



Thought piece

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# The biggest technology gaffes of the 21st century

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It seems a long time since we partied like it was 1999, right? It can be hard to remember that there was a world without Facebook or the iPhone, as new technologies have impacted so many parts of our everyday lives in the new millennium.

But, in these 17 short years, not every new hi-tech product or prediction made the grade. In fact, many disappeared quicker than a dancing meerkat video going viral. So, with the intention that we can learn as much (or often more) from failure as we can from success, here's our collection of the biggest technology gaffes of the 21st century.

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## Cruising to standstill – Segway

The Segway was the kind of futuristic personal transport every 20th-century science fiction fan might have dreamed of. And when this stand-up two-wheeled device was launched in 2002, the head of Segway was in no doubt about its disruptive potential. He confidently announced that the device “will be to the car what the car was to the horse and buggy”.

Perhaps it was a victim of its own hype, but the Segway never caught the public imagination and its price points – ranging from \$3,000 entry level up to \$7,000 for premium models – made it unlikely to appeal to a large consumer audience. In fact, Segways became more famous for their bloopers than anything else – President George W Bush’s ungainly fall at his parents’ house in Maine in 2003, or Usain Bolt getting wiped out by a cameraman on a Segway on his victory lap after winning the 200m Gold Medal at the World Athletics Championships in Beijing in 2015.

Although Segway has since diversified into scooters, hands-free vehicles and even all-terrain devices, it’s fair to say that sales of only 30,000 units between 2001 and 2007 marks this down as one of the 21st-century’s highest profile technology gaffes. That said, we wouldn’t say no to a quick spin!

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## Dead in the water – Google Barge

It hasn’t always been plain sailing for the world’s largest search engine. Take, for example, the mysterious case of the Google Barges, which appeared on both sides of the US in the San Francisco bay and in Portland Harbor between 2010 and 2012. 250ft long and 72ft wide, these multi-storey structures were shielded by scaffolding and shrouded in secrecy – the only forthcoming information from Google was that they would be used for “general technology purposes”.

Rumors of course abounded about what became known as “Google’s worst kept secret”. Most suggested they were massive floating data centers, taking advantage of the abundant water as coolant for some seriously heavy-duty tech. In fact, the truth was a little less technologically sophisticated. Google had planned a pair of luxury offshore showrooms for some of its high-end Android products and the Google Glass, but had failed to take some practical measures into consideration. Repeated fire safety concerns by the Coast Guard remained unresolved and, in 2014, the plug was pulled on Google’s water-borne dream.

It seems that those of us with our hearts set on a Google Shopping Cruise into the sunset will have to wait a little longer. Or maybe just get a life instead?

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## Too hot to handle – Galaxy Note 7

The most recent of our entries into this hall of technological infamy is the Galaxy 7. Launched by Samsung in August 2016, this flagship Android smartphone had created such a buzz with features such as a dual-sided curved display, iris recognition system and high-dynamic-range (HDR) color, that pre-orders broke existing records in South Korea.

However, just a little over two weeks later, things were getting a little hot under the collar at Samsung Electronics. It had been noted that a defect in the phone's batteries was causing it to overheat and even to catch fire. After a US product recall, Samsung replaced the faulty batteries. But when these too began running the phone at temperatures in the danger zone, a worldwide product recall was issued and production permanently stopped in October 2016, less than three months after launch.

Estimated to have cost Samsung a total of \$17 billion<sup>1</sup>, the company reported a 33% drop in operating profits for the fourth quarter of 2016 and, of course, significant damage to its reputation. Samsung acted quickly and decisively once the problem had been identified, but, the damage was done.

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## Coming late to the party – Microsoft Zune

While the Microsoft Zune never had a hint of product safety issues, and was generally considered a well-designed and manufactured mp3 player, it had one major flaw: it wasn't an iPod. Playing catch-up in the technology market is never easy. Try keeping up with a product that is redefining the way a generation listen to music and, even with the best intentions, you're likely to fall very short.

Designed in partnership with hardware specialists Toshiba, Microsoft had hoped that the Zune would provide the device through which users would turn to its newly launched rival to iTunes, MSN Music. It looked and worked like an iPod, but it lacked any distinct features, identity or even price differential to make it attractive to potential buyers who could pick up the real thing and revel in some minimalist Apple cool.

In 2008, Microsoft shut down MSN Music and three years later it announced the discontinuation of all Zune hardware. For Microsoft, the mp3 player party never really got started.

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<sup>1</sup> [https://en.wikipedia.org/wiki/Samsung\\_Galaxy\\_Note\\_7](https://en.wikipedia.org/wiki/Samsung_Galaxy_Note_7)

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## Microsoft CEO puts foot in mouth (part 1) – Steve Ballmer

It's hard to believe that the iPhone has been around for just a decade. They're now so ubiquitous that an estimated 715 million people worldwide barely eat, sleep or drink without them. However, when it was launched in 2007, not everyone grasped its zeitgeist-changing potential. In an interview with USA Today, Steve Ballmer, then the CEO of Microsoft, declared: "There's no chance that the iPhone is going to get any significant market share. No chance."

