

IT Analysis – Integrating the Digital Home: Intel Inside or Apple at the Core?

By Rob Bamforth, Principal Analyst, Quocirca Ltd

Forced upgrade cycles, dealing with security problems, interoperability issues, loss of data—the business challenges of IT move into the digital home. Most of us faced the problem the first time we upgraded the home PC, now there's the network beyond the computer to worry about.

It starts with the external connection. The old dial-up problems of losing the phone service when on-line to the office has dissolved into second lines, cable access and broadband filters. The new problem area is more likely to be does my broadband line have enough capacity to take the streamed IPTV, VoIP calls to international relatives and teenagers downloading music and playing massively multiplayer online games on three continents. Not so much quad play as a triple whammy needing as much bandwidth as the connection can possibly deliver—and with the requisite priorities and qualities of service to worry about. Copper may be the commodity de jour, but the derivative market is in connectivity—wire, fibre or wireless.

Inside the house it's no better, as consumer electronics buying turns into a significantly strategic ICT purchasing decision. When I upgrade the TV do I choose HD ready and what impact does that have on my cabling? The builder put category 5 into the house, but like the power sockets they aren't where I really need them, so can I move to Wi-Fi and which generation of 802.11 alphabet soup standards will I need?

The good news is convergence—everything is IP. The bad news is that's only an internetworking standard, and as soon as you head up the integration stack and want it all to work together, protocols and, worse still, data formats diverge. The digital home's music, having started with the common standard of MP3 has split with the 'cool' standard passing from Sony to Apple, and the 'cool' colour moving likewise from silver to white.

As video images moved from analogue to digital we dropped the Never Twice Same Colour, System Essentially Contrary to the American Method (NTSC/SECAM) and Peace At Last (PAL) wars in preference to shades of high and higher definition. At least still images have a universal format in JPEG... and TIFF, GIF, some proprietary software company formats and a few 'raw' formats from the major digital camera makers.

So what's the answer—wait until it settles down? That's not going to happen.

The problem is the mix of audio visual consumer electronics with the digital world of the PC. This is reasonable now that the media content formats have become digital; networks of all flavours are converging on IP, and the PC can be used as a means to edit and create as well as store and share audio visual content, as well as control the overall environment (supposedly). The convergence onto a base digital storage format and base internetworking standard sounded appealing, but it has led to increased complexity of integration.

The question is how to make the over-sophisticated PC, now networked with broadband and wireless potential, integrate intelligently with the discrete functionality of consumer electronics products, and make the whole digital content home simple to use? The long touted PC-TV convergence has failed to materialise as the TV lives in a simple user experience with relaxed laid back interaction at three metres in living spaces. The PC has a more sophisticated environment with sitting forward concentrated interaction closer than a metre within a working space.

Most of the initiatives have come from the IT industry, famous for its unnecessary complexity and the belief that beige is a cool designer colour, only recently usurped by silver with a brief dalliance with black. Microsoft through media centres, Cisco through the connected home and the Intel vision of the Viiv (pronounced to rhyme with five) platform. Each focuses on the 'heart' or centre of the digital home, forgetting that often the end points—plasma TV, surround speakers, high fidelity CD player—are generally more important and significant to the home dwellers.

Intel's approach through the Viiv concept could be an important step forwards, especially if it is to exploit a similar halo effect of branding that linked Centrino to mobility and Wi-Fi connectivity, and create user confidence in the ease of which all Viiv devices can discover and integrate with each other. However more work needs to be done to incorporate older 'pre-Viiv' devices, as most potential customers will have plenty of existing gadgets. The challenge for Viiv, as with the other approaches, is not to forget that most consumer electronics equipment has a longer lifespan than IT, and that there are legacy integration issues. (Known

domestically as, “no you can't replace the XXX, we've only had it 5 years”.)

There will always be a minority of early adopters keen to get their fingers burned on the latest technology, and for those in the upper income brackets, there will always be domestic installers and integrators who can be paid to make the problem go away. But for the mass market, the problem is likely to get worse before it gets better.

Now if IT vendors could really sort out the interoperability challenge and incorporate valuable legacy consumer electronics appliances in a seamlessly integrated digital home, they might have something with mass market appeal. Of course if they could do that, don't you think they'd already have done something similar for their business customers?

The dark horse, or given their prevalent colour scheme, white knight, in all this is Apple. The turnaround of the last few years has not only brought increased sales in the traditional Mac fan community, but also a new audience of consumers via iMac, iPod and iTunes. Apple is now well positioned to build on this success, and the industry is already making up or picking up rumours of more iThis and iThat consumer devices to add further to the IT core. Having this core based on Intel won't hurt either, if Viiv becomes a consumer electronics integration bandwagon of note. In the meantime, digital home consumers will have to cope with 'pick your own'.

About Quocirca

Quocirca is one of Europe's leading independent industry analyst firms. One of its biggest assets is the core team of highly experienced analysts drawn from both the corporate and the vendor communities. This team prides itself on maintaining a bigger picture view of what's going on in the IT and communications marketplaces. This allows all of Quocirca's activities to be carried out in the context of the real world and avoids distractions with fads, fashions and the nuts and bolts of specific technologies. Quocirca's focus has always been the point of intersection at which IT meets "the business".

Quocirca Services

The insight and experience that comes from working as an industry analyst as well as a practitioner allows the Quocirca team to contribute significantly to IT Vendors, Service Providers and Corporate clients. To this end, it provides a range of consulting and advisory services. Details of these, along with some of Quocirca's latest analysis, may be obtained by visiting <http://www.quocirca.com>

Quocirca's primary research involves the surveying of many thousands of technical and business end users each quarter, analyzing their perceptions of the possible impact of emerging, evolving and maturing technologies on their businesses.