Quotient Technology Inc.
Form 10-Q
November 08, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 001-36331

Quotient Technology Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	77-0485123 (I.R.S. Employer Identification No.)
400 Logue Avenue, Mountain View, California (Address of Principal Executive Offices)	94043 (Zip Code)

(650) 605-4600

(Registrant's Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter time period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 3, 2016, the registrant had 88,022,983 shares of common stock outstanding.

QUOTIENT TECHNOLOGY INC.

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REPORT ON

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

(Unaudited)

	September 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$92,496	$ 134,947
Short-term investments	69,116	25,000
Accounts receivable, net of allowance for doubtful accounts of $931 and $833 at September 30, 2016 and December 31, 2015, respectively	66,972	63,239
Prepaid expenses and other current assets	8,193	5,297
Total current assets	236,777	228,483
Property and equipment, net	19,282	25,128
Intangible assets, net	50,440	14,880
Goodwill	43,895	43,895
Other assets	1,029	8,685
Total assets	$351,423	$ 321,071
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$6,063	$ 8,187
Accrued compensation and benefits	9,955	15,237
Other current liabilities	17,822	20,170
Deferred revenues	7,750	7,342
Total current liabilities	41,590	50,936
Other non-current liabilities	70	5
Deferred rent	2,215	701
Contingent consideration related to acquisitions	552	1,407
Deferred tax liabilities	2,519	2,532
Total liabilities	46,946	55,581
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $0.00001 par value—10,000,000 shares authorized and no shares issued or outstanding at September 30, 2016 and December 31, 2015	—	—
Common stock, $0.00001 par value—250,000,000 shares authorized; 97,391,192	1	1

shares issued and 87,755,940 outstanding at September 30, 2016; 89,935,381		
shares issued and 81,995,286 outstanding at December 31, 2015		
Additional paid-in capital	643,601	570,588
Treasury stock, at cost	(96,449)	(85,427)
Accumulated other comprehensive loss	(738)	(747)
Accumulated deficit	(241,938)	(218,925)
Total stockholders' equity	304,477	265,490
Total liabilities and stockholders' equity	$351,423	$ 321,071

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Revenues	$66,470	$56,467	$199,768	$167,896
Costs and expenses:				
Cost of revenues	35,126	22,778	85,500	66,767
Sales and marketing	20,415	23,403	67,656	66,321
Research and development	12,414	11,890	38,419	36,671
General and administrative	10,041	8,382	32,394	24,740
Change in fair value of escrowed shares and contingent consideration, net	105	(238)	(963)	1,484
Total costs and expenses	78,101	66,215	223,006	195,983
Loss from operations	(11,631)	(9,748)	(23,238)	(28,087)
Interest expense	—	(126)	—	(288)
Other income (expense), net	398	47	418	26
Gain on sale of a right to use a web domain name	—	—	—	4,800
Loss before income taxes	(11,233)	(9,827)	(22,820)	(23,549)
Provision for (benefit from) income taxes	79	(9)	193	(388)
Net loss	$(11,312)	$(9,818)	$(23,013)	$(23,161)
Net loss per share attributable to common stockholders, basic and diluted	$(0.13)	$(0.12)	$(0.28)	$(0.28)
Weighted-average number of common shares used in computing net loss per share attributable to common stockholders, basic and diluted	84,732	82,831	83,484	83,335

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net loss	$(11,312)	$(9,818)	$(23,013)	$(23,161)
Other comprehensive (income) loss:				
Foreign currency translation adjustments	3	(67)	9	(50)
Comprehensive loss	$(11,309)	$(9,885)	$(23,004)	$(23,211)

