

Ballmer's top failures, from Tablet PC to Xbox One

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Microsoft CEO Steve Ballmer speaks at a Microsoft event in San Francisco, Wednesday, June 26, 2013. Ballmer, who helped build Microsoft into a technology empire and then struggled to prevent it from crumbling under his own leadership, will retire within the next 12 months. The world's biggest software company did not name a successor. Microsoft Corp.'s stock shot up 9 percent in premarket trading following the news. (AP Photo/Jeff Chiu, File)

Microsoft Corp.'s tumultuous fall on the stock market during the past 13 years has largely been fueled by missteps in the consumer products

market.

Though Bill Gates had significant control until 2006, soon-departing Chief Executive Steve Ballmer ultimately held responsibility over Microsoft's vast empire.

Here's a look at some initiatives that didn't work out as planned.

MICROSOFT TABLET PC: Nearly a decade before Apple released the iPad, Microsoft had developed a version of Windows XP suitable for tablets. The tablet was controlled by a stylus.

Bill Gates said that Tablet PCs, as Microsoft called them, would be ubiquitous within five years. Gates and Ballmer missed the mark by failing to see the need for hand-touch technology and user-centric marketing - two key elements behind the iPad's success.

Microsoft released a tablet in 2012. But people found it difficult to use, and Microsoft couldn't convince developers to make apps for the tablets despite Ballmer's appeals to the developer community.

Microsoft took a \$900 million loss on \$19.9 billion in revenue in the most recent quarter because of weak tablet sales. Recently the company cut prices of a couple of models. It also lost out on big contracts, such as with the Los Angeles Unified School District, which plans to give all of its students Apple iPads instead.

Despite not succeeding on its own, Microsoft hasn't made its widely used Microsoft Office software available on the Apple. That's sent many potential customers to the competition, including Google Drive.

WINDOWS PHONE: Microsoft was early to the table in the [mobile phone market](#), too. It tried to keep things simple for users by mimicking

the look and feel of Windows on desktops and laptops. These Pocket PCs eventually evolved into Windows Mobile and then Windows Phone.

But after the release of the iPhone in 2007, Microsoft's share of the smartphone market tumbled from nearly 50 percent to single digits today. Ballmer steered Microsoft into a partnership with smartphone manufacturer Nokia. The deal hasn't helped Window Phone much.

MICROSOFT ZUNE: Microsoft discontinued sales of the portable music player in 2011 after five years on the market. The Zune never surpassed the single digits in terms of market share as it failed to draw people away from the smoother design of the iPod.

BING: After seeing Google's rise, Microsoft tried to build its own architecture to scan the Web in the early 2000s. But Google had already become an official dictionary word by the time Microsoft unveiled Live Search in 2006. The service was rebranded in 2009 as Bing to give it a new spark.

Bing included a search rewards program that let users enter sweepstakes for prizes such as tablets and gave them goodies such as Starbucks gift cards. Microsoft also struck key deals with Yahoo and Facebook to combine their searches and has seen its market share steadily cut away at Yahoo and, more recently, Google. Still, Google records nearly four times as much traffic as Bing.

WINDOWS VISTA: In 2007, Microsoft confused PC users by releasing several different versions of the Vista operating system. Its glassy user interface and improved search features were welcomed upgrades. Unfortunately, Microsoft annoyed users with incessant warnings before letting them install programs or perform previously quick and mundane tasks. In a quest for improved security, Microsoft missed the mark on usability.

Today, a third of computers still run Windows XP, which came before Vista. Not even 1 in 20 PCs runs Vista anymore as many people quickly upgraded to patch version Windows 7, the most widely used operating system now.

WINDOWS 8: Microsoft's release of Windows 8 last October fell flat because it changed Windows too quickly for users. It removed the Start button and moved to a tile-based layout similar to what people see on tablets and smartphones.

Combined with slowing sales of traditional computers, Windows 8 has barely made a dent in the market. One of Ballmer's final product releases will come in October when Windows 8.1 is unveiled.

XBOX ONE: Microsoft angered many potential buyers of its new video game and home entertainment console by initially saying that the device would require a constant Internet connection. Though part of an attempt to fend off piracy, Microsoft later backed down from the requirement.

The Xbox One will be in direct competition with the Sony PlayStation 4. And many video gamers rejoiced when Sony unveiled the device and took jabs at Microsoft's originally restrictive policies.

SACRAMENTO KINGS: Unrelated to Microsoft, Ballmer recently tried to buy the Sacramento Kings basketball franchise.

A Ballmer-led investment group lost out this spring to a team of investors led by Vivek Ranadive, chief executive of a smaller software maker based in Silicon Valley. Sacramento Mayor Kevin Johnson reportedly said the NBA called Ranadive "a visionary" who sold them on the "NBA 3.0."

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