

Seeing is believing

Talk of a central hub networked to all the appliances in a 'digital home' can confuse and deter consumers. Resellers have a vital role to play in selling and supporting the kit to make the concept a reality. Report by Roanna Avison



Talk of networked washing machines that call a service engineer when they're about to break down may seem a little far fetched, but this could well be something we'll see in the digital home of the future — although that is likely to be ten years down the line.

Looking at the digital home in a slightly shorter timeframe, let's say three to five years, and things are perhaps a little easier to understand and the opportunities for the channel more obvious.

The initial steps towards the reality of the digital home come in the form of increased digital content and the switch to an IP network.

According to Steve Shakespeare, UK and Ireland consumer and digital home manager at Intel, content on demand, which can be consumed at a point in time when you want to, is not too far in the future — maybe the next two to five years.

"Today, content is delivered in a linear fashion and you have to wait until it's broadcast, but I can see a point in time when most, if not all, content will be available on an on-demand basis. Today we have PVRs [personal video recorders], which allow you to work around the TV schedule] and pause live TV, but there will be a point where you do not need to do that and consumers [will be able] to choose what they receive."

Shakespeare is convinced that technology plays a key role in making it simple to consume that content.

The switch to an IP network with the launch of BT's 21CN will make content on-demand possible, according to BT futurologist Graham Whitehead: "[The IP network] will mean humans are removed from the process of finding information. Stuff that might be of interest to you will be pushed out towards you. The new network will have enormous capacity. As a result, the thing you have in the corner of your

lounge will become an information portal rather than just a TV."

And that information portal is likely to simply be a screen that receives data from a hub. "If you've got a big, powerful machine it will not be in the corner of your lounge, it will be under the stairs or in the study as a hub and then networked into other devices around the house. It will also be simple. It needs to come out of the box and work, rather than needing a PhD to get it to work," Whitehead says.

This is just the kind of device that Microsoft aimed to create with its Media Center and Intel designed in Viiv.

David Weeks, Microsoft Windows client marketing manager, reveals the software giant



Weeks: Resellers must be quick off the mark to cash in on the opportunity

launched the Media Center four years ago because it was becoming obvious that people were storing more content on their PCs and would probably want to share it.

Shakespeare at Intel adds: "We believe the PC provides the fundamental platform for [the digital home]. We're building the Viiv brand to be a simple vehicle to consume content. It will be the digital hub for the home. It could sit under the TV or under the stairs and transmit content to other devices around the home."

But this does not spell the end for the traditional PC, although it is likely to be in notebook form in the home rather than desktop. In fact, the notebook may well be one of the devices that can access content from the hub, according to Steve Crawley, head of mobility strategy at Toshiba.

Heart of the home

So as the centre of the digital home is a PC, surely there must be an opportunity here for the reseller. A lot of people are scared and confused by the idea of the digital home, according to Weeks at Microsoft, so the first job for the reseller is to talk in real terms. He says resellers need to tell users: "If you're connected to the Internet you've already started living the digital life, and if you use a digital camera you're experiencing the digital life. At the moment with your digital camera you are creating digital content, but you're printing it directly via an on-line photo house or taking it to a store."

Because people like the idea of the digital home but are unsure of how to go about it, the first opportunity for the channel is to offer consultancy, Toshiba's Crawley insists. "[Resellers] can make money from that, as well as the products, maybe followed by installation and maintenance."

Shakespeare adds providing access to the content, as well as offering leasing on a monthly basis that could come with a package ➤



Cochrane: Predicts we will see the emergence of smart appliances for the home within ten years



Crawley: "[Resellers] can make money [on consultancy], as well as the products, installation and maintenance"

Reseller experience

Kevin Reynolds is managing director at reseller KMS, which rebuilt an 18th century Devon longhouse and installed it with digital home technology in the process.

"It is all based on Microsoft Media Center and it has one remote control that runs everything in the house," he says.

Most people have DVD players, amplifiers, speakers, video recorders, stereos and satellite — that's a huge number of boxes and therefore a huge amount of cabling. Implementing Media Center meant KMS was able to remove the need for multiple boxes and Reynolds reveals the reseller has developed software applications to run on the platform to provide additional functionality.

"In our house build our Media Center holds 1,000 albums of music. The Media Center comes with two Freeview receivers in the box so you do not need a TV and what extra are you getting from Sky?" he asks.

Having a digital house to show consumers has been beneficial for KMS. Reynolds reveals the biggest thing he has learned is that the marketing for the digital home needs to be geared towards women. "Traditionally, this type of technology is generally aimed at men, but it needs to be geared at the lady of the house, because she will generally have the final responsibility for such purchases. With the Media Centers we have sold and done home installs for, it is generally the lady of the house who has made that decision because it's only one box and there aren't lots of cables and there aren't lots of remote controls."

of content making it a Sky-type service, to the list of things resellers could make margin on.

The whole channel is complaining that average selling prices are dropping, but Weeks points out that TV market prices were also driven down two or three years ago, but with the introduction of digital TV and flat screens volumes have doubled and the average selling price has risen by 30-40 per cent.

"[The same is] happening in the PC market. There is a huge opportunity for resellers to sell the digital home. The Media Center can be one box or it can be a component of the digital home. The PC can become the digital hub that stores everything," he says.

Most people have already made a huge investment in their electronic equipment and they are not going to throw it all away, so there is also the opportunity to sell extenders. "You can still listen to your CD collection on the hi-fi, but the new music you have downloaded can be channelled through a music extender to the hi-fi. Over time, as people replace this equipment then the infrastructure is in place to use the Media Center to replace it," Weeks says, predicting people will aspire to have a digital home and it will really take off in the next 18 months.

But he warns resellers need to be quick off the mark. "I have already come across a company called Geeks on Wheels that will come and install digital home technology once you've bought it, but a reseller could sell the products as well as installing them."

Resellers will, of course, need to invest in training to sell the digital home, for which Microsoft already has a qualification for a digital plumber to help partners get up to speed, according to Kevin Reynolds, managing director of reseller KMS.

Futuristic living

Looking further into the future, the digital home is likely to become even more technical with the introduction of smart appliances and other devices designed to make our lives easier.

Peter Cochrane, CEO at Concept Labs

California, says we are likely to see the emergence of smart appliances that will recognise when there is a heavy load on the power supply and reduce power intake accordingly, for example a kettle that will boil in five minutes rather than two-and-a-half, or a washing machine that will take an extra 20 minutes. "This kind of technology is likely to be available within ten years."

Cochrane believes there will also be an increase in wearable technology. "Mobile devices will move towards the jewellery level of technology. It will be the difference between a carriage clock and a wrist watch."

Looking even further ahead, Cochrane expects washing machines, TVs, and all other appliances will operate wirelessly, so when there are faults a service engineer can phone and book to repair it, even before the user knows there is a problem.

Whitehead at BT reveals that most fridge-freezers, washing machines and other kitchen appliances are already network ready because it is cheaper for manufacturers to put the capacity in before it is required than to add it later. "This means within time we can network these appliances, but for this to work you would have to trust your network and trust the third party, so the information only goes where you say it can."

He also expects artificial intelligence agents will become commonplace. "One of the first ones I see is the TV-watching agent. In six years' time, when there are 4,000 channels, you are not going to have time to scan the TV guide to find what you want to watch. So the agent will sit next to you on the sofa, watching what you watch, and will learn what you like then go out to the database and find things you may want to watch."

All this is in the future, but the technology to create a digital home is available today and consumers are likely to start adopting it soon, so the challenge for the channel is to understand how to market it to home users and what services to wrap around the technology to make extra margin. ■



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