

PC or TV: the border is becoming less clear-cut

CES Direct

GOOGLE - ready for VOD

Google announced at CES the launch of an offer to download videos called "Google Video Store" where users can download either free or pay to view video content. Google has signed several agreements with major studios to expand its content offering.

Google also signed an agreement with Intel for the use of viiv technology for using content in a home network.

YAHOO - Mobile, TV, PC

The head of Yahoo chose CES to announce the launch of a new Yahoo GO service enabling access to personal information either from your cell phone, PC, or TV set.

This service requires an Internet connection thus eliminating a synchronization process. Agreements have been signed with Motorola and Nokia.

PC/TV convergence

One of the most striking aspects of this year's CES was the reconciliation of these two worlds and vendor positioning between information technology (and computers) and television.

This convergence was visible on a large number of booths, both through the rollout of specific technologies enabling the "connection" between TV and PCs, as described in this article, and also by the presence of PC-type products at major TV companies.

The convergence of PCs towards television has been underway for several years, but only now is it becoming a reality. The Microsoft and Intel booths in particular were fully devoted to this trend (see our articles on those two vendors).

There is now very little distance between these two worlds. But we feel that both will continue to exist, unlike the fight that took place a few years ago on this issue, where both worlds contended that their vision would win out. (Recall the well-known CES conference where, following a presentation by Sony on its vision of the television of tomorrow, Bill Gates intervened to sweep aside that vision, explaining that content would necessarily be delivered via the PC and the Internet.)

We can draw up the following list of areas of convergence:

Television continues to be used in **broadcast** mode (traditional program broadcasting), but

broadband is increasingly present (either via ADSL Internet operators, or via cable operators who are beginning to offer TV over IP services),

Programs can be **recorded** in digital format on devices with **hard disks**,

Programs can be **redistributed** throughout the home,

Specific devices enable **computers** to receive television in broadcast mode,

Computers can distribute programs across the home via **wired or wireless networks**,

Portable devices can be connected to computers or living room systems.

Exchanges between these two worlds

We observed exchanges in both directions at CES:

Vendors of computers or associated technologies:

Apart from Intel and Microsoft, other vendors in this area are clearly positioned on markets that were until now reserved exclusively for TV suppliers.

For example, HP was showing several LCD TV screens, as well as Digital Video Recorders.

Many technology vendors were presenting USB (or PCMCIA) cards or devices to transform the PC into a TV or, better yet, into a DVR by using the computer's resources to copy to the hard disk.

It is also interesting to note that the computer world changed in 2005: it was the year when more portable computers were sold than

desktops. Consumers are increasingly looking for flexibility and ease of use, and these characteristics are available notably through wireless communication technologies.

To some extent convergence also comes from the similarity of display technologies. Flat screens belong to both worlds (even if it does not appear relevant



to use gigantic screens for computer office applications). This phenomenon was very visible

on all booths, where most screens were flat TV screens, showing more video content than software displays.

Consumer electronics vendors:

Several consumer electronics vendors at the show also offered digital terminals resembling living room PCs, featuring either their own proprietary technologies or, for the large majority, Microsoft's Media Center technology.

Fortunately these technologies remain "consumer-centric": their ergonomics and ease of use make them accessible to all. Users still need to master to some extent the various concepts of navigation, calling various menus, etc. And vendors are doing their utmost to make the technology intuitive, so that you do not need an

engineering degree to use it!

Beyond these devices, the same vendors are also offering consumer electronics products that can be connected to the Internet. Thus radios receiving their signals from the Internet are available; they can also play content in streaming mode on other household devices.

Systems also make it possible to exchange digital photos within the home, between the PC, the TV set, or even in frames offering slide shows...

Finally, the number of PMP (Portable Media Player) devices offered by consumer electronics vendors was simply astounding. These portable devices are easy to interconnect with the PC world (and the Internet) as well as with the TV world (directly connectable to TV sets or digital terminals).