Graham:** Hello, it's Wednesday, the 4th of June 2014. Welcome to this week's edition of TheFonecast. My name is Iain Graham. I'm your host and with me of course is James Rosewell, the owner of mobile technology business, 51Degrees; and Mark Bridge who is a technology writer. Good morning, gentlemen.

**00:43 James Rosewell:** Good morning.

**00:44 Mark Bridge:** Good morning.

**00:44 IG:** Good morning. Today's program, we've got news about new devices from LG, Microsoft, and Samsung; but we'll start with a couple of big stories from Apple, and James, you've got the first one.

**00:55 JR:** I sure do. It is iOS 8 which they have announced, and this is the new operating system for iPhone, iPads, and dear old iPod. Features include a predictive text keyboard, enhanced photo editing and storage, video and photo sharing within the messages apps, an iCloud drive for files storage, and a health app that provides an overview of personal data. There's also a family sharing option for families with multiple devices. Now, this enables customers to not only share purchases but also restrict children's usage. An enhancement for iPhone customers with Mac computers or iPad tablets will enable them to make calls and send messages from their other devices. Say quite a nifty little feature there. Now, developers can start downloading the iOS beta software and SDK this week and then customers will be offered the iOS 8 upgrade from the autumn and that's gonna be a free software update for iPhone 4S and above, so the iPhone 4 now being left behind as far as operating system upgrades are concerned.

**01:56 IG:** So what are we getting at? Now what's this predictive text keyboard. We have predictive text now.

**02:01 JR:** We do, and we've had it for some time, but just not in this way from Apple.

**02:06 MB:** One of the things that Apple are talking about is it's kind of predicting words within context. The example they give is if somebody sends you a message that says, "What do you fancy doing? Do you fancy going out for a meal? Do you fancy going to the pictures?" Then, "meal" and "pictures" will be right there waiting for you when you send your predictive reply. They reckon it's a whole lot smarter than previous predictive text has been.

**02:35 IG:** And this Family sharing option?

**02:37 JR:** Family Sharing has been around, again, from other companies for some time. I think the thing that parents would love here is restricting children's usage. So you can effectively say, "Okay,

this particular device is now being used by a child that's seven years old" and "I want a report of what they're looking at" or "I want to control what they're able to do on the device." And that's gonna be very welcome, because Apple is now embedded into many families.

**03:03 MB:** It is indeed. Yes. I've named one here, for example.

**03:07 JR:** Exactly. So, I don't see this announcement as sort of revolutionary in the same way that, say, previous versions of iOS or Apple products have been. This is, in some ways, catching up with competitors in a lot of cases and delivering features that will just make you think, "Ooh, I do like this. This is a nice environment to be part of." And the added sort of bonus, again, technically not that hard to do, is the linking of other Apple products to the mobile phone device so you can make phone calls from them. If you happen to have a headset connected to a Mac computer in another room then you can make a phone call through your mobile phone. It's just those added little bits of convenience that, again, give people that warm fuzzy feeling. I think that's what Apple are after here.

**03:48 IG:** It used to be called product entanglement, isn't it? Probably it isn't called that anymore.

**03:51 JR:** Well, a bit of it is entanglement, a bit of it's just giving people extra features at no charge; Just keeping them loyal. Making them think twice about switching to an Android device from Samsung.

**04:02 MB:** Yeah, and making them think twice about using services like WhatsApp, and Vine, and so on. Taking just little bits of messaging services, for example, and putting them in their service. So, one of the complaints I've seen about iOS 8 is people saying, "Actually, there's nothing new in there. These are all enhancements that other apps, that other operating systems, that other manufacturers offer. To which the response could well be, "Well, yes, but... As James says... It's bringing them all together. It's giving them that little bit of Apple polish. It's making the iPhone a more attractive device. And I think one of the things that we will see more of in the future, on the back of iOS 8, are a couple of things that have been lined up for developers. One is that Health app that provides an overview of personal data depends very much on what other manufacturers come up with, with their health and fitness monitoring devices.

