



Issue: 10

Date: 22 November 1991

CD-I market launch in USA has wide retail and software support

Years of development and preparation work reached their climax on 16 October 1991 when the Philips CD-I system was launched to tremendous interest from press, trade and public in the USA.

The venue for the launch was New York's historic Ed Sullivan Theater, where show business personalities and sports stars took part in a spectacular show hosted by US television personality Dick Clark

The day started with a live interview by Philips president Mr. J.D. Timmer on the CNBC cable network, which was followed by a breakfast press conference for 40 top journalists from print and broadcast media.

Speaking to the invited guests in the Ed Sullivan Theater, Mr. Timmer described CD-I - 'The Imagination Machine' - as the publishing format of the future, meeting the increasing wishes of consumers for home entertainment, learning and self-improvement.

"The wide selection of CD-I titles allow consumers to actually interact with their TV sets to learn new skills or to enjoy a new dimension in home entertainment. In this way, CD-I turns passive viewing into an active, exciting, involving and imaginative experience", Mr. Timmer told the guests, before inviting them to try this new



Philips president Jan Timmer joins rock 'n' roll star Chubby Checker for a twist to some of the Golden Oldies on CD-I.

medium for themselves at the many demonstration set-ups which were available.

Also speaking at this event was IMS director Mr. Gaston Bastiaens, who described the wide industry acceptance for the CD-I standard and the partnerships formed by Philips to ensure a wide software choice for consumers.

Mr. Bastiaens also described coming CD-I-based enhancements like Photo CD, based on the CD-I/CD-ROM XA 'bridge' format, and the addition of full-motion video to the CD-I standard during the second half of 1992.

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IMS NEWSLETTER

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PHILIPS

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Some 500 invited guests attended the CD-I system launch on 16 October, at which the speakers for Philips included Mr. Jan Timmer and Mr. Gaston Bastiaens, shown speaking here.

Much of the emphasis at this presentation was on the wide CD-I software availability - with 31 titles immediately available on the launch date, increasing to 50 by end-1991, and hundreds more to follow quickly. Some of these titles were introduced by other guest presenters; for example rock 'n roll star Chubby Checker demonstrated the 'Golden Oldies Jukebox' and 'Cool Oldies Jukebox' titles; TV talk show host Dick Cavett gave a guided tour of 'The Renaissance of Florence', 'Treasures of the Smithsonian' and the 'Harvest of the Sun' disc featuring the works of Vincent van Gogh; while the 1991 PGA golf champion John Daly invited guests to join him for a round of 'interactive golf' on CD-I. Making it easy for guests to discover the excitement of CD-I for themselves, 20 demonstration kiosks had been placed in the theatre, allowing hands-on experience of a wide cross-section of titles.

Don Johnstone: "much more enthusiasm from the trade than we anticipated"

Speaking in Eindhoven a week after the CD-I launch in the USA, PCEC's president Mr. Don Johnstone said the interest shown in CD-I had exceeded expectations. "We had over 3,000 telephone calls on the toll-free 800 line in the two days following the launch from consumers inquiring where they could see and buy CD-I players", Mr. Johnstone said. "At one stage we were getting over 100 calls an hour. Feedback from key retailers and the press suggests that they have been very impressed with the system and the way it has been presented."

"Although it's still too early to judge the success in terms of sales, it's already clear that there is much more enthusiasm for CD-I - particularly from our partners in the trade, who are very interested in selling it - than we had initially anticipated."

"Our large-scale advertising campaign, together with the fact that CD-I is now available in over 1,000 stores across the country, show how we have made every possible effort to make sure that CD-I achieves the great success that it deserves", Mr. Johnstone said during his visit to Eindhoven.



Mr. Don Johnstone, president of Philips Consumer Electronics Corp., with Mr. Jan Timmer during the CD-I system launch in New York.

CDI 910 player in \$1,000 package

The first Philips CD-I consumer player is the CDI 910, which is now on demonstration and sale in retail outlets all over the USA. This user-friendly player is easy to connect to any television set and stereo system, and is styled to match high-quality audio system component units.

