Interactive Media Systems

Issue: 13

Date: 1 June 1992

CD-I launch in UK precedes Multimedia Conference

It's here! Philips UK Chief Executive Officer Mr. Kevin Kennedy presents CD-I at the press conference launching the system on 27 April in London.

CD-I was launched in the UK six months ahead of schedule at a press conference held in the Bafta Centre, London, on the evening of 27 April - the day before the Third Multimedia Conference & Exhibition. This conference, held on 28 and 29 April under the appropriate title 'CD-I: a market reality', was attended by nearly seven hundred representatives of both hardware and software industries, trade and press.

The choice of the UK as the second country for the CD-I launch was an obvious one. To start with there was already a great enthusiasm for the system among the trade, and a relatively high awareness among consumers. And secondly, following the successful introduction in the USA last October, a fast-increasing choice of English-language titles is available - already over 50, with around 200 expected by the end of this year. From these titles, 32 were selected for the UK. These are now being offered for sale, together with the CDI 205 player, in 25 stores in the London area - a number that will increase to 500 nationwide by the main selling season in autumn.

Next to these 'US-style' titles, new UK-developed discs will be added to the list at a roll-out of about three to five a month, adding-up to a total choice of around 70 titles by the end of 1992.

The tremendous interest in the CD-I conference shows the readiness of the hardware and software industries to get on the CD-I bandwagon and seize the opportunity that the system offers them.

PHILIPS

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Mr. J.D. Timmer tries one of the CD-I demonstration systems on the Philips stand at the Third Multimedia Conference & Exhibition.

"CD-I opens up a new world, but software is the key to its success", Mr. Nobuo Kanoi of Sony told the conference.

Mr. Wayne Inouye of The Good Guys! gave a retailer's perspective on CD-I, following the successful US launch.

Meeting the challenge: Mr. J.D. Timmer

In his opening speech to the conference, Mr. J.D. Timmer told delegates that Philips had successfully met the challenge of getting CD-I to the market. First of all in the technological sense, in reaching the stage at which the system was ready for the market launch.

But also in the marketing sense, because such an innovative system demands a totally different and more intensive sales approach than other, more familiar, products. And finally in terms of software, because only the availability of a constant stream of new and attractive software titles will persuade consumers to buy the system.

Dutch Secretary of State for Education Mr. Jacques Wallage (left) looks at some of the Philips exhibits together with IMS Managing Director Mr. Gaston Bastiaens.

Mr. Timmer concluded his presentation with a demonstration of CD-I's new FMV (Full Motion Video) capabilities, using part of the 'Three Tenors' concert recorded in Rome.

CD-I in education

Also speaking at the conference was the Dutch Secretary of State for Education, Mr. Jacques Wallage, who underlined the potential of CD-I as an educational tool that makes learning much more interesting than traditional classroom lessons.

He cited the CD-I 'No Problem' English language course, which is at present being tested in a number of schools in the Netherlands, as an excellent example of the opportunities that CD-I offers in making learning more effective and enjoyable.

Among the other distinguished speakers at the conference were Mr. Nobuo Kanoi, Deputy President of Sony Corp., who described Sony's vision on CD-I and hardware concepts; and Mr. Wayne Inouye of the leading US retail chain The Good Guys!, giving their experiences and secrets for success in CD-I sales.

Portuguese launch during May

Mr. Pedro Reuter, Manager of IMS Portugal, gives a TV interview. Behind him is the European CD-I demonstration kiosk ('fun tower') which is also used in Portugal.

Closely following the launch of CD-I in the UK, it was also announced at the Third Multimedia Conference & Exhibition on CD-I in London that the system would be introduced in Portugal during the first week of May.

The title catalogue initially consists of 20 titles developed by Philips Interactive Media of America, covering children's programmes, games, music and special-interest titles. Several locally developed titles on culture and travel information will be introduced later in 1992 and during 1993.

The system, comprising the CDI 205 player and the title catalogue, will be sold in 20 selected outlets in Lisbon, Porto and some district capitals, increasing to 50 later in the year.

