

Former 'Apple guy' Russell Wilson playing for Microsoft

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Like a lot of Americans born in the late 1980s, Russell Wilson didn't exactly consider himself a Microsoft person.

The Seahawks quarterback was 6 years old when Windows 95, Microsoft's era-defining operating system, was released in 1995.

By the time Wilson was spending his own money on electronics, the hip corner of technology culture had migrated to portable music players, smartphones and gadgets usually made by Microsoft rivals, as the Redmond [company](#) was increasingly relegated to the office. Wilson took an iPad with him on road games after the Seahawks drafted him in 2012.

So it was something of a shift when Wilson became a Microsoft pitchman.

"I told them I've always been an Apple guy," he said in an interview. "You've got to convince me."

Wilson, endorsement deal and Microsoft Surface tablet in hand, was convinced.

Microsoft in 2013 inked a five-year deal to persuade the rest of the National Football League, at a reported cost of \$400 million, to integrate some Microsoft brands and eventually get Surfaces in the hands of Wilson and his counterparts on the sidelines, among coaches and in broadcast booths. Microsoft is hoping that, with the aid of Wilson, a \$2

billion-plus advertising budget and investments in everything from smartphones to retail stores and snazzy Web-based versions of its software, it can make fans out of the generation more familiar with Facebook's Mark Zuckerberg than Bill Gates.

"It's all part of a very focused marketing campaign to change the perception of Microsoft," Daniel Ives, a financial analyst with FBR Capital Markets, said of the NFL deal. "Microsoft is kind of viewed as that legacy technology vendor. You don't need to have a Microsoft product as a consumer. That's the uphill battle they have."

Microsoft, at 39 years old, is firmly in middle age by the standards of technology companies. It makes the majority of its money selling its trio of cash cows - Windows operating system, Office productivity suite, and server tools - to businesses. The company also has long run a profitable business selling Windows and Office to individuals.

But the consumer-technology battlefield of the 2000s was brutal to Microsoft. The company had a hit with its Xbox gaming consoles, but was an also-ran in the Web search, music player, smartphone and tablet trends that followed.

"Over the years, Microsoft has felt like their brand has devalued," said Stephen Baker, who studies consumer technology at researcher NPD Group.

The company has even faced periodic calls from investors and Wall Street analysts to shutter or try to sell businesses they see as tangential to the Windows and Office juggernauts.

Microsoft officials counter that it's OK if the company loses money on some products, as long as they serve as a hook to get customers using Microsoft's other mainstays.

Company insiders also make the case that there isn't a firm line between business and consumers in a world in which people interact with technology on smartphones, tablets and laptops that travel with them from the home to the office and back.

Analysts say Microsoft's push for the consumer is also a move to protect its powerful business franchise in the long run. The nightmare scenario for Microsoft is that some of today's teenagers will grow up and hold sway over massive corporate IT budgets having never really used a Microsoft product.

"You have to stay in the consumer world because you have to win the hearts and minds of the single digits and the teenagers," said Brent Thill, a software analyst with UBS. "My two boys are like 'I want to work at Apple.' How do you break that?"

Microsoft has a two-pronged strategy.

First: Chase potential customers, wherever they are.

Microsoft in 2014 waived the licensing fee that manufacturers of phones and small tablets must pay for Windows, hoping that offering the operating system free will broaden its reach. The company is also shedding its reputation for pushing people to Windows at any cost, offering free versions of its Office software for devices powered by Google and Apple.

Second: Sell products that plug people into Microsoft's ecosystem.

The company opened its 111th retail store in November. The outlets boast a broader range of Microsoft-built hardware than the company has ever offered, including the line of phones bought from Nokia in 2014, the Xbox and a new health band. On the software front, the company is

hoping the Windows 10 [operating system](#), set for release this year, will draw people to the Microsoft suite.

And there's the Surface tablet, which viewers of America's most popular sport see every Sunday.

The jury is still out on whether the NFL deal will be worth the money. But if the company wants to become a major player in the tablet market, there are worse ways to advertise, said Whitney Wagoner, a professor at the Warsaw Sports Marketing Center at the University of Oregon, who used to work in marketing with the NFL.

Microsoft, which took a \$900 million hit after price cuts to its first generation of Surface, hopes it is heading in the right direction after June's launch of the Surface Pro 3. The Surface group brought in \$908 million in the three months that ended in September, enough to turn a profit by a metric that excludes such expenses as development costs and advertising.

"If you're going to double down on tablets, you find the biggest audience you can," Wagoner said. She said the Surface deal's potential benefit isn't limited to a consumer audience, either. Microsoft "can go to corporate clients and say, 'We support the needs of the NFL, so we can find a solution that works for your business, too.'"

That crossover appeal is integral to how Microsoft is pitching its products. Executives take every opportunity to repeat the mantra that the company helps make people more productive. "Productivity" came up 15 times during the 90-minute Microsoft shareholders meeting in December. That's hardly a fluffy, consumer-only message.

The strategy has a test case in the latest Surface, a tablet with a ton of horsepower and relatively hefty price tag. Its natural fans? Think

graduate students, creative types, people with an hour to get a pile of work done, Microsoft says. And people like Wilson, the budding Seattle icon.

In a recent interview at the Seahawks' practice facility, the third-year quarterback rattled off the ways he uses the Surface, from jotting notes to send to his offensive line and receivers after practice to listening to music and chatting with friends.

"I'm a pen-and-paper type guy," Wilson said. "But the fact that this new generation is taking over in terms of technology (in the NFL), it's going to be (there) for a long time."

Any thoughts about the fact that the Seahawks' chief rival, the San Francisco 49ers, play a few miles away from Microsoft rival Apple's Cupertino headquarters? It was Apple, of course, that helped stamp the public image of Microsoft as a stodgy office worker with its "I'm a Mac" commercials.

"That's kind of funny," Wilson said. "Hopefully, Microsoft keeps winning. Seahawks, too."

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