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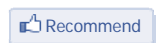
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# Microsoft to launch Xbox TV later this year

**CNNMoney**

47 comments

By David Goldman @CNNMoneyTech September 15, 2011: 6:34 AM ET



You recommend Microsoft to launch Xbox TV later this year

ANAHEIM, Calif. (CNNMoney) -- Microsoft is trying to succeed where Google, Apple and Sony have all flopped: The software giant wants to change the way people watch TV.

At Microsoft's financial analyst meeting in Anaheim, Calif., on Wednesday, CEO Steve Ballmer previewed the new Xbox TV platform that will launch this holiday season.

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The demonstration was short on critical details like content partners, pricing, and what movies and shows will be available. But Ballmer said Microsoft would be working alongside "dozens or hundreds of additional video content suppliers" to grow the content choices available on the Xbox.

In addition to video on-demand, that Xbox content will include live television. Ballmer said the live TV offerings will include "news, sports, and your favorite channels."

It's not clear exactly how that will work, but Ballmer hinted it will be similar to what Microsoft (MSFT, Fortune 500) has already done with foreign partners like Sky TV in the United Kingdom, Canal Plus in France, and FoxTel in Australia. Those partnerships allow Xbox customers to stream a limited set of channels right through the Xbox, without requiring them to install any additional equipment like cables, satellite dishes or set-top boxes.

## Why Microsoft needs to buy Netflix

Microsoft believes the key differentiator between Xbox as a TV platform and the sea of failed competitors will be its voice and motion search tool. Utilizing the **Kinect attachment**, users will be able to navigate through content with voice commands. The search function will be **powered by Bing**.

"Having all of that content is right on, it's fantastic, but it brings a new challenge with it," Ballmer said. "Certainly we all know the frustrations of

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using guides and menus and controllers, and we think a better way to do all of this is simply to bring Bing and voice to Xbox. You say it, Xbox finds it."

In the demonstration, a Microsoft employee announced, "Xbox, Bing 'The Office,'" and the television immediately displayed all of the available seasons of NBC's "The Office" for on-demand viewing. Another voice search, in theory, could allow users to navigate to a particular season or episode, but that demo failed.

"It's a good thing that's shipping for Christmas," Ballmer quipped, to laughter from the audience.

Microsoft also hopes to integrate its community of 35 million Xbox Live users to create a social experience around watching TV and movies.



### The Xbox hack Microsoft didn't see coming

"The vision is kind of simple," said Ballmer. "You should have any entertainment you want with all the people you care about, really simply and on any screen."

The fact that the Xbox is the top-selling gaming console will give it a leg up over the competition.

"Microsoft has a very large install base," said Van Baker, an analyst at Gartner. "This is not about going out and buying a new piece of hardware, it's about adding capability to device that already exists in living rooms. It greases the skids for them to get further into the content game."

But can Xbox TV succeed where Apple TV, Google (GOOG, Fortune 500) TV and many others have failed -- including Microsoft, with Windows Media Center? Can it become more than just a "hobby," as Apple (AAPL, Fortune 500) chairman Steve Jobs likes to call Apple TV?

Some analysts believe Microsoft is uniquely positioned to succeed.

"Microsoft has been around the content world long enough to know how to license content -- they surely won't forge forward without appropriate content deals like Google did with Google TV," said David Wertheimer, executive director of the Entertainment Technology Center at the University of Southern California.

Wertheimer believes that instead of trying to license content from providers like News Corp. (NWS), Comcast (CMCSA, Fortune 500), Disney (DIS, Fortune 500), and CBS (CBS, Fortune 500) themselves, Microsoft will instead use a "TV Everywhere" model, in which existing cable and satellite subscribers will be able to access their content on the Xbox.



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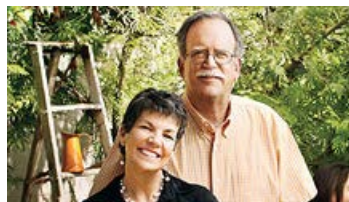
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TV Everywhere is an idea championed by Time Warner ( **TWX**, **Fortune 500**), parent company of CNNMoney.

Why would customers want to stream content to their Xbox when they already have that content on their TV? That's where Microsoft's voice search, motion navigation and user interface come in.

"That's the opportunity here for Microsoft -- can they work with the content owners to innovate on top of the content itself and provide a higher-value experience to consumers?" Wertheimer asked. "If they can, this could be big and meaningful."

But others think that model is inherently flawed.

"Is there anything Microsoft is doing that hasn't been done by other providers? No, not really," said Gartner's Baker. "Search is not discovery. Search as an answer to discovery implies you know what you're looking for. Most people have no idea what they're looking for."

Discovery is what separates Netflix ( **NFLX**) from all of the other content delivery channels: Netflix's recommendation tool clues users into new content that they'll likely enjoy.

Voice search, motion control and a cool user interface are a good start. But if Microsoft can figure out how to intelligently drive users to new content, it may have something here. ■

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**BBallPlaya61**, 1 minute ago

Whats an xbox??8=====D + (. Y .)