"Enter the fascinating world of Philips CD-I": this folder is being used to support the launch in Portugal.
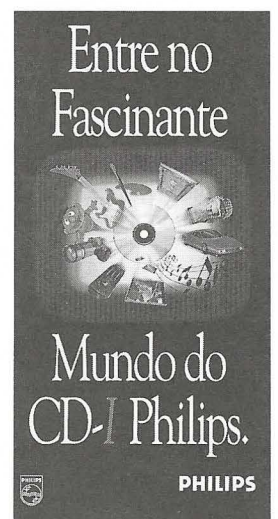
Presentations at the Third Multimedia Conference & Exhibition

Wayne Inouye, *The Good Guys!*

Speaking for the leading US retail chain The Good Guys!, with 38 stores and sales of over $426 million last year, Wayne Inouye highlighted the retailer's view of CD-I. With sales of over $1,000 per square foot, The Good Guys! is the most productive CE retailer in the US, a success that is due to three factors: the largest selection in each product category, a high level of service, and a value- added retail approach.

CD-I is among a barrage of new Consumer Electronics and computer-based products, which make it essential for retailers to be selective. The deciding factors in favour of CD-I were innovation, consumer interest, software, retail presentation, training, advertising support, profitability and price. All of these were covered by Philips, in a powerful and integrated package.

Particularly important is software, with a targeted approach that includes music, art and kids' titles, plus more games titles due this year from the Nintendo agreement, and the extra opportunities of Photo CD. With six to eight titles per player, The Good Guys! are very pleased with sales so far and believe CD-I will become the home entertainment focus for the family in the 1990s.

Nobuo Kanoi, *Sony Corp.*

Sony is positioning CD-I in the vertical market for industrial and professional users, so that it gains widespread recognition, according to Sony's Deputy President Nobuo Kanoi. The aim is to demonstrate the utility of CD-I, against all the different 'multimedia' concepts.

For the future, Sony intends to work together with software makers to respond to requests from the market, focusing initially on industry and professionals. Many requests have been received from business users who have thoroughly explored CD-ROM technology, and now want to benefit from the special qualities of CD-I in applications for accessing large volumes of data.

Following recognition of CD-I's ease of use by industrial and other special users, it is only natural that it will be embraced by the general consumer market, according to Mr. Kanoi. Expanding on the theme of Sony's Electronic Book, Mr. Kanoi said CD-I's

ability to handle colour images, with both data and retrieval software combined on the disc, makes it a highly flexible medium. He described the 'CD-I retrieval engine'; a standard software module that will simplify CD-I programming and form the core of many future applications.

Koji Yada, *CD-I Consortium Japan*

Presenting an overview of the CD-I activities in Japan was Mr. Koji Yada, Chairman of the CD-I Consortium Japan and President of CSK Research Institute. Seven manufacturers have been developing CD-I players - Sony, Matsushita, Kyocera, Sanyo, JVC, Yamaha and Pioneer - with releases taking place from April. Software titles include children's education, games and music, plus specific Japanese Karaoke and English conversation discs.

Activities of the CD-I Consortium include the issue of a compatibility check disc, the standardisation of a recommended CD-I package, and issuing a CD-I industry newsletter. The Consortium has also organised various events and a symposium, and has arranged for the presence of CD-I at exhibitions.

Future Japanese CD-I opportunities include Karaoke discs with an improved man-machine interface, for example VIP-Karaoke (Virtual Interactive Performance) in which the user feels as if he has entered the world of TV and can interact with it, and AI (Artificial Intelligence) Karaoke which compresses musical data so a single disc can hold over 3,000 pieces of music.

Bernard Luskin, *Philips Interactive Media of America*

'We look forward to inventing the future with you', Bernard Luskin, President of Philips Interactive Media of America told the conference in his presentation which reviewed the developments that have taken place in CD-I software since the last conference in 1991. Answering the question 'What is software', Mr. Luskin said software is magic - the ability to suspend disbelief so that the viewer will believe a story. Recent developments in CD-I software have included the ability to use real live action video with real actors, which is now being seen in video games.

Commenting on the US launch, Mr. Luskin said the target was to put a CD-I player 'everywhere there is a plug'. From 1200 stores at the launch, the system is now in 2,000 stores. Around 150 titles are now in production at PIMA, with 80 to 100 due to be released before year-end. The best publishers in the world are now getting involved with CD-I. Although no single publisher can be expected to make all the coming breakthroughs in CD-I, hundreds of separate producers, each making smaller breakthroughs and all learning from each other, will begin to do the magic things that we can expect from CD-I.