The CDI 910 is offered during the launch phase as a complete package, comprising the player itself together with a CD-I 'thumbstick' remote control unit, plus two CD-I titles, one CD Audio title, and vouchers good for free CD-Graphics and Photo CD discs.

New list price of the package is set at \$1,000, but market reports suggest that most outlets are offering a very attractive going price of around the \$800 mark.



A complete package priced at around \$1,000 ready for interactive enjoyment: the Philips CDI 190 player with two free CD-I discs, one CD Audio disc and vouchers for free CD-Graphics and Photo CD discs.

CD-I available at well over 1,000 retail outlets

'Seeing is believing' the key to success

Under the motto 'Seeing is believing', Philips Consumer Electronics Corp. has prepared a nationwide CD-I introduction through over 1,000 retail outlets of some of the best known chains in the US - including names like Dillards, Brand Central, Sears, Circuit City, Silo and Montgomery Ward.

These stores are supported by another 750 of the highest-volume Radio Shack outlets, which will be offering CD-I players custom-manufactured for the chain by Philips, and sold under its Memorex brand.

These chains were selected by Philips for their successful track record in delivering the latest technologies to consumers, and for their support of the Philips programme of comprehensive demonstration and education on the benefits of this new technology.

Emphasis on demonstration

Giving consumers hands-on experience of CD-I is the focal point of the retail introduction. For this reason, Philips Consumer Electronics Corp. has developed a comprehensive retail strategy for optimum presentation of the system to consumers.

Instead of just placing players on shelves, dealers have been given specially designed colourful 2.5 metre high



'Seeing is believing': a consumer tries out the experience of CD-I for herself using the demonstration kiosk in the Macy's department store in New York. Many of the available CD-I disc titles are displayed in the kiosk.

demonstration kiosks, each comprising a 27-inch Philips colour TV and a Philips CD-I player. Movable panels display a wide selection of disc titles, and player and disc literature is available on shelves.

An exciting continuous loop CD-I demonstration disc attracts the attention of passing shoppers, and encourages them to spend some time with the sys-

tem. Retailers have agreed to display the kiosk for a 12-month period, ensuring high visibility and a continuous presence for the system during the vital launch period.

Around 2,000 dealer floor staff have received training from PCEC on the CD-I system and its benefits, and are supported by another 500 expert Philips-trained demonstrators.

Philips brand name reflects innovative technology

Emphasising the global recognition of the Philips brand name as an innovator of new technologies, the introduction in the USA is taking place under the Philips brand - the first time this has been done for a mass consumer product in the USA.

"Because CD-I is a breakthrough in Compact Disc technology, which was invented by Philips, we see the CD-I introduction as an opportunity to renew our commitment to introduce new technologies under the Philips brand first", said Mr. Gerald Calabrese, PCEC's vice-president for Interactive Media Systems.



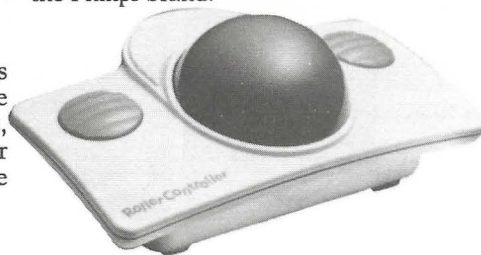
A Philips innovation: the CDI910 player, described as 'The Imagination Machine', is the first mass-market consumer product to be launched in the USA under the Philips brand.

"This introduction under the Philips brands allows us better to target the early adopters of new technologies, while at the same time renewing our commitment to the Philips brand in the US", Mr. Calabrese said.

Roller Controller - designed for kids

To support the vast array of exciting children's titles, Philips has developed the Roller Controller - a unique new tool to help children as young as 2 enjoy the interactivity and experiences of CD-I.

The product features an oversized roller tracker ball and large buttons in primary colours that children roll around to control the cursor on-screen. The Roller Controller was designed in co-operation between PIMA and Children's Television Workshop, and will be marketed as an accessory under the Philips brand.

