

Results of Operations

The following table presents certain Consolidated Statements of Operations data for the periods indicated as a percentage of total revenue:

	Year Ended December 31,	
	2019	2018
Revenue:		
Services	94%	93%
Software and other	6	7
Total revenue	100	100
Cost of revenue:		
Cost of services	74	82
Cost of software and other	-	1
Total cost of revenue	74	83
Gross profit	26	17
Operating expenses:		
Engineering and IT	7	4
Sales and marketing	3	3
General and administrative	12	11
Legal settlement	-	14
Total operating expenses	22	32
Income (loss) from operations	4	(15)
Interest income and other, net	2	1
Income (loss), before income taxes	6	(14)
Income tax provision	-	-
Income (loss), after income taxes	6%	(14)%

Years Ended December 31, 2019 and 2018:

Revenue

(\$ in thousands)	2019	% Change 2018 to 2019	2018
Services	\$ 59,545	(8)%	\$ 64,476
Software and other	3,788	(25)%	5,073
Total revenue	\$ 63,333	(9)%	\$ 69,549

Services. Services revenue consists primarily of fees for customer support services generated from our partners. We provide these services remotely, generally using personnel who utilize our proprietary technology to deliver the services. Services revenue is also comprised of licensing of our Support.com Cloud applications. Services revenue for the year ended December 31, 2019 decreased by \$4.9 million from 2018. The decrease in service revenue was primarily due to the decrease in the billable hours of our major customers. For the year ended December 31, 2019, services revenue generated from our partnerships was \$56.6 million compared to \$61.0 million for 2018. For the year ended December 31, 2019, direct services revenue was \$2.9 million compared to \$3.5 million for 2018. As with any market that is undergoing shifts, timing of downward pressures and growth opportunities in our services programs are difficult to predict. We are experiencing downward pressure with some of our services programs as personal computer and certain retail markets are subject to internal re-alignment and other sector specific softness. However, we still see opportunity in the market for growth with our service partners as a result of the evolving support market trends.