How We All Win In The Digital Wars – Charles Arthur at Polis LSE

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Digital Warrior [Photo Stacey Gilbert]

Charles Arthur goes way back in the technology industry. He recalls meeting Bill Gates for the first time in 1985. Microsoft was still a small company then, PCs just having started to come into general use. The idea of a company building itself a fortune on writing software was, at the time, an astonishing thought.

[This report by Polis Intern Tina Talleraas – podcast here]

Today, however, we are well into the age of the "information society". And it's a multibillion industry:

"These days processing power doubles every 18 months. That means that you can do twice as much in 18 months for the same amount of money".

No wonder the technology industry is booming.

Technological Competition

In his new book, "Digital Wars", Arthur covers the technological competition between Apple, Google, and Microsoft. He talks about how Microsoft and Google fought each other in "search", how Microsoft and Apple fought each other in digital music, and how all three companies are competing with each other in the smartphone and tablet market.

Naturally, all his material for the book was obtained through online sources – email, skype, social networks, archival websites. In fact, using the Google News Archive he was able to track down the point in time when "Google" was first used as a verb – incidentally as early as in 2000. Pretty astonishing considering the fact that Google just entered the picture in 1998. To Arthur, this is indicative of "how quickly Google was moving into the sort of discourse that people used, permeating people's consciousness".

Arthur explains how Google came to dominate the search business by tailoring results to the user's interests. Based on previous search history, Google actually tries to predict what you will be doing in the future, their aim being to "know what you want to do before you even have the intent yourself". And being Google, "they very much tend to treat the world as their lab rats" – for example testing which exact shade of blue on their website would generate the most clicks.

Windows, on the other hand, has had a tendency to deliver its products in whole packages, "throwing everything at the user" whether the user finds it useful or not. Recently, however, Arthur feels that Microsoft has started to change its approach, increasingly following the sort of "Apple-aesthetic" of providing the user with only a few things, but the right things.

In contrast to Google's empirical user research, Apple's approach is very much based on intelligent design – the user really doesn't get much say. Instead of tailoring to the user's needs, "Apple really tries to stay just slightly ahead of people's expectations", Arthur explains. "Apple really engenders strong emotions". And when people like their

products, they really like them.

Charles Arthur at LSE [Photo by Stacey Gilbert]

Survival Battle

So what is the key to survival in this battle for the internet? According to Arthur, to be willing to accept that disruption will happen. Disruption of the market, Arthur explains, happens when new technology comes along and drives out existing products. "Disruption happens, you just have to be the one who causes it, or else it will happen to you". In other words, be ready for the future or suffer the consequences.

Indeed, the demise of Microsoft was largely due to the fact that the company was not prepared to "disrupt itself", as Arthur puts it. Whereas Apple launched the iPad at the expense of its own Mac business, Microsoft has not shown the same willingness to suffer short-term consequences for the long-term benefit. This was also how Apple managed to outplay Microsoft in the digital music industry.

"Microsoft completely missed the wave" says Arthur. At the point when Microsoft finally introduced its digital music player Zune to the market, Apple had already realized that the iPod explosion was waning. The next big thing was of course the iPhone.

Future Is Mobile

Arthur is in no doubt that the future is mobile. In fact, he believes the arrival of the smartphone is having a greater effect on society than even that of the PC. Today, the global mobile penetration is at over 80%. And the biggest smartphone market in the world right now is China, where "Android phones are selling like absolute hotcakes". Arthur believes this development will change China dramatically within the next five years.

Arthur is undeniably optimistic about the technological development in society, and he admits that he is a bit "Bill Gates" in focusing more on the upsides of the technology, which he believes will outweigh the downsides. "In the digital wars between Apple, Microsoft, and Google, it doesn't actually matter which of them is winning, because we're all winners really, through the benefits that internet can bring".

This report by Polis Intern Tina Talleraas

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