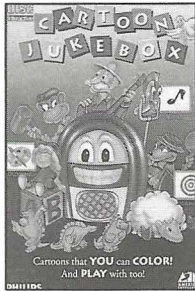


Thirty-one titles available from launch; many more to follow

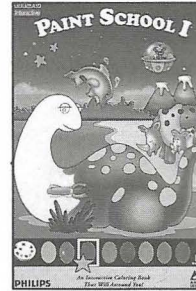
According to the Philips Interactive Media America catalogue, no other company gives you so many exciting CD-I programmes. PIMA works with leading publishers and entertainment companies to offer programmes spanning a broad range of inter-

ests, from entertainment to education, and from games to reference, for users of all ages.

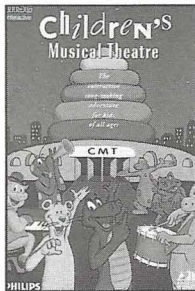
Here is a brief run-down on the first 31 titles to be made available on the market.



Cartoon Jukebox (PIMA).
Children colour characters from favourite tunes, then watch each cartoon come alive in their colours in dazzling original animation and song! Over 50 pages of cartoons, plus interactive games and features.
Ages 3 to 7.



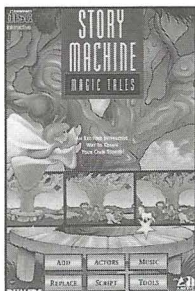
Paint School I (Spinnaker).
This interactive colouring book will revolutionise the art of colouring, with hundreds of scenes to paint, the use of 32,000 colours, CD-quality music and lots of other entertaining options and features.
All ages.



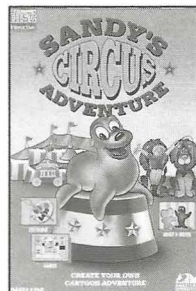
Children's Musical Theatre (Sonic Images).
Kids design songs by choosing a musical style, changing lyrics and adding or dropping out instruments. Thousands of variations are possible. The songs are performed by a most unusual animated band!
Ages 4 to 9.



Paint School II (Spinnaker).
More scenes to paint, in such exciting categories as Numerous Numbers, Lots of Letters and Shape Place, which teach kids important concepts while they colour.
All ages.

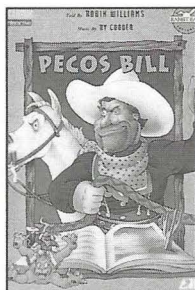


Story Machine: Magic Tales (Spinnaker).
Conjure up fantasies of your own! Like *Star Dreams*, *Magic Tales* supplies everything you need to create fully detailed stories. This programme has a fairy-tale/fantasy adventure theme.
Ages 5 to 11.

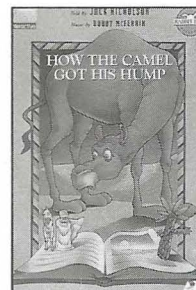


Sandy's Circus Adventure (PIMA).
Explore a Big Top with Sandy the cuddly sea lion and meet animals, clowns, a magician and other performers. Kids create the action and, with so much to see and do, Sandy's adventures are never the same!
Ages 3 to 7.

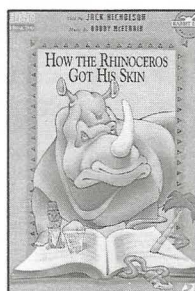
Storybook adventures (Rabbit Ears/PIMA). Each storybook has games to play and a Parents Notes mode that helps adults guide their children's learning and enjoyment. The games are designed to teach recall, comprehension and creative thinking.



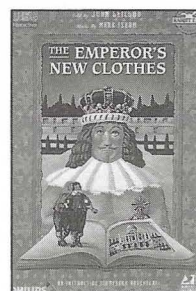
Pecos Bill.
A colourful retelling of the legend of Pecos Bill with narration by Robin Williams and music by Ry Cooder.
For all ages.