**05:02 MB:** But, depending on what these accessory manufacturers do, it can potentially make the iPhone a collector of your health data as you go through your everyday life. Similarly, there's a home-based service that will enable you to use your iPhone to control home electronics, whether that's lighting, heating, opening a garage door when you come home, that kind of stuff. Again, not so much reliance on the iPhone, but waiting now for app developers and manufacturers to incorporate that kind of thing.

**05:38 JR:** That might just sort of offer something beyond there as well, Mark. Some of these enhancements for me are lining up the next product from Apple. So, you take the integration where you can send messages and make phone calls from other Apple devices. Well, of course, at the moment, that's Mac computers and tablets predominantly. But another Apple device could come along that kind of slots in to that environment, and of course, what Apple have done by introducing the capability now is ensure that the entire system works on that scale before they bring a new device into that environment, so it simplifies the release of a new device. Similarly with Health app sharing, yes, at the moment, it's a relatively open API where other people's devices can be feeding

that data, but why not an Apple product in the future? The investment in the infrastructure and the service already having been made and released in iOS 8. So for me, some of those features are indicative of Apple paving the way for a new product that's going to take advantage of those services in the future. And it's a smart engineering way of de-risking that launch, because they don't have to introduce as many components new when the product comes out.

**06:43 IG:** And they can't be seen to be falling behind, can they?

**06:45 JR:** Well yeah, that's the second thing we said earlier. There's nothing new in this, it's just new to the Apple ecosystem.

**06:53 IG:** Okay. Mark, you've got the second big Apple story?

**06:56 MB:** Yes, and it kind of links in to what we're saying, actually, about the expansion of Apple's product range. After a few weeks of rumors, Apple has confirmed that it's acquiring Beats Electronics. That's the audio company founded by music mogul Jimmy Iovine and rapper-turned-producer Dr. Dre. The agreement also includes the Beats Music streaming service, which is a rival to services like Spotify. The total deal is around \$3 billion dollars, and is expected to be completed by the end of the year. As part of the agreement, Jimmy Iovine and Dr. Dre will be joining Apple. Beats Electronics includes the Beats by Dr. Dre family of consumer audio equipment, and Beats Audio software, as well as the streaming music service. As we've reported previously, mobile manufacturer HTC invested in Beats three years ago, although it sold part of it's share in 2012 and to the remainder last year.

**08:02 JR:** This is a big deal for Apple, isn't it? That's a lot of money, even for them.

**08:05 MB:** It's a lot of money for them and it's a lot of money for the guys, who've ended up getting that money, as well.

**08:11 IG:** Yes.

**08:12 JR:** It's going to be an interesting board meeting in there with Tim Cook and Dr. Dre around the table. [laughter] A fly-on-the-wall, that'd be worth it, wouldn't it?

**08:22 MB:** It would, and many many questions. There's a lot of speculation about what this is all about. Beats Music is a relatively small streaming service when you compare it with the likes of Spotify, but it's also a younger streaming service, so there's potential there. There's also the product line, the Beats by Dr. Dre headphones... You could say, perhaps, though that headphones are a bit old-school, aren't they? Is that really an Apple product? I think a lot of this is around planning for the future, and we really don't know what that future is gonna be. Apple obviously do.

**09:05 JR:** Though you'd like to think so, and I think that's gonna be telling, what are they going to be doing? What's gonna happen in a years time? As I said earlier, I think they're lining up various aspects of, sort of, the product range ready to support a big new evolutionary kind of product that they're gonna launch, and perhaps this is part of that plan. But it's not obvious to the outsider what it is, in this deal, that's worth three billion dollars.

**09:29 IG:** Moving on to Samsung, it is announcing it's first Tizen smartphone. Almost three years

after Tizen was announced as a successor to the MeeGo platform, Samsung has announced its first commercially-available Tizen-powered smartphone. The Samsung Z runs a latest version of Tizen on a 2.3 gigahertz quad-core processor. It has a 4.8 inch HD display, and 8 mega pixel rear-facing camera, and a 2.1 mega pixel front-facing camera. A fingerprint sensor, and 16 gigabyte of expandable memory. A launch in Russia is planned for the autumn, followed by other markets that haven't yet been confirmed. [10:06] [REDACTED] said at the Tizen developer's conference in San Francisco, we'll be able to see the handset this week. Russia now, we're looking at the UK this year?