Chris Wright, *Chrysalis Group*

Both the hardware and software manufacturers should learn from the mistakes of the past, according to Mr. Wright, and should work together to make CD-I a success. This has not always been the case, he said, referring to media like the eight-track tape cartridge which required difficult resequencing of album tracks, as well as the DAT which failed altogether to penetrate the consumer market, and quadraphonic sound which was virtually stillborn.

The audio disc compatibility of CD-I means that it gives record companies an opportunity to sell repertoire in a totally new format. But it is a mistake to regard CD-I as just another boost to back-catalogue sales. CD-I software will only sell if consumers can see that it gives them some significant new added value. This can be found in the additional opportunities that CD-I offers for communication between artists and audiences. For example visual images, interactivity, data and interviews and much more. Exploiting these opportunities will require a lot of creativity and vision. But the result will be the ability to enjoy music as a totally new entertainment form - a complete multimedia experience at the full control of the consumer.

Garry Hare, *Fathom Pictures Inc.*

Reviewing some of the recent developments in CD-I software, Mr. Hare said that while film production companies would not even take his calls two years ago, today they were all contacting the people who are involved in interactive multimedia and entertainment, and above all in CD-I. The idea is

obvious - to begin to design an interactive or multimedia attraction at the same time that a feature film goes into production. Fathom Pictures is now working on such features, trying to figure out how best to add value to the basic concept through CD-I. The possibilities of CD-I are such, according to Mr. Hare, that while the first budget to make an interactive game out of one of the chase sequences in an Indiana Jones movie six years ago was around seven million dollars, today the same job can be done on CD-I for less than 300,000 dollars.

Jean Pierre Isbouts, *Philips Interactive Media Europe*

Speaking about title internationalisation, Mr. Isbouts said the wrong time to start thinking about this problem is after a disc has been made - then it can become an expensive venture. What you have to do is design for it up-front, then it is very easy to convert. The fact that CD-I is a digital medium is a big benefit, because it can be played worldwide, regardless of video standards - a benefit that is sure to be appreciated by all those who have produced analogue video media.

Using the Vincent van Gogh disc as a demonstration, Mr. Isbouts described it was produced in nine-and-a-half weeks, with each language conversion being done in just four weeks. Designing and producing for internationalisation is essential to make CD-I a worldwide success. Another key success factor is to use professional talent for translation and narration, using casting agencies in the destination market. The conclusion was: plan for an international market, and make sure that the promise of CD-I is fulfilled in all of the language cultures on this and other continents, to make sure that we can exploit CD-I as the true worldwide standard for interactive media.

Jacques Wallage, *Dutch Secretary of State for Education & Science*

'How should education respond to technological advances?', was the question posed by Mr. Wallage. The introduction of the new CD-I medium into an environment which is by its very nature interactive and highly concerned with communication will considerably increase the number of ways in which interaction takes place. After his first CD-I demonstration, Mr. Wallage quickly re-

alised that it offered a big improvement in price and performance over computers, thanks to the possibility of interaction through pictures and sound.

The CD-I 'No Problem' English language teaching disc, which is at present being tested in a number of schools in the Netherlands, is an excellent example of the opportunities that CD-I offers in making the learning process more effective and enjoyable. Key advantages of CD-I include the flexibility that it offers in the time and place of teaching; the ability to tailor teaching to individual pupils' needs; the fact that schools can 'fight back' with CD-I against the ever-increasing competition from TV and advertising images to which children are exposed, and - perhaps most importantly - CD-I's ability to make learning fun.

E. Garcia Camarero, *Sociedad Estatal Quinto Centenario*

Mr. Camarero presented the '500 Years After' project, which was first shown at the Universal Exposition of Seville, inaugurated on 20 April. This interactive multimedia product covers Latin America, Latin Europe and their relations throughout history - all summarised in some 10,000 images, with texts and voice-overs in four languages: Spanish, English, Italian and Portuguese.

A CD-I production studio capable of handling this kind of project was set up in Madrid, and now has 27 people able to handle all stages of title production. Facilities include a multimedia database and Hypercard cataloguing application, image digitising and processing, an audio studio, preproduction and simulation, CD-I production facilities using Sun workstations, and a Sun server system with 42 points of access allowing shared use and exchange of multimedia material.

The complete title comprises a collection of four disc volumes covering various aspects of Latin American history and development. Each disk is structured in two parts: one like a TV documentary, the other like a database for direct access to information in the form of text and images.