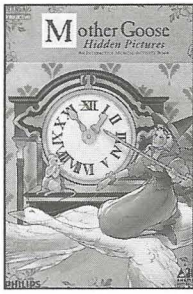
How the Camel got his Hump.
Rudyard Kipling's popular tale of a lazy camel is recounted by Jack Nicholson, with music by Bobby McFerrin.
For all ages.



How the Rhinoceros got his Skin.
Rudyard Kipling's fanciful story of a gluttonous rhinoceros is told by Jack Nicholson, with music by Bobby McFerrin.
For all ages.



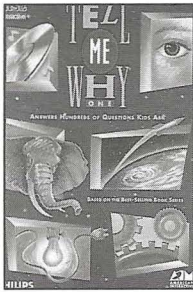
The Emperor's New Clothes.
A wry and insightful story about human nature. Narrated by John Gielgud and with music by Mark Isham.
For all ages.



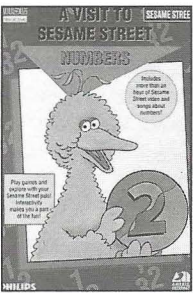
Mother Goose Hidden Pictures (PIMA).
Kids are challenged to find surprises hidden in scenes from 26 popular nursery rhymes. Once all the objects are found a whimsical scene animates to reward youngsters for their good work!
Ages 3 to 7.



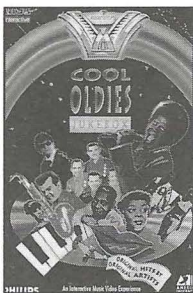
Mother Goose Rhymes to Colour (PIMA).
Not only can kids see and listen to their favourite nursery rhymes, but they can also colour-in the scenes. Then, magically, the newly painted scene comes to life! Includes 26 childhood favourites.
Ages 3 to 7.



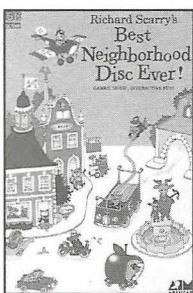
Tell Me Why I (Interactive Productions)
Answers over 175 questions kids ask in five areas of interest - Our World, How Things Work, How Things Began and The Human Body - with hours of attention-getting, fact-filled presentations.
Ages 7 to 14.



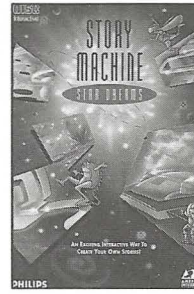
A Visit to Sesame Street: Numbers (Children's Television Workshop).
Children explore Bert and Ernie's home, the Count's castle, and Big Bird's nest (where there are no Sesame Street programs on their TVs and radios!) and learn about numbers through interactive games and toys.
Ages 3 to 6.



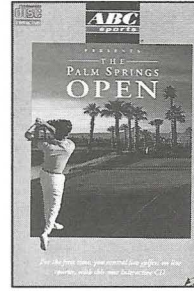
Cool Oldies Jukebox (PIMA).
Take a nostalgia-filled look at favourite oldies. Remastered digital audio is paired with video containing facts and trivia. Lyrics are cued in sync with the music, and you can create a custom playlist.



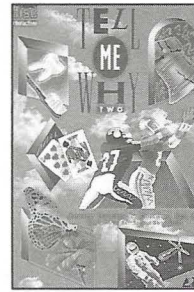
Richard Scarry's Best Neighbourhood Disc Ever! (PIMA).
Children explore the streets of Busytown and choose places and characters to visit. The town is chock-full of stories and surprises - opportunities to practice important pre-reading skills.
Ages 3 to 5.



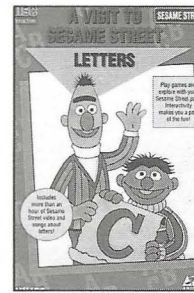
Story Machine: Star Dreams (Spinaker).
Journey to the outer limits of your imagination by creating your own intergalactic adventures! This programme supplies a cast of characters, useful objects, musical accompaniment and a way to create text.
Ages 5 to 11.