**10:14 JR:** Probably not. You don't launch a new sort of experimental product in the UK these days. It's a crowded market, the focus is on trying to sell what we've got already and make profit in relatively slim margins, so there are other countries that are better suited to launch new devices. Indonesia, Vietnam, Russia being a few of them. So it makes sense. This is an experimental product and better that Samsung have the scale to release experimental products like this.

**10:45 IG:** What does this product bring that others don't?

**10:47 JR:** It brings something that's not Android to a phone that would, otherwise, be running Android. This sort of question to Tizen, is it going to be able to compete with Android, ultimately? And if it can, then that's, in some ways, good for the consumer, because it's introducing more competition. Plenty have tried and failed in the past.

**11:09 IG:** Yeah. This will either be followed by other manufacturers offering Tizen handsets to the market, or Tizen will, effectively, become a Samsung operating system that disappears quietly and gets folded into something else.

**11:26 JR:** Well, Tizen's already, some of MeeGo, incorporates a lot of Bada, which was another Samsung operating system on many mid-range, low-end phones. Didn't get a lot of brand success over here in the UK. But Samsung I think are worried, whether they admit it publicly or not, by the dominance that Google have and how, unlike their main rival Apple, they are not in total control of the operating system.

**11:54 IG:** And then James, we'll run about launches, there's a new Android smartphone out on the market.

**11:58 JR:** That's right. This is LG, and they've announced the new G3 Android smartphone. They announced this last week, it's providing a successor to last year's LG G2.

**12:08 IG:** You see what they've done there? Maybe yeah. It's smart marketing.

**12:11 JR:** Indeed. How many Gs will there eventually be? Anyway, it runs Android on its Qualcomm quadcore processor and the LG G3 has a 5.5 inch 2560 pixels by 1440 pixel display. There's a 13MP rear facing camera with laser auto focus and 2.1MP front facing camera as well as a 3000 mAh battery. The phone has gone on sale in South Korea with worldwide availability expected to follow soon. It's being sold in a choice of five colours. That's metallic black, silk white, shine gold, moon violet, and burgundy red.

**12:52 MB:** Lovely indeed, and LG offering something of a new tagline for this. They're saying "Simple is the new smart." The idea being that perhaps phones don't need to be overcomplicated,

they just need to be clever. And that very much reminds me of the Samsung S5, because when Samsung launched the S5 they were talking very much about not literally going back to basics, but certainly taking a fresh look at the purpose of the phone and what people wanted to use it for, and again moving away from things being too complicated. So, there's something of an echo here I think in the G3.

**13:37 IG:** The interesting thing here I think it's this battery, that sounds like a whacking great battery.

**13:41 JR:** But it's certainly 30-40% more than your average for these sort of smartphones, but of course we're sticking a lot more little pixels on that screen [chuckle] and the quad core processor. So it's not just about the size of your battery, it's what you do with it and having some smart electronics to conserve battery energy drain is pretty important as well.

**14:04 IG:** And this is another phone that of course probably won't fit in your pocket, isn't it? Well, not comfortably anyway.

**14:08 JR:** Well not at 5.5 inches.

**14:10 IG:** No, no. So the cross between a phone and a tablet goes on. Please don't use the word phablet.

**14:15 JR:** Well this is the new top-end flagship device, isn't it, they really have to have these kind of specs. And everyone has them.

[music]

**14:27 IG:** Okay, you're listening to TheFonecast sponsored by 51Degrees, a business that provides device data and device detection for thousands of companies online. James it's a fortnight since we spoke to you. A whole world has probably changed in that fortnight.

**14:41 JR:** [chuckle] Well, we have put our version three product finally on general release, this is after over six months of trials with some of the world's leading brands where this has been deployed into data warehouse environments running Hadoop, high volume front-end web server environments as well in all manner of applications from brand promotion to high volume transactional websites. So we're delighted with the way that the trial has gone and we're very pleased that we've got this now available on general release. It's open source of course, all Mozilla Public License, including the top-end APIs as well, there's no restrictions as far as commercial use is concerned, very permissive licensing.