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
Cash flows from operating activities:		
Net loss	$(23,013)	$(23,161)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	16,252	11,879
Stock-based compensation	21,647	25,513
Amortization of debt issuance costs	—	134
Loss on disposal of property and equipment	245	2
Gain on sale of a right to use a web domain name	—	(4,800)
Allowance for doubtful accounts	237	46
Deferred income taxes	193	(456)
One-time charge for certain distribution fees	7,435	—
Change in fair value of escrowed shares and contingent consideration, net	(963)	1,484
Changes in operating assets and liabilities:		
Accounts receivable	(3,970)	(2,295)
Prepaid expenses and other current assets	(596)	(2,790)
Accounts payable and other current liabilities	(3,720)	2,061
Accrued compensation and benefits	(5,180)	(3,279)
Deferred revenues	408	1,190
Net cash provided by operating activities	8,975	5,528
Cash flows from investing activities:		
Purchases of property and equipment	(5,004)	(9,406)
Purchase of intangible assets	(63)	(283)
Purchase of short-term investments	(69,116)	—
Proceeds from maturity of short-term investment	25,000	—
Proceeds from sale of a right to use a web domain name	—	4,800
Net cash used in investing activities	(49,183)	(4,889)
Cash flows from financing activities:		
Proceeds from issuance of common stock	9,613	4,656
Repurchases of common stock	(11,819)	(8,852)
Repayment of debt obligations	—	(7,500)
Principal payments on capital lease obligations	(38)	(46)
Net cash used in financing activities	(2,244)	(11,742)
Effect of exchange rates on cash and cash equivalents	1	16
Net decrease in cash and cash equivalents	(42,451)	(11,087)
Cash and cash equivalents at beginning of period	134,947	201,075

Cash and cash equivalents at end of period	$92,496	$189,988
Supplemental disclosure of non-cash investing and financing activities:		
Fair value of common stock issued in connection with a services and data agreement	$39,570	$—

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Description of Business

Quotient Technology Inc. (the “Company"), is a provider of digital promotions and media solutions driven by consumer-shopping data. The Company connects consumer packaged goods (“CPG”) brands and retailers with shoppers by delivering digital promotions and media to shoppers through mobile, web and social channels. Leading brands, as well as leading retailers in the grocery, drug, dollar, club and mass merchandise channels, use its platform to engage shoppers at the critical moments when they are choosing what products to buy and where to shop. The Company, which was formerly known as Coupons.com Incorporated, changed its name effective October 20, 2015, to better reflect the breadth and sophistication of its business offerings, along with its deepening relationships with Fortune 500 CPGs and retailers.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

The Company’s condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, comprehensive loss, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2016 or for any other period.

There have been no changes to the Company’s significant accounting policies described in the Annual Report on Form 10-K that have had a material impact on its condensed consolidated financial statements and related notes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the Company’s condensed consolidated financial statements and accompanying notes. Such management estimates include, but are not limited to, revenue recognition, collectability of accounts receivable, recoverability of non-refundable distribution fees, the valuation and useful lives of intangible assets and property and equipment, goodwill, stock-based compensation, contingent consideration and income taxes. Actual results may differ from the Company’s estimates, and such differences may be material to the accompanying condensed consolidated financial statements.

When the Company delivers a digital coupon on a retailer's website or mobile app or through its loyalty program, or the website or mobile app of a publisher, or through its Retailer iQ platform, and the consumer takes certain actions, the Company pays a distribution fee to the retailer or other publisher, which, in some cases may be prepaid prior to being incurred. During the three months ended September 30, 2016, the Company recorded a one-time charge associated with certain distribution fees under an arrangement with a retailer partner that were deemed unrecoverable. The Company considered various factors in its assessment including its historical experience with transaction volumes through the retailer and other comparative retailers, ongoing communications with the retailer to increase its marketing efforts to promote the digital platform, as well as the projected revenues, and associated revenue share payments. Accordingly, during the three months ended September 30, 2016, the Company recognized a one-time charge of $7.4 million related to such distribution fees in cost of revenues on the accompanying condensed consolidated statement of operations. As of September 30, 2016, the Company had a remaining non-refundable distribution fee prepayment balance of $0.6 million.

Foreign Currency

Prior to the first quarter of 2016, the functional currency of each of the Company’s international subsidiaries was the local currency, as its international subsidiaries negotiated and managed business locally with minimal involvement from the U.S. parent entity.