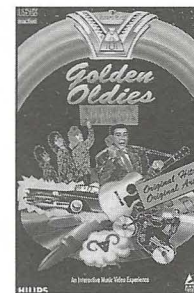
ABC Sports Golf: Park Springs Open (Fathom Pictures).
Play some of the world's famous holes, shown using real footage! You select the club, position a real golfer and control his swing. Sportscasters provide lively commentary and advice.



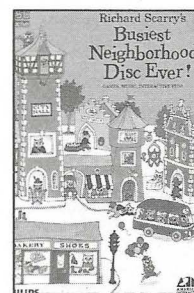
Tell Me Why II (Interactive Productions).
Provides enlightening answers to more questions kids ask about the same subjects as in Tell Me Why I. Both discs are adapted from the best-selling book series.
Ages 7 to 14.



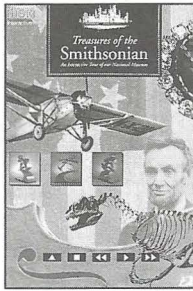
A Visit to Sesame Street: Letters (Children's Television Workshop).
Enhances children's alphabetical skills in an engaging, whimsical way, just like its Numbers counterpart. Activities include visits to Snuffy's cave, Bert and Ernie's home and Big Bird's nest.
Ages 3 to 6.



Golden Oldies Jukebox (PIMA).
Swing to tunes of the '50s and '60s in remastered digital audio while you watch related video and lyrics cued in sync with the music. Create a custom playlist for parties or personal listening.

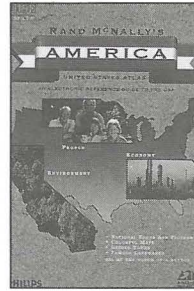


Richard Scarry's Busiest Neighbourhood Disc Ever! (PIMA).
Busytown once again comes alive with merry antics, humorous mishaps and loads to see, do and learn! Activities reinforce a variety of important preschool concepts. Pre-readers can easily use these programs.
Ages 3 to 5.



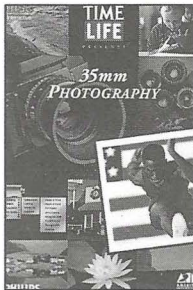
Treasures of The Smithsonian (PIMA).

Explore the highlights of the 13 museums and the National Zoo which comprise this institution. Browse through multiple subject areas and museums, explore links between objects, even walk around statues!



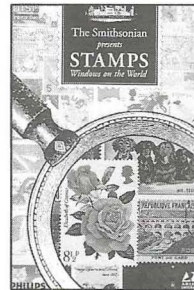
Rand McNally's America: Family US Atlas (VPI).

Pick any state and enjoy a self-directed tour of its attractions. Or look up interesting facts and figures about the USA's people, economy and environment. Great for school projects and family trips!



Time-Life Photography (Compact Publishing).

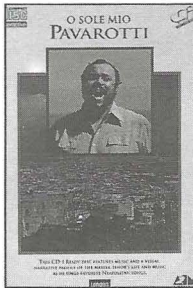
Take your pictures from mediocre to memorable in 25 step-by-step workshops. You actually take photographs with a simulated camera and see the results on screen! For experts and beginners alike.



Stamps: Windows on the World (Glyn/Net).

Novice and expert collectors - and anyone with an interest in world cultures - will love this wide-ranging guide to stamps and the stories they tell. Includes narration, music, sound effects and graphics.

The Video Album Cover Series (PIMA). These CD-I Ready digital discs can be played on a standard CD Audio player, but reveal more information when played on a CD-I player - like biographical information about the artist, photos and facts, song lyrics and electronic linear notes.



Luciano Pavarotti:

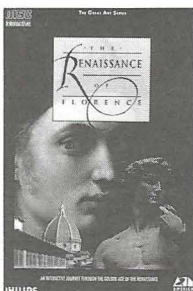
O Sole Mio. Listen to the renowned tenor sing favourite Neapolitan songs while you explore his life and works.



Louis Armstrong:

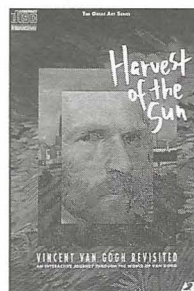
An American Songbook. Celebrate the best of American music with the trumpet virtuoso and six featured composers.