**15:22 JR:** And we're delighted to get it out there and we're delighted with the feedback we've received from customers and their willingness to engage in the product development processes as well. These new features that we've got in there, whether it's automatic image optimisation, something called feature detection where we run little snippets of client code within the web browser in order to obtain more information about the device. Or whether it's aspects like performance monitoring in real time so you can actually understand, the website can actually understand how quickly the user is receiving the page that they're viewing next, so the website can then make a decision about the richness of content to present, if perhaps there's a low bandwidth

environment in place for example. So all these features I said have all been customer lead and we're delighted to get them out there now to all our customers.

**16:14 IG:** Lovely stuff, James and very interesting. To find out more about this you're supposed to go to the website which is...

**16:19 JR:** 51Degrees.com. So you will see all the new features off the homepage, all the major new areas of functionality and we've tried to streamline the site a little bit and make the information a little bit easier to maintain, remove a few words, etc. I think the problem we all find over many years is that you sort of end up with all these web pages that describe each aspect of your product and we've tried to simplify it and raise the sort of homepage and the pages off it to make it a little bit easier to follow. So 10 minutes spent there will give you everything you need to know and you can understand how our services can benefit your business.

**16:58 IG:** And that's 51Degrees.com. Thank you James, very much indeed.

[music]

**17:05 IG:** Mark, another new device.

**17:08 MB:** Indeed so, yes. And they keep getting bigger as well in this week's broadcast.

[chuckle]

**17:11 IG:** Yes.

**17:14 MB:** So this last new device for today's programme is from Microsoft. They've announced the third generation of their own brand tablet devices, this is the Surface device first launched in June 2012. The Microsoft Surface Pro 3 has a 12-inch full HD display and runs Windows 8.1 Pro on a choice of Intel Core processors. Other features include a USB 3 port, a touch-sensitive pen and an optional clip on QWERTY keyboard. With a depth of less than 1 cm, Microsoft points out the new tablet is thinner than an Apple MacBook Air. It doesn't mention the iPad Air because it's a bit thicker than that. Retail pricing in the United States is expected to start from \$799, that's around £475, for the Intel Core i3 model with 64 gigabytes of storage and 4 gigabytes of RAM. Mid-range models will go on sale to customers in Canada and the USA in a couple of weeks, with UK and Ireland availability due by the end of August.

**18:27 IG:** Wow, this is a whopper, isn't it?

**18:29 JR:** It is. This is the device that the professionals have been waiting for. When Microsoft first announced the Surface, we have the RT ARM version, which had a slightly lesser version of Windows. It didn't have an Intel processor in, therefore it was limited in the applications that it could run. And that was a worry for CIOs, who have legacy software. This device is man enough to run all your legacy environment and effectively replace the laptop, and it's price point is quite competitive as well. So this is the one that the CIOs can back and start deploying across their organizations.

**19:05 IG:** Do you see this very much as a business tool and a mere bit of consumer involvement?

**19:09 JR:** I think it's gonna be focused on businesses to start with, because that's where the low-hanging fruit is for Microsoft Corporate, fleets of laptops being replaced by more Microsoft products. [chuckle] And of course, what they're doing with this product is setting the minimum standard. So, obviously Microsoft have partners like Dell, HP, et cetera, who are making similar devices, Lenovo, et cetera, that come with the Windows operating system. By doing this, Microsoft set the minimum standard. It's like those people have to produce a device that's better than the one Microsoft produced themselves. So Microsoft, I don't think, never looked at the Surface as a high volume piece of hardware in the way like say the Xbox is. This is simply setting a reference platform and encouraging partners to deliver high quality devices.

**19:57 JR:** But for this price point, this sort of functionality, with all your Dells and HPs and Lenovos, et cetera, having this kind of spec, Windows 8.1 Pro will rapidly move across the corporate environment now over the next few years.