Beginning the first quarter of 2016, the functional currency of certain international subsidiaries changed from its local currency to U.S. Dollar (“USD”). The change in functional currency was the result of changes in the Company’s international strategy primarily resulting from the acquisition of Shopmium S.A. (a private company based in France). The Company acquired Shopmium S.A. as part of its strategy to broaden international operations and subsequently, the Company reviewed its international strategy, including management of its relationships with international CPG brands, evaluation of worldwide competition and international pricing strategy, its plan to manage future billings and collections for international customers and plan to further develop the acquired technology for its subsequent use by various entities. Consequently, as part of the Company’s new international strategy and changes to the way the Company runs its business internationally, it modified its existing international structure and entered into various inter-company licensing agreements between its U.S. entity and certain international entities. As these changes were significant, the Company considered the economic factors outlined in ASC 830, Foreign Currency Matters, for the determination of the functional currency. The Company concluded that most of the factors pointed to the use of the parent’s currency (USD) as the functional currency, which resulted in a change in functional currency to USD for such international subsidiaries.

The change in functional currency is applied on a prospective basis beginning with our first quarter of 2016 and translation adjustments for prior periods will continue to remain as a component of accumulated other comprehensive loss.

Gains (losses) from foreign currency transactions are included in other income (expense), net in the accompanying condensed consolidated statements of operations. Foreign currency transaction gains (losses) were immaterial in the three and nine months ended September 30, 2016.

Recently Issued Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2014-09—Revenue from Contracts with Customers (Topic 606), and in August 2015, the FASB issued ASU 2015-14–Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date which defers the effective date of ASU 2014-09 amended the existing accounting standards to achieve consistent application of revenue recognition. The amendments are based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the standard requires reporting companies to also disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB agreed to delay the effective date of this amendment by one year, accordingly, the Company is required to adopt the amendments in the first quarter of 2018. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. Early adoption is permitted, but not before the original effective date of the amendment, which is the first quarter of 2017. The Company is currently evaluating the impact of adopting this new accounting guidance on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02—Leases (Topic 842). The guidance requires lessees to put most leases on their balance sheets but recognize expenses on their income statements in a manner similar to today’s accounting. Lessees initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments over the lease term. The right-of-use asset is measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs. The standard is effective for public business entities for annual reporting periods beginning after December 15 2018, and interim periods within that reporting period, which would be the first quarter of 2019 for the Company. Early adoption is permitted. ASU 2016-02 is required to be adopted using a modified retrospective approach. The Company is currently evaluating the impact of adopting this new accounting guidance on the consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09—Stock Compensation (Topic 718). The new guidance requires all of the tax effects related to share based payments to be recorded through the income statement. The new guidance also removes the present requirement to delay recognition of a windfall tax benefit until it reduces current taxes payable; instead it is recognized at the time of settlement, subject to normal valuation allowance consideration. While the simplification will eliminate some administrative complexities, it will increase the volatility of income tax expense. The standard is effective for public business entities for annual reporting periods beginning after December 15, 2016, and interim periods within that reporting period. Early adoption is permitted. The Company is currently evaluating the impact of adopting this new accounting guidance on the consolidated financial statements.

In August 2016, the FASB issued ASU. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (ASU 2016-15), which clarifies how companies present and classify certain cash receipts and cash payments in the statement of cash flows. The standard is effective for public business entities for annual reporting years beginning after December 15, 2017, and interim periods within that reporting period. Early adoption is permitted. The Company is currently evaluating the impact of adopting this new accounting guidance on the consolidated financial statements.

3. Fair Value Measurements

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Inputs that are generally unobservable and typically reflect management’s estimate of assumptions that market participants would use in pricing the asset or liability.