Ray Burgess, *Motorola Inc.*

Describing Motorola's commitment to the CD-I system and the latest developments in player electronics, Mr. Burgess told the conference about the

state-of-the-art in CD-I components - specifically the Video Decoder/System Controller and MPEG Full Motion Video Decoder. These are functional today and are now undergoing final compliance testing. The VDSC combines on one chip all the functions needed to decode and display two video graphics channels. The FMV decoder brings the possibility of digital full motion video imaging within the cost constraints of the CD-I player.

Talking about FMV performance, Mr. Burgess referred to the Philips demonstration which showed that quality is indistinguishable from VHS recordings. Motorola expects to sample all the major CD-I manufacturers in the next two to three months. Mr. Burgess also described the new CD-I development system - a platform for the modular construction of a CD-I system. This will accelerate the player design process and give users a competitive edge in the fast-growing market.

Marc Merckx, *Janssen Pharmaceutica N.V.*

The essence of successful marketing is to satisfy customers' needs better than the competition, according to Mr. Merckx. Marketing communications has an important role to play in this mission, and Mr. Merckx outlined his company's communications programme and media towards its various target groups. Key criteria are a benefit to the customer/learner, interesting programmes, the intrinsic stand-alone quality of the material, flexible programming to meet individual needs, an innovative element, a link with market research, and a synergy with the total communications programme.

Multimedia offers an attractive solution to these demands, and the fact that most physicians (and many patients) are expected to have a CD-I player at home makes this the most promising medium. Integrating a player into the representative's 'electronic briefcase' should create huge communication opportunities for the sales force. Clear CD-I benefits are the multilingual potential allowing multinational use of the same disc, programme comprehensiveness and flexibility, and the low cost at end-user level. Potential users should remember that any medium is only as good as its contents, Mr. Merckx warned.
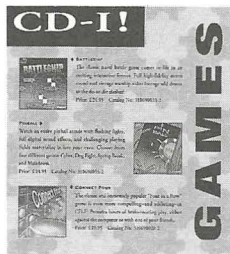
UK launch: free titles with player purchase

The UK's CD-I kiosk enables display and demonstration of the system in retail outlets. Software titles are displayed on racks at the sides.

Further back-up comes from an intensive direct marketing campaign aimed at specific niche groups of consumers. The total campaign will build-up region-by-region to ensure maximum dealer support and a consistent message.

Some of the promotional materials used during the CD-I system launch in the UK.

Consumers buying a CDI 205 player in the UK will receive a voucher entitling them to £50 worth of software titles free. As they buy additional titles, they can collect points which they can redeem against purchases of further titles.

The 32 titles initially available are priced between £14.95 and £39.95, and cover four main categories: children's, games, music and special interest. The list is already being extended by some three to five titles a month, including titles developed and produced in the UK for the UK market.
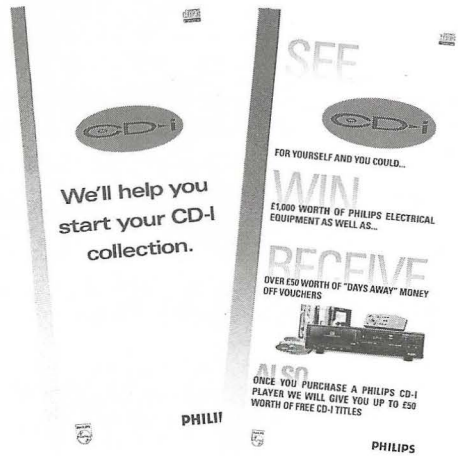

The UK software titles catalogue featured 32 titles at launch.

Retailers are selling the system with the slogan 'Seeing is believing', backed-up by a major advertising and promotional campaign using posters, as well as national, specialist and local media, aimed at getting consumers to go to a store and try CD-I for themselves. A dedicated team of Philips merchandisers are supporting retailers in en-suring the essential in-store exposure, and helping in developing demonstration skills and techniques.

As well as providing full product training in both hardware and software, Philips has developed a special CD-I kiosk for optimum display and demonstration of the system in-store. The kiosk includes a TV monitor plus CD-I player and 'Roller Controller', with software titles on display racks at the sides.

There will also be full point-of-sale packs and a special hotline for dealer support.

More encouragement for consumers to ask for a CD-I demo is provided by an incentive programme: potential customers seeing a demonstration get a book of vouchers worth £50 in reduced admission costs at amusement parks around the country. There's also a free prize draw to win Philips equipment worth £1,000 for both consumers and dealers.