The Great Art Series (PIMA). A look at the world of art through a series of fascinating explorations of its great movements, masters and their works.



Renaissance of Florence: The Story. Travel to 15th century Florence and visit its palaces and churches. This programme brings to life the art, music and architecture of a remarkable era.

Renaissance of Florence: The Gallery. Choose individual artists and learn about their most famous works and techniques. The 'Gallery' feature allows you to create your own collection.



Harvest of the Sun: Vincent van Gogh Revisited.

Examine the life and art of Vincent van Gogh, all in brilliant colour and detail, and enriched with the music of his contemporaries Debussy, Bizet and others. Become a critic and a connoisseur!

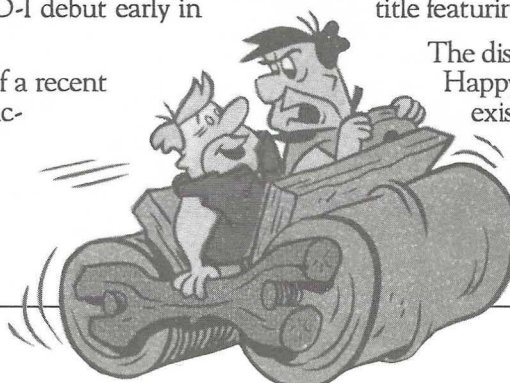
COMING SOON...

Hanna-Barbera cartoon characters to join CD-I in '92

Children will soon be able to interact with favourite cartoon characters like Scooby-Doo, Fred Flintstone, Yogi Bear, Huckleberry Hound and George Jetson, when they make their CD-I debut early in 1992.

These plans are the result of a recent agreement between Philips Interactive Media of America (PIMA) and Hanna-Barbera Productions, Inc., the worldwide entertainment company involved in TV and feature film production,

home video, licensing and related businesses. This agreement will permit the development of the world's first full-screen Full Motion Video (FMV) multimedia title featuring these popular characters.



The disc, to be called Hanna-Barbera's Happy Birthday To Me, incorporates existing video footage with new interactive material to create a whole new animated experience.

Tremendous nationwide advertising thrust for system launch

Bringing the CD-I system to the attention of millions of consumers right across the USA was an aggressive, large-scale advertising campaign targeted at the ten cities selected to pioneer the system launch: New York, Boston, Baltimore/Washington, Dallas, Houston, Los Angeles, Chicago, San Francisco, Seattle and Philadelphia.



This product leaflet introducing 'The Imagination Machine' covers the key selling arguments for the system, from easy hook-up and operation, through its unlimited education and entertainment potential, right up to the wide choice of available titles. 'Fun! Excitement! Knowledge! CD-I has it all' is the concluding pay-off line.

Magazine advertisements
Next to this tremendous advertising roadside in the daily newspapers, atten-



The first exposure to CD-I for most consumers was given by a 'teaser' advertisement, followed by a double-page spread with the title 'Imagine that it's Saturday morning...' placed in daily newspapers in the ten key cities at which the initial CD-I system launch was targeted.

'Teaser'

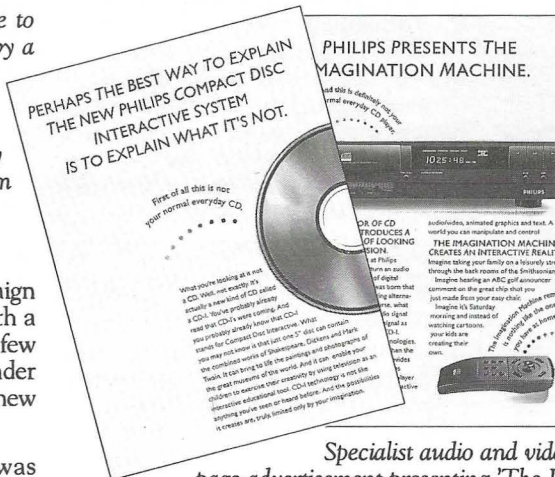
The main thrust of this campaign was in daily newspapers, starting with a 'teaser' advertisement highlighting a few of the exciting CD-I applications, under the heading 'Introducing a whole new way of looking at television'.