Strong words indeed, and he backed up his argument with a reference to its price. "It's a \$500 subsidized item," he said. "They may make a lot of money. But if you actually take a look at the 1.3 billion phones that get sold, I'd prefer to have our software in 60% or 70% or 80% of them, than I would to have 2% or 3%, which is what Apple might get." At a later press conference, he also added: "It doesn't appeal to business customers because it doesn't have a keyboard. Which makes it not a very good email machine."

In July 2016, Apple announced that it had sold over 1 billion iPhones, making it probably the recognizable (and desirable) hi-tech consumer item on the planet (Forbes predicted that it was 1.2 billion sales in June 2017<sup>2</sup>). So Ballmer's words have come to be known as one of the worst tech predictions of all time.

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## Microsoft CEO puts foot in mouth (part 2) – Satya Nadella

So to our second part of the gift that keeps on giving: the Microsoft CEO who probably wishes he'd hit mute. In the male-dominated technology industry, it's an unfortunate fact that men are still likely to earn more than their female equivalent for performing the same role. Addressing this issue is becoming seen as more and more central to the talent strategies of many of the world's leading hi-tech companies. In 2014, however, Satya Nadella, CEO of Microsoft, managed – temporarily at least – to position the software giant as anything but a progressive voice in the debate.

At an event for women in computing taking place in Phoenix, Nadella was asked what his advice was for women who were feeling uneasy about asking for a raise. "It's not really about asking for the raise, but knowing and having faith that the system will actually give you the right raises as you go along," he responded. He also added that "good karma" could also play its part in helping bosses to realize the value of their employees.

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<sup>2</sup> <https://www.forbes.com/sites/niallmccarthy/2017/06/29/apple-has-sold-1-2-billion-iphones-over-the-past-10-years-infographic/#734ce2942f85>

His unimpressed interviewer, Maria Klawe, told him she disagreed, as did many others when the dismissive comments quickly went viral. Having realized his mistake, Nadella was at least quick to admit an error of judgment. He tweeted: "Was inarticulate re how women should ask for raise. Our industry must close gender pay gap so a raise is not needed because of a bias". He also sent an email to all Microsoft employees in which he confessed to having "answered the question all wrong", before adding "I believe men and women should get equal pay for equal work... If you think you deserve a raise, you should just ask." As retractions go, it seemed genuine enough. But the problem with taking your foot out of your mouth is this: why was it there in the first place?

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## **Turning down a helping hand – Mark Zuckerberg's Facebook profile gets hacked**

If you want to get a problem fixed, go straight to the top. And, much to Facebook's embarrassment, a systems information expert from Palestine did exactly that when he hacked into Mark Zuckerberg's Facebook profile page in an effort to show that the glitch he had discovered in the social network's security system was real.

In fact, Khalil Shreateh had previously tried to warn the Facebook security team that there was a weak point in the system that could allow hackers to post messages on a stranger's wall. When his report was ignored, Shreateh felt he had no choice but to demonstrate the point in the most unmissable manner – by posting a message on the CEO's personal profile page. He even had the manners to add "Sorry for breaking your privacy".

Of course, this time the security team managed to respond in lightning quick time. It fixed the bug, suspended Shreateh's account, and refused to pay him the \$500 bounty it offers for the uncovering of flaws in its system, saying that it did not offer rewards to those who had breached user privacy. Shreateh, however, had the last laugh. An online campaign raised nearly \$10,000 for him to make up for the omission. Good intentions do count, after all.

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## Hidden blunder – the Sony rootkit

We close our look at the biggest technological gaffes of the 21st century with a story that, in tech circles at least, has become something of a cult classic. At the turn of the millennium, Sony had become urgently concerned by the rise of Napster and the fact that its audio CDs could be easily copied within minutes on almost any PC. Its response, however, only served to fan the flames and place the company in legal hot water.

In 2005, Sony BMG introduced the so-called “rootkit” onto roughly 22 million of its CDs, which automatically installed a form of digital rights management (DRM) software onto users’ systems without them knowing. The idea was that the software would interfere with the system’s ability to copy CDs and also report back to Sony about the user’s listening (and copying) habits.

When it was discovered, it was quickly pointed out that this was not only illegal, it also exposed users to further malware vulnerabilities. Sony BMG’s response was less than ideal, when Thomas Hesse, its global digital business president announced: “Most people, I think, don’t even know what a rootkit is, so why should they care about it?” One security firm was so enraged by this arrogance that it made a t-shirt with the quote printed upon it while other mischievous souls created their own YouTube sketches based on the incident.

Government investigations and class-action lawsuits forced Sony BMG to eventually make a series of consumer settlements and suspended its CD copy protection systems in 2007. Of course, the issue of copyright protection is hugely important and it remains to be seen if there is any effective way to police its enforcement. But, as Sony BMG learned to its cost, a secretive, illegal and potentially harmful piece of DRM software is clearly not the solution.

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