



THE TICKER

BY THE NUMBERS

2019

Projected release of Google's self-driving cars

200

Number of people Apple has reportedly gathered to develop technologies for a self-driving car

\$87 Billion

Projected worth of self-driving vehicle industry by 2030



JOLTING THE CAR INDUSTRY

Cars and computers are converging, and automakers are on edge.

With vehicles increasingly networked and software-dependent, and self-driving cars on the horizon, “connectivity” was the buzzword among the big players at the 2015 International Motor Show in Frankfurt, Germany.

The show took place in September as Asian, European and North American automakers brace for Google’s and Apple’s entry into their sector. The new competition may motivate established vehicle manufacturers to boost their performance and avoid being on the losing end of potential industry disruption.

Google has been working on a fully self-driving automobile prototype since 2009 and will have made a few hundred electric self-driving cars by the end of this year. Apple reportedly plans to enter the market in 2019 with a semi-autonomous electric car. In addition to technological expertise, Google and Apple have the cash to make significant investments in automotive research and development.

If these companies do become key players in the auto industry, traditional carmakers are concerned their role could be reduced to only producing vehicle hardware. “We do not plan to become the Foxconn of Apple,” Daimler AG CEO Dieter Zetsche said in Frankfurt, referring to the Taiwanese company that manufactures iPhones.

But industry dynamics are clearly evolving. Google is working with ZF, a large German automotive supplier of components, and other suppliers to source materials for its vehicle. In 2014, Apple CEO Timothy D. Cook reportedly visited a BMW factory in Germany that manufactures electric cars.

Meanwhile, established automakers are investing in more efficient operations and cleaner products. Daimler has reorganized its factories to help it introduce its Mercedes C-Class line to four continents. Toyota continues to lead the auto industry’s efforts for cleaner mobility, offering the widest range of hybrid vehicles—achieving the milestone of 8 million of these cars sold worldwide.

And in the U.S., the auto industry reached its highest rate of sales since 2006 while raising the fuel efficiency of the average car by nearly 30 percent higher than the average car in 2007.

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The Li-Ning Smart Shoes feature Xiaomi-supplied devices: built-in military-grade motion sensors and a Bluetooth fitness tracker that sends the data to the user's smartphone.



STEPPING OUT WITH SMART SHOES

Athletic footwear keeps getting smarter. The latest entry into the shoe-with-a-sensor category pioneered by Adidas is Xiaomi, China's rising electronics company, and sportswear giant Li-Ning.

The two companies formed the first collaboration between sports and smart technology in China—creating smart shoes competitively priced at about \$32. A higher-end model costs about \$63. The Li-Ning Smart Shoes, which hit the market in July, feature Xiaomi-supplied devices: built-in military-grade motion sensors that collect performance metrics and a Bluetooth fitness tracker that sends the data to the user's smartphone.

Shoes have been going high-tech for decades. In 1984, Adidas introduced the Micropacer: the first smart shoe with a built-in sensor. Nike partnered with Apple in 2006 to launch the Nike+ iPod Sport Kit, which featured the first built-in wireless activity tracker for training shoes.

Adidas achieved another landmark in

2011 through the miCoach SPEED_CELL, the first device that captured information from 360-degree movement. Nike responded a year later by launching Nike+ Pressure Sensors, which had one function previous sensors lacked: rechargeability.

Xiaomi and Li-Ning introduced Smart Shoes amid fast times for the global athletic footwear market. It's projected to reach \$87 billion by 2020, up from \$80.5 billion in 2015. The Chinese companies have something else going for them: few competitors near their price point.

Nike began phasing out Nike+ Sensor shoes last spring, with only one model available for \$110. Adidas continues to sell data-collecting devices but for more than twice the price of the Li-Ning Smart Shoes—not to mention that users also must purchase sensor-compatible shoes.

Western consumers looking for cheaper options will have to wait. Li-Ning has not said whether it will market its smart shoes outside of China.

REINVENT OR FACE DISRUPTION

For a business to disrupt the market—or just avoid being disrupted—executives must focus on reinvention, says a prominent entrepreneur and keynote speaker.

"All of us need an additional title, an unwritten one: that of disruptor or business artist or entrepreneur," Josh Linkner, chairman and co-founder of Fuel Leadership LLC, told more than 5,000 business leaders at the 2015 American Society of Association Executives' annual meeting and exposition. His company provides one-day leadership training conferences.

Having successfully established four technology businesses that collectively sold for more than \$200 million, Linkner became "obsessed" with five different ways to drive innovative thinking and successful reinvention:

1. Get curious. Ask *why* to uncover overlooked assumptions or behaviors that usually hold potential for disruption.

2. Crave what's next. Employ a future-oriented perspective to avoid falling into the trap of complacency or risk-aversion.

3. Defy tradition. Try new things so innovative experiences can become what make your business unique and successful.

4. Get scrappy. Businesses of all sizes should adopt a startup mindset to find unconventional solutions with limited resources.

5. Push boundaries. Avoid settling for incremental changes by thinking bigger to drive greater transformations.

GOOGLE'S NEW LOOK

After Google unveiled a new logo to mirror the clean and simple visual identity of its new parent company, Alphabet, typography and branding experts debated whether the makeover was charming or childish.

Regardless of the debate, Google executives assured people that the search engine's overall mission remains unchanged: to make the world's information accessible to every user.

When Google was founded in 1998, users accessed its search engine through a desktop PC. However, users now can choose from a variety of platforms, apps and devices—which presents challenges to maintaining a consistent brand look.

The solution? Create what Google calls an "identity family," not just a visual rebranding.

Google's new look is more than a simple sans-serif touch-up; the change reflects an evolution from a static logo to a system of expressions. Users not only know that they are using the world's most popular search engine but are also visually aware of its different functions and capabilities.



New features across all Google products include an animated set of four dots that express different modes: listening, thinking, replying, incomprehension and confirmation; a colorful mic that shows up when a user is speaking; a four-color "G" that represents the logo in small contexts; and an original logotype that retains Google's qualities in a mathematically and geometrically pure form.

Proponents of Google's new look predict widespread acceptance. But others are less optimistic and predict that Google—just as Coke, Hershey and Gap have after failed rebranding gambits—will revert to its old ways.

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TAKING OVER

The nine biggest mergers and acquisitions of all time.