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**korthman**, 4 minutes ago

Not to scare innovation...but once this happens and the people that were spending money on cable TV, will enact restrictions on streaming....internet speed throttling....bandwidth caps....speed caps....or pay a higher internet cost for less restrictions...and guys...this is happening all ready. No matter what, these cable companies will get there money.

LIKE FLAG



**Defend718**, 19 minutes ago

This may prompt me to finally give in and buy the Xbox. The Kinect is better than the PS3 Move and I need more options for TV viewing (Hulu doesn't have AMC and I love Breaking Bad and Walking Dead).

LIKE FLAG



**Jason Dean**, 27 minutes ago

This idea is on the brink of absolutely exploding. Currently today I use my PS3 to watch Hulu which gives me basically all the shows I would normally watch on cable.....for \$8 a month. I but the MLB Package for \$100 and get to watch EVERY game - Have the option for NHL and NBA channel - but no interest. I spend \$200 a year to watch 90% of what I want.... [show more](#)

2 people liked this.

LIKE FLAG



**vamike999**, Today 11:13 AM

See when apple TV and Google TV went live i said they would fail. Why? people like me already use the Xbox for watching TV. This is not new. I have my netflixs and before that you could download programs to get many internet shows on your xbox. So this is already being done. They already succeeded. The question is can they take it to the next level and make it a must have for... [show more](#)

1 person liked this.

LIKE FLAG



**ketsui**, Today 11:01 AM

Time for microsoft to throw away more of its money. Here's a tip microsoft, NO ONE wants to watch tv on their xbox. AND gamers generally spend their free time PLAYING GAMES not watching tv. Save your cash and scrap the program now or dump millions and hear me say 'i told you so'

1 person liked this.

LIKE FLAG

1771, 22 minutes ago in reply to ketsui



I couldn't disagree more. I have an xbox and watch both netflix and hulu on it. Xbox live is an increasingly rich multimedia experience. It's a bit narrow-minded just to look at it as a gaming platform. More and more people are dumping cable and streaming videos via netflix, hulu, and other services. This has a lot of potential.

LIKE FLAG



**vamike999**, Today 11:14 AM in reply to ketsui

could not be more wrong. I watch my netflixs on my xbox and hulu all of the time. Sure they run stats and know this. You may not but many xbox users do.

1771 and 2 more liked this

LIKE FLAG



**AvalancheJSY**, Today 11:07 AM in reply to ketsui

Not true, A quarter of UK xbox users have used the Sky application to watch at least 1 show, and approx 70% of global users have used it as a dvd player at least once

1771 liked this

LIKE FLAG



**discofever21**, Today 10:56 AM

So Xbox TV will completely rely on content providers to "link in" to the device? Eh. I like MS but why do they ALWAYS have to be in a position of complete dependency on someone else? They build the software and hope someone else makes the hardware. They build the hardware and hope someone else provides the software. There is nothing wrong with a netflix or streaming model.

1 person liked this.

LIKE FLAG



**wikitywahht**, Today 10:54 AM

I likes.

Just don't charge me more than \$10/month because I'll have a baby to feed!

2 people liked this.

LIKE FLAG



**BBallPlaya61**, 1 second ago in reply to wikitywahht

I know i have 4 babies to feed...with no baby mama

LIKE FLAG



**billfusion**, Today 10:48 AM

Anything so i can drop the freakin way overpriced cable company, use to 20 for basic now its 60 for not much more

channels load with infomeercials

LIKE FLAG



Jimbo Slice, Today 10:46 AM

xbox: no blu-ray, no sale. period.

LIKE FLAG



vamike999, Today 11:15 AM in reply to Jimbo Slice

Blue Ray? really haha who needs blue ray. Just upscale your old dvds and move on to movie downloads. I have never and will never buy a Blue Ray

LIKE FLAG



AvalancheJSY, Today 11:09 AM in reply to Jimbo Slice

So you clearly havent looked at sales figures for both consoles, the Xbox has out sold the PS3 in EVERY month that both consoles have been on sale bar 3 in the US,Canada and western Europe. hardly no sale.

LIKE FLAG



joeedwards, Today 10:35 AM

@pct84. You're the idiot if you cannot understand that simple statement. I will explain it to you. Very often people are interested in watching some specific genre...maybe a sci fi TV show, or a romantic comedy and want suggestions as to what is available. Other times people might know exactly what they want to watch. Two different desires, two different variables.

By the way. Try following the 2 rules. 1. Don't be a dick. 2... [show more](#)

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kayakgrove, Today 10:14 AM

"Netflix's recommendation tool clues users into new content that they'll likely enjoy."  
I've rated over 3000 movies on Netflix. I ask for a suggestion and it tells me I need to rate more movies. Netflix is on the way out. Voice and motion control will win people over? No wonder these old companies continue to fail. It is about content and cost. That is it. If you can... [show more](#)

discofever21 liked this

LIKE FLAG



pvillad, Today 10:05 AM

It is about cost. Who cares if you can get a ton of content you never watch on all your devices and it still costs an arm and a leg? I'm going to keep paying the cable and satellite companies a ton of money 'cause now I can wave my hands in front of the

TV? Uhm, no thanks.

xninjagrrl liked this

LIKE FLAG



moonlightcsp, Today 09:36 AM

cool it will give us something else to hack, thanks

1 person liked this.

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