John Mangelaars joined Microsoft 20 years ago because he loves what technology can do for people's lives. Today as VP, Consumer & Online EMEA he helps shape the future for the browser generation and beyond, trying things to see what works and not afraid to fail. Here he talks about the opportunities of teaming up with broadcasters

THERE'LL BE ANOTHER WORD NEXT YEAR

Microsoft is much further advanced than people think in terms of this shift to – let's call it internet services – there will be another word next year. The key thing is that in the next five to 20 years, the consumer will be in control. He will say "Hey, I want to have my experience anywhere, anytime on any device, but it's my experience. So when I take my PC I want to see my wallpaper, my friends, etc, and when I go to my phone I want to do that, when I go to my TV I want to do that". Microsoft will build the technologies to enable that but we will also provide services that create those experiences for computers. So for example when you look at things like communication, like Messenger, we will go very far to provide the services ourselves. When you look at video, we will do very little, we will do a lot of technology and our partners will do all the services. We believe that all the content will be available everywhere in different shapes or forms, and it will be directly addressable in an internet way.

> " The message to broad-casters is that this is not a threat but an opportunity "

Could you give us an example?
You want to see a TV show in the long format with your family on a large screen. Perhaps one of the family members has missed it so they look at it on their phone at night, and somebody else might say "I really liked this TV show, so I am going to take it to Messenger TV, and have a chat in Messenger with my friends about this TV show". If you are watching a documentary about Africa, at the same time you can look up pictures about Africa, or travel blogs, then research bookings for trips to Africa.

This needs a PC or a computing device underneath the TV set in the home.
I believe that we need to decouple the experience from the device you are using. There are many technologies which make this combination of media and communication possible, it's not bound by this one vertical technology. I think there is a notion of watching and communicating, there is another notion of watching TV. You are watching something and it will be brought to you over internet type protocol, and it can be on any device. You are watching something or you are communicating with something, or sending an email, or you are looking at a picture, but the notion that this is bound by the device you are using will be gone. We believe it's going to be completely horizontal.

What about the timescale – there are issues with IP delivery.
Always in the short term we over-estimate what we can do and in the long term we underestimate. When you see the success of things like Hulu and the number of people looking at videos on the internet – in the UK 80% of people watch at least one video a day on the internet - give it another two years and there will be a lot of people watching VOD on the PC. All the operators are now combining netbooks in their offering, it will be full-blown laptops next and everybody will have a video device on their telephone line.

What is the message for broadcasters?
If you are a broadcaster, you want to look at how you move from being a broadcaster to being an engagement company – what are

the services you are going to build to engage people around your programmes. And that's where we can team up as Microsoft and broadcaster. We can provide those communication services and the broadcasters provide content. It's a huge opportunity to do two things. One is to deeper engage with the viewers. Through our portals we bring in video, we engage with our (instant) Messenger audience. We can take it through the mobile phone together, but also on the traditional large screen environment we can provide communication services - for example on Xbox today we have Messenger. So people who are gaming on Xbox can also chat on Messenger. The other thing is that as these audiences become then what I would call 'direct addressable' you also create more directly informed advertising relationships - because we know what the viewers are doing, we can directly address them. I think those are the big opportunities: really think about what your distribution channels are, how do you create interaction with your viewers, and how do you optimise your economical model by becoming much more valuable for advertisers and at the same time for the viewers the advertising is much more relevant.

So who is going to talk to the broadcasters and make them do all this?

We play a role here to have these conversations. You can say : "I am a broadcaster, I use Microsoft technology to build my experience". You can also say: "I use Microsoft to broadcast my content" and then we broadcast the content and we share the revenue. It's the same on the advertising side. Broadcasters can use their own advertising sales force or let Microsoft sell the advertising for them. We are building up a portfolio - advertising on other PCs, on the mobile phone, and we are also extending this into the TV space. This is interesting – as an advertiser you can go to Microsoft and say you want to

reach a certain audience, say an audience that is interested in Formula 1 racing. We can advertise in a Grand Prix, or you can advertise in a Formula 1 game on Xbox, we can then create an audience across all these environments for the advertiser. The other way round, a broadcaster can say to his advertisers: "I am working with Microsoft so I have this huge reach of audience, and if someone is not watching my programme I can still find this person somewhere else on the network to get your message across". It is important to realise that this is a world where consumers are in control, and we don't have all the answers. We all have to learn and the only way to learn is to try. Perhaps as a broadcaster there are things you want to keep yours, but also figure out which things you want to share. There is this mix.

The progress of Microsoft's media centre into the home hasn't been a success – how can that be changed to enable this future?

There are a couple of things. One is the functionality will be built into the system – for example the phone has the video in there. The technology is maturing, it's going to be pervasive, bandwidth is going to be there, now it's a matter of bringing all the bits and pieces together without disrupting the past. We still use the zapper and we can also have the videos or the programmes you want to watch on our media centre PC. We can watch them when we want to watch them. So we still have the programme at 8 o'clock at night but we have it in our media centre – all of a sudden we are going to realise that people are watching more on the PC and the media centre than they watch at 8 o'clock because they do actually want to have time for dinner. Our generation can do 1.7 things at the same time and we've been trained now, we can do 1.8. There's a browser generation growing up who just assumes that things are

▲ John Mangelaars

" This new generation can do 5.4 things at the same time instead of just 1 or 2 "

there; this new generation can do 5.4 at the same time: they have two or three messenger stations open, they are listening to music, and when you walk into their room and say "hey, you are not doing your homework" they respond "yes, I am" and they still have capacity left. These kids are used to doing 3 or 4 things at the same time, if they are just watching a TV programme they are going to be bored because it only uses up a fraction of their capacity. If broadcasters want to catch their point out of the 5.4 they have got to do something interesting with the communities or the space, and that's what Microsoft can do because we provide enabling technology. That audience, that's our world.

Who are the competitors for Microsoft in this?

I don't think there's a single competitor who can do it all, so we are uniquely positioned on this platform of the enabling technology. We need to deliver technology, we need to build partnerships, and the broadcasters need to get comfortable with the idea that you can't all do it on your own. That's the biggest competitor, the fear on both sides of giving up control.

Is there a role for smaller players to interface with Microsoft?

We work together where it makes sense, we compete in other places. There is this discussion about the big companies hindering innovation from small companies. What people should realise is that doing something like the BBC Media Player in the UK means taking risks, it's not an innovation a small company can do. We have to give credit to the big companies for making big investments to make real progress. There are big companies who take big risks and make a lot of progress, and there are small companies who have a lot of ideas and some of them become big. You need both in this industry.

John Mangelaars, thank you. ■