This initial advertisement was quickly followed-up by a double-page spread titled 'Imagine that it's Saturday morning...' (see photo). Here the new 'Imagination Machine' was presented, together with a selection of the available titles and a quick description of how the system 'can revolutionize your home entertainment experience'.

Both advertisements include the names of local retailers who have the CD-I demonstration kiosks where consumers can sample CD-I's excitement and



Macy's store placed its own advertisement, featuring eleven CD-I titles and informing consumers about the times and locations of scheduled demonstrations.

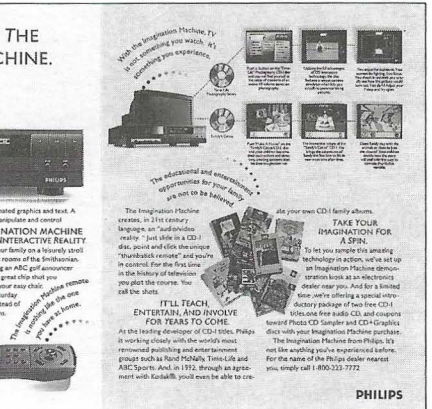


Specialist audio and video media were covered with a three-page advertisement presenting 'The Imagination Machine' and its ability to teach, entertain and involve.

entertainment for themselves, as well as a toll-free 800 number which consumers could use to call Philips for more information about the system. Providing extra exposure for the system were advertisements placed by retailers themselves; for example Macy's, which developed its own advertisement featuring the CD-I 'Imagination Machine' together with eleven wide-appeal disc titles.



The four-page consumer folder shown here starts with the message 'Put complete control of your television where it belongs - in your hands!', and gives a run-down on the player's technical features.



tion was also given to news and audio/video magazines. For the news magazines, a variation on the 'Imagine it's Saturday morning...' theme was developed, featuring just a few practical examples of what readers could do with a CD-I player and some of the available disc titles. This advertisement was inserted in Newsweek, Business Week, Popular Science, Sports Illustrated and other popular magazines.

While for the specialist audio and video media, a three-page variation on the same theme provided some more technical background information about the CD-I system, but again emphasizing the exciting application possibilities and showing a selection of disc titles. This advertisement appeared in Audio, Stereo Review, Video and Video Review.

Leading software developers focus on CD-I titles

Thirteen leading software development companies are working together with Philips Interactive Media of America (PIMA) - the new name for American Interactive Media - in the preparation of hundreds of new titles to give consumers even more choice of CD-I entertainment, education and skill acquisition programmes. To ensure the highest quality, creativity and variety, PIMA is working closely with leading entertainment companies, publishers of print and electronic media, computer software developers and many others involved or seeking to become involved in the interactive media field.

Today's major partners in CD-I title development include:

Broderbund Software, Inc.

Founded in 1980, Broderbund is one of the country's leading publishers of consumer software, specialising in entertainment, educational, graphics, productivity, creativity and business software for the microcomputer market. Located in San Rafael, California, Broderbund is the producer of award-winning titles, including the popular *Carmen Sandiego* series and *The Print Shop*. Broderbund is currently developing a children's title for CD-I based on Mercer Mayer's best-selling children's book *Little Monster Goes to School*.

Capitol Disc Interactive

Founded in 1988 as a joint venture between Philips and Capitol Video Communications of Washington, D.C., Capitol Disc Interactive specialises in the development and production of interactive multimedia applications. The company has produced a number of CD-I programmes internally and in conjunction with PIMA and others. CD-I titles produced to date include *Battleship*, *Connect Four* and *Pinball*.

Compact Publishing, Inc.

Compact Publishing is a packager and publisher of multimedia CD software founded in 1987 by Robert Ellis, former president of Time-Life software and vice-president of special projects for Time-Life books. Located in Washington, D.C., Compact Publishing is the producer of *Time-Life Photography*, a complete interactive photographic course on CD-I designed for PIMA.