The Company's fair value hierarchy for its financial assets and liabilities that are measured at fair value on a recurring basis are as follows (in thousands):

	September 30, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Certificate of deposits [2]	—	69,116	—	69,116
Total	$—	$69,116	$—	$69,116
Liabilities:				
Contingent consideration related to Shopmium acquisition	$—	$—	$552	$552
Total	$—	$—	$552	$552

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds [1]	$19,948	$—	$—	$19,948
Certificate of deposit [2]	—	25,000	—	25,000
Total	$19,948	$25,000	$—	$44,948
Liabilities:				
Contingent consideration related to Eckim acquisition [3]	$2,291	$—	$—	$2,291
Contingent consideration related to Shopmium acquisition	—	—	1,407	1,407
Total	$2,291	$—	$1,407	$3,698

(1) Included in cash and cash equivalents
(2) Included in short-term investments
(3) Included in other current liabilities

The valuation technique used to measure the fair value of money market funds included using quoted prices in active markets for identical assets or liabilities. The valuation technique used to measure the fair value of certificate of deposits included using quoted prices in active markets for similar assets.

The fair value of contingent consideration related to the acquisition of Shopmium S.A. (Shopmium) was estimated using a Monte Carlo simulation and was based on significant inputs not observable in the market, thus classified as a Level 3 instrument. The inputs include the expected achievement of certain revenue and profit milestones for the years ending December 31, 2016 and 2017, historical volatility and risk free interest rate.

The fair value of contingent consideration related to the asset purchase agreement with Eckim LLC (Eckim) was determined based on an estimate of shares issuable to Eckim for achieving certain revenue and profit milestones at the end of the earnout period as of December 31, 2015. The inputs include the Company's stock price and the number of shares issuable. On January 26, 2016, the Company and the sellers of Eckim agreed on performance against the milestones and the shares to be issued. Accordingly, the Company reclassified the contingent liability of $1.9 million related to Eckim to stockholder's equity in the first quarter of 2016. The shares were issued during the second quarter of 2016.

The following table represents the change in the contingent consideration (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016		2016	
	Eckim	Shopmium	Eckim	Shopmium
	Level 1	Level 3	Level 1	Level 3
Balance at the beginning of period	$—	$ 687	$2,291	$ 1,407
Change in fair value	—	(135)	(348)	(855)
Settlement	—	—	(1,943)	—
Balance as of September 30, 2016	$—	$ 552	$—	$ 552

For the three and nine months ended September 30, 2016, the Company recorded gains of $0.1 million and $1.2 million, respectively, related to the changes in fair value of contingent consideration. The change in fair value of Shopmium contingent consideration is due to a decline in expected revenue and profit milestones for the years ending December 31, 2016 and 2017. The change in fair value of Eckim contingent consideration is due to changes in the Company's stock price at the valuation dates. The changes in the fair value of the contingent consideration is included as a component of operations in the accompanying condensed consolidated statements of operations.

There were no transfers between fair value hierarchies during the three and nine months ended September 30, 2016 and 2015.

4. Allowance for Doubtful Accounts

The summary of activity in the allowance for doubtful accounts is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Balance at the beginning of period	$883	$245	$833	$408
Bad debt expense	86	81	237	46
Write-offs, net	(38)	(24)	(139)	(152)

Balance as of September30, 2016	$931	$302	$931	$302

5. Balance Sheet Components

Property and Equipment, Net

Property and equipment consist of the following (in thousands):

	September 30, 2016	December 31, 2015
Software	$ 32,656	$ 33,139
Computer equipment	22,535	21,186
Leasehold improvements	8,390	4,721
Furniture and fixtures	2,372	1,670
Total	65,953	60,716
Accumulated depreciation and amortization	(47,912)	(39,124)
Projects in process	1,241	3,536
Property and equipment, net	$ 19,282	$ 25,128

Depreciation and amortization expense related to property and equipment was $4.1 million and $3.3 million for the three months ended September 30, 2016 and 2015, respectively, and $12.0 million and $9.6 million for the nine months ended September 30, 2016 and 2015, respectively.

The Company capitalized internal use software development and enhancement costs of $0.3 million during each of the three months ended September 30, 2016, and 2015, and $0.4 million and $1.1 million during the nine months ended

September 30, 2016 and 2015, respectively. Amortization expense related to internal use software, included in property and equipment depreciation and amortization expense above, and recorded as cost of revenues was $2.6 million and $2.4 million during the three months ended September 30, 2016 and 2015, respectively, and $7.9 million and $7.0 million during the nine months ended September 30, 2016 and 2015, respectively. The unamortized capitalized development and enhancement costs were $3.4 million and $11.1 million as of September 30, 2016 and December 31, 2015, respectively.

