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THE INTERVIEW BILL GATES



# Where do we go from here?

In this special issue, the world's most important media players share their visions for the 21st century. Rupert Murdoch reveals why he believes in 'virtual communities' and tells us how newspapers can still thrive in the internet age. Leading figures respond to his predictions, and we profile the bloggers who are moving on to the media's centre stage. But first (right), an exclusive interview with Bill Gates in which the Microsoft founder and world's richest man talks to Ian Burrell in New York - and identifies the gadget that he thinks will one day provide media consumers with their every need

Alongside waxwork images of Michael Jackson, Jerry Springer, Whoopi Goldberg and other famous Americans, a life-size replica of Bill Gates, sat on a metal stool and wearing a red V-neck sweater and the semblance of a smile, is among the exhibits in New York's Madame Tussaud's, halfway along 42nd Street.

Just around the corner, the real-life version, as diminutive as the waxwork, climbs out of a hulking black Yukon XL SUV and steps on to the pavement before passing, quite inconspicuously, through the crowds of workers headed for their offices in the spitting early morning rain.

Bill Gates is, by a long measure, the richest man in the world. This month *Forbes* magazine valued his personal wealth at \$50bn (£29bn). It was the 12th year running that he had topped the rich-list. His company Microsoft, which supplies the software for 90 per cent of the world's computers, is worth \$280bn. He is also the chairman and founder of the media services company Corbis, which claims to have the most comprehensive photographic collection on the planet.

Gates, along with his wife Melinda and the rock star Bono, was recently named as "Person of the Year" by *Time* magazine. This was largely because of the work of the Bill & Melinda Gates Foundation, which supports disease immunisation programmes, research into HIV/Aids, and education for the poor, through an endowment of \$30bn. It makes the foundation the largest charity in the world. According to former US president Jimmy Carter, the foundation - which has influenced Tony Blair and other global leaders in providing more money for global health-care - is "the most important organisation in the world".

Put Gates on a busy street and people don't notice him. Yet when his presence is registered, the aura of his power is palpable. This is a man heads of state anxiously approach for an audience.

Sitting with his back to a 30th-storey window that commands a stunning view across the Hudson River to New Jersey, the most powerful figure in global media last week set out his vision. It is as futuristic as one might expect from one of the greatest innovators of the 20th century but his words contain some comfort for those working in more traditional fields. For a start, he thinks that the humble newspaper will outlast him. "I'm sure it will be more than 50 years when somebody is still printing a newspaper and taking it to someone, somewhere," says Gates, who was 50 in October.

This qualified endorsement of the lasting viability of the press comes with the further caveat that Gates is taking a global view. "Newspaper readership is still growing in India," he observes, smiling. Ultimately, he feels, print media will have to adapt to survive. "We are seeing the shift where younger people appreciate the flexibility of the internet to let them select the subjects that they have particular inter-

est in, and to navigate links and see what's hot," he says. "We are in the throes of a transition where every publication has to think of their digital strategy."

But rather than castigate traditional news-media organisations for their failure to act more quickly, Gates is positive about the changes that have already been made. "I don't think there's a... boundary between digital media and print media. Every magazine is doing an online version." He has clearly been impressed by the way the United Kingdom has kept pace with the United States in terms of embracing the digital age. "I would say the UK is a lot like the US. The businesses have done very well adopting the digital technologies," he says. "UK companies are in very international and very competitive markets. If you look at PC penetration in the UK it is very similar to the United States market. The broadband competition is heated up there in a way that's healthy to drive the penetration."

His view of the UK public sector is not so rosy. "The Government is more of a mix thing, where there are some great leadership examples but it's not across the board ahead of other countries. In education, every country is really just at the start," says the man who dropped out of Harvard University in his second year but has since ploughed millions of pounds into giving scholarships and providing computer and internet access to more than 10,000 libraries.

Gates is still eagerly awaiting the moment when the government of any country is able to "eliminate paper" from their criminal justice or medical records systems. "Because the government market isn't subject to the same competitive factors it was always to be expected that it would be a bit slower to move to the new technology and yet the opportunity for efficiency, visibility of information, eliminating forms, is still quite strong."

When Gates visited London last October, he gave an address to the inaugural conference of the Interactive Advertising Bu-

reau and made the claim that "the future of advertising is the internet". The claim coincided with the IAB's prediction that online advertising was worth £1bn a year in the UK and had outstripped the markets for both radio and billboards.

Gates thinks that the increasing availability of high-quality visual imagery will further the growth of online advertising and that the internet will increasingly provide the best platform for some of the most ambitious and targeted creative ad work. "You want to grab somebody's attention and great visuals are the way that's done," he says. "[Online] is an environment where getting attention is probably tougher than ever, and yet it's also an environment where you can try out certain creative initiatives and see what type of response you get to them far more effectively. If you can get the cost of creation down, then the idea of having more variety works."

This process will be hastened, he believes, as more and more television content moves online.

"Internet TV and the move to the digital approach is quite revolutionary," he says. "TV has historically been a broadcast medium with everybody picking from a very finite number of channels. If you want content that is a local sports thing or a hobby that you are interested in, that's not available to you. The use of the internet to deliver those video signals and the idea of seeing what you are interested in, and having the ads targeted to you, is becoming the standard way that video is delivered. Over the course of this next decade that will be very common."

Internet advertising, aimed at niche audiences and more creatively ambitious, will provide a way round the increasing problem for advertisers of television viewers fast-forwarding through commercial breaks in shows that they have recorded. "It will be possible to target the ads and it will be important to have ads that the consumer doesn't skip over, incorporated in the right way."

Gates lives outside Seattle on the banks of Lake Washington

in a vast mansion that has its own private beach, cinema, library, boathouse and an estuary stocked with salmon and trout. It is a short drive from the sprawling 295-acre Microsoft campus at Redmond, where Gates's office is in Building 8 and new gadgetry is tested in a futuristic house called Building 33.

He has flown to New York in his capacity as chairman of Corbis, the company he founded in 1989 when he realised that ownership of visual content would be crucial to the development of the digital media environment that he has done so much to create. The company, which is expanding rapidly and has offices in 14 countries, licenses its collection of some 80 million still and moving images to advertisers, corporate marketers, broadcasters and publishers. Although Corbis has yet to turn a profit, Gates is convinced of the soundness of his thinking and believes that 2006 will be "a milestone year" for the venture.

Corbis is rubbing its hands at the global growth in mobile-