Fathom Pictures, Inc.

Located in Sausalito, California, Fathom Pictures designs and produces interactive entertainment, sports performance and speciality programmes for CD-I, amusement park attractions and television. Fathom Pictures' CD-I titles include *ABC Sports: Palm Springs Open*, a live-action, interactive golf simulation; *Escape from CyberCity*, an award-winning, interactive cell-animated action adventure; and *Sporting News Baseball*, a live-action baseball simulation game produced in association with The Sporting News, which is currently under development.

Glyn/Net

Located in New York, Glyn/Net is a producer of business videos and a pioneer in the design and production of business and consumer CD-I applications. The company produced one of the first 20 consumer-oriented CD-I discs, entitled *Stamps: Windows on the World*, a comprehensive electronic manual presenting hundreds of postage stamps as vehicles for understanding cultures, learning geography and appreciating history and ecology.

ICOM Simulations, Inc.

Located in Wheeling, Illinois, ICOM Simulations was founded in 1985 to develop multimedia applications and tools for the emerging CD technology. ICOM pioneered the graphics-based interactive game genre by producing award-winning products like *Deja Vu*, *Uninvited* and *Shadowgate* for the Macintosh.

Interactive Arts

Founded in 1984 and located in Santa Monica, California, Interactive Arts specialises in the design and production of interactive multimedia projects for consumer, educational and industrial markets. Interactive Arts' award-winning *Tell Me Why I* and *Tell Me Why II* CD-I titles are based on the best-selling children's book and video series by Arkady Leokum, and answer hundreds of questions from inquisitive young minds.

Interactive Productions, Inc.

Established in 1985, and a leading independent producer of interactive digital entertainment experiences. The company is known for its expertise in designing and producing innovative interactive products for emerging CD and online-based platforms. Interactive Productions is currently producing several CD-I titles for Philips Interactive Media, including an interactive game show, *Hot Seat*.

Interlight Productions, Inc.

Located in Tallahassee, Florida, Interlight Productions is one of the largest privately owned companies in the world dedicated solely to the production of CD-I titles in response to international market needs. The Interlight team provides complete CD-I production services from conceptual design through all

phases of production. The interactive *Children's Bible Stories* is one of many projects currently being developed by Interlight for PIMA.

NovaLogic, Inc.

Formed in 1985, NovaLogic specialises in the development of home computer software, with an emphasis on video games. NovaLogic, based in Woodland Hills, California, is also noted as the creator of the award-winning *Wolfpack*, a World War II submarine simulation published by Mirrorsoft and Broderbund. Additionally, the company was one of the first developers to programme for CD-I, producing *Jigsaw: The Ultimate Electronic Puzzle*.

Optimum Resource, Inc.

The Optimum Resource group has been producing highly acclaimed, award-winning educational weekly reader software for over ten years and is currently collaborating with PIMA on two CD-I programmes called *Stickybear Math* and *Stickybear Reading*, designed to teach pre-schoolers the basics of math and reading on CD-I in English and Spanish. Optimum Resource was founded in Norfolk, Connecticut, in the early 1980s.

Sonic Image Productions, Inc.

The Interactive Division specialises in leading-edge music titles for CD-I. The Private Lesson Series features five premiere CD-I music titles designed as interactive tutorials, including *Guitar I: Classical and Jazz*, *Guitar II: Rock Guitar*, *Piano I and II* and *The Vocal Disc*. Sonic Images also produced the animated *Children's Musical Theater* title, and is developing *The Gershwin Connection*, a title celebrating the music of the great American composer George Gershwin.

Spinnaker Software Corp.

Spinnaker is a leading producer of PC software designed to enable end-users to create, access, integrate and communicate information. The company's products are marketed through an extensive retail distribution network consisting of more than 10,000 outlets, and through strategic marketing partners who are leading hardware or software manufacturers. Located in Cambridge, Massachusetts, Spinnaker developed the *Sargon Chess*, *Paint School*, *Laser Lords* and *Story Machine* CD-I titles for PIMA.