**20:11 IG:** Okay. "BlackBerry Project Ion aims to help businesses benefit from the Internet of Things." Has been long time since I've heard that expression. "At the end of May, BlackBerry announced Project Ion, which is designed to help businesses handle data generated from the Internet of Things. Details are relatively vague, although the QNX platform for embedded devices acquired by BlackBerry in 2010 appears to be a key part. The company's planning to develop a collection of resources as part of Project Ion, including a secure cloud-based platform to manage data from connected devices. It also aims to help create an ecosystem of partners, carriers and developers and will form strategic partnerships as part of the project." Well, detail's a little bit scarce there. Gentlemen?

**20:54 MB:** I think this is very much about BlackBerry emphasizing its enterprise roots, emphasizing the secure aspects of its platform and saying "You can now put your machine-to-machine stuff, you can now put your Internet of Things stuff on something that has that same level of trust." I think that's really what this is about.

**21:18 JR:** Well, I certainly think that's part of it, Mark, but I think there's more to it in that BlackBerry have had this QNX platform effectively underpins BlackBerry 10 devices. And it was something... I think you said then that they purchased Ion in 2010, when they had a little bit more cash. And it's a very widely deployed piece of software but in embedded devices, like routers and switches and network equipment and that kind of stuff. Now what BlackBerry have never really done is leverage the brand benefit that they can get from QNX. Now if, to build on what Mark says, they use the QNX platform as a secure embedded device operating system because many alternatives are based on Linux, for example, and so they establish it there with the security credentials. They charge a very small licensing fee for what is a proper operating system, a proper embedded devices operating system. This is built for very low cost hardware, and to perform well and to provide security.

**22:19 JR:** If they can do that, then that opens up a whole new market for BlackBerry and we could see BlackBerry actually moving into the embedded devices space, providing the premium operating system, the devices that are gonna sell in the billions every year [chuckle] but only for a few dollars each.

**22:36 IG:** So rather than selling hundreds of thousands or millions of smartphones, they can sell

maybe a 100 times that number of smart devices and although the profit margin isn't as big, there's much more opportunity there.

**22:53 JR:** Well, the revenue model could even be it's not about the devices, it's about connecting to our central management system. So let's say you make thermostats or light switches and you use the QNX platform for those products where you don't even pay a license fee, you just pay per device that gets connected to the BlackBerry QNX Cloud. And that gives you all the management features and all the software 'cause if you're a light switch manufacturer or a thermostat manufacturer, you're probably not a specialist in software and all the issues associated with security. So farm that off to BlackBerry, who are the specialists, and do what you do best, which is provide an amazing electronic thermostat.

**23:34 MB:** Watch out, Google.

[chuckle]

**23:36 IG:** James, "European Commission clears the acquisition of O2 Ireland by Hutchison's 3."

**23:42 JR:** So this is the European Commission and, as you say, they have approved the acquisition of Telefónica's O2 Ireland business by Hutchison 3G, which operates the 3 network, in case you'd forgotten. However, Hutchison has been required to make commitments that will see it helping some competitors. O2 Ireland and 3 are the second or fourth largest mobile network operators in Ireland competing with Vodafone and Eircom. There were two major commitments from Hutchison; firstly, it would assist in the launch of two mobile virtual network operators with one of them also able to acquire spectrum and become a full mobile network operator. In addition, Hutchison won't terminate its network sharing deal with rival Eircom, but instead will improve the terms.

**24:26 IG:** To put some form of caveat like that is unusual, isn't it?

**24:29 JR:** Well, I think you've got to look at the market in Ireland. So, you have a relatively affluent population, but I think it's just shy of five million people in Ireland, which just to put that into context, is about the same population of Greater Manchester. But with competition, it's very similar to the UK. Obviously look in to the similarities, it's a tough market and you've got Vodafone and Eircom as major competitors out there as well. So there's a lot of factors on what the Irish government doesn't want to have happen; what the European Commission doesn't want to have happen is find that they end up with just two network operators. [chuckle] So, I think these conditions have to be there when there's consolidation in order to ensure that competition remains healthy.

**25:15 MB:** And even now, some of the parties involved are suggesting they're not tough enough. But actually, O2 Ireland and 3 have had a relatively easy ride out of the European Commission.

**25:29 JR:** I would say that there's also another side to the coin, which is what they don't want to see happening is O2 almost giving up. It's better to have consolidation than a complete withdrawal. And it's got to be economical for Telefónica 'cause they need the money to subsidize and deal with some of the problems they've got else where in the group.

**25:46 IG:** Well, we'll just have to wait and see because there must be a time restriction, how long

this help goes on for or when it has to stop?

**25:52 JR:** Yeah, as you say, it'll certainly be interesting to see who those two MVNO's are and exactly how they grow?

**26:00 IG:** You think there'd be a cue for those?

**26:02 JR:** Yes, from the brands that are already well-established in the market, where it's logical to extend into mobile now.

**26:09 IG:** Alright. Mark, bad news for Vodafone customers or some of them, anyway.

**26:13 MB:** Well, potentially so, Iain, yes. Customers with a Vodafone UK contract are being told that charges for services outside their monthly allowance of minutes, text messages, and data are increasing. However, the basic monthly charge is unchanged and roaming rates in the EU are falling. Any customers' whose monthly bills will increase by more than 10% are being given the option to leave without penalty. Standard UK calls outside the regular bundle of calls are rising in price from 40 pence per minute to 45p from the 28th of June; text message are up from 15p to 18p. On the other hand, calls in European Union countries for customers who don't have a special roaming deal will fall from 24.50p per minute to 18.07p per minute from the first of July and the costs of received calls and data charges are also being cut. The point here is unlike the changes that O2 made recently, Vodafone isn't changing the basic monthly deal. So, if you're a Vodafone UK customer, not only is what's often referred to as your line rental staying the same but your monthly allowance is staying the same as well. It's just calls, messages, data outside that bundle that are changing.

**27:37 IG:** And if you stay within your bundle, you benefit as well from forwarding EU calls?

**27:41 MB:** Yes. Although, as we've said before, many people now are signing up to special roaming deals anyway, where you pay £2-3 a day and take your home allowance with you, that kind of thing. So, that will affect less people and that isn't Vodafone being nice, that's mandated by the EU.

**28:03 IG:** Vodafone not being nice.

**28:05 S?:** Never heard that before, good Lord!

**28:07 JR:** Right, then, finally our story, It's a new accessory for smartphones, it's promising to help protect you against food poisoning. PERES is described as the world's first portable electronic nose. It combines a Bluetooth sensor with a mobile app and according to the people who've created the device, it can determine the quality of the freshness of pork, beef, chicken, and fish. Apparently it works by detecting the volatile organic compounds given off by decomposing food as well as by checking temperature and humidity. Users simply point the sensor at the food and press a button. PERES has just picked up \$77,000 via crowdfunding site Indiegogo and plans to ship its first devices next month.

**28:55 S?:** It's a tough hike for the first, is it?

**28:57 JR:** It's not. This is either one of these bogus products [chuckle] or it is gonna be one of

those, Wow! Okay, that is a game changer. We've now got the ability to electronically deal with smell, which has eluded people, technical engineers for a very long time. I'm sure we'll get there so maybe we have.

**29:21 IG:** I think know where my money lies, James.

**29:23 MB:** I fear the reality will be that perhaps PERES isn't quite as effective as some people might hope. But who am I to say? I've not played with it, I've not used it. It may, as you say, be everything it promises. It certainly puts a bit of a twist on the old joke, doesn't it? "My dog's got no nose. How does it smell?"

[chuckle]

**29:48 JR:** PERES.

**29:49 IG:** Okay, alright. I'm drawing this to a close. [chuckle] Those are all of the major mobile industry headlines this week. Thank you for listening. We'll be back with more news headlines next Wednesday on the 11th of June.

**30:00 S1:** You've been listening to TheFonecast. Sponsored by 51Degrees. You can hear all our podcasts at TheFonecast.com or you can download each program from our website. From our RSS feed or from iTunes.

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