Accrued Compensation and Benefits

Accrued compensation and benefits consist of the following (in thousands):

	September 30, 2016	December 31, 2015
Bonus	$ 3,825	$ 6,858
Commissions	1,943	3,645
Vacation	1,918	2,118
Payroll and related expenses	2,269	2,616
Accrued compensation and benefits	$ 9,955	$ 15,237

Other Current Liabilities

Other current liabilities consist of the following (in thousands):

	September 30, 2016	December 31, 2015
Distribution fees	$ 12,113	$ 8,349
Marketing expenses	1,853	3,336
Deferred rent, current	345	346
Legal and professional fees	335	745
Contingent consideration	—	2,291
Other	3,176	5,103
Other current liabilities	$ 17,822	$ 20,170

6. Intangible Assets

On August 3, 2016, the Company entered into a services and data agreement, (the “Agreement”), which provides the Company with certain exclusive rights to provide promotion and media services, and the use of shopper data, for 5.5 years, with certain rights continuing on a non-exclusive basis for up to an additional 4.5 years. In exchange, the Company agreed to issue 3,000,000 shares of common stock.

The consideration for such services and data rights aggregated to $39.6 million based on the fair value of 3,000,000 shares of the Company's common stock at the date of entering into the Agreement. Out of the 3,000,000 shares issued, 1,000,000 shares were issued within five business days of execution of the Agreement and 2,000,000 shares are held in escrow and will be released in two equal installments, within 15 business days following the years ending December 31, 2017 and 2018. The fair value of the shares held in escrow was recorded in additional paid in capital and is subject to re-measurement until released from escrow. During the three months ended September 30, 2016, the Company recorded a loss of $0.2 million due to the change in the Company's stock price. Gains and losses as a result of the changes in the fair value of the shares that are being held in escrow are included in change in fair value of escrowed shares and contingent consideration, net on the accompanying condensed consolidated statement of operations.

The consideration of $39.6 million as well as the capitalized transaction costs of $0.1 million were allocated to the acquired intangible assets based on the respective fair values. The Company is amortizing the intangible assets on a straight-line basis over their respective estimated useful lives in cost of revenues on the accompanying condensed consolidated statement of operations.

The following table presents the details of the acquired intangible assets (in thousands):

	Amount	Estimated Useful Life (Years)
Promotion service rights	$22,492	7.5
Media service rights	6,383	5.8
Data access rights	10,801	5.8
Total identifiable intangible assets	$39,676	

Intangible assets consist of the following (in thousands):

	September 30, 2016				
	Gross	Accumulated Amortization	Foreign Currency Translation	Net	Weighted Average Amortization Period (Years)
Promotion service rights	$22,492	$ (501)	$ —	$21,991	7.3
Data access rights	10,801	$ (314)	—	10,487	5.6
Customer relationships	8,860	(4,567)	(36)	4,257	3.3
Developed technologies	7,460	(2,768)	(89)	4,603	3.6
Media service rights	6,383	(185)	—	6,198	5.6
Domain names	5,948	(3,900)	(9)	2,039	2.4
Patents	975	(705)	—	270	5.9
Vendor relationships	890	(612)	—	278	1.3
Registered users	420	(92)	(11)	317	3.6
Trade names	167	(168)	1	—	—
	$64,396	$ (13,812)	$ (144)	$50,440	5.8

As of September 30, 2016, the Company has a domain name with a gross value of $0.4 million that has an indefinite useful life, hence is not subject to amortization.

	December 31, 2015				
	Gross	Accumulated	Foreign	Net	Weighted

		Amortization	Currency Translation		Average Amortization Period (Years)
Customer relationships	$8,860	$ (3,345)	$ (36)	$5,479	4
Developed technologies	7,460	(1,709)	(89)	5,662	4
Domain names	5,948	(3,419)	(9)	2,520	3
Patents	1,050	(686)	—	364	6
Vendor relationships	890	(445)	—	445	2
Registered users	420	(18)	(11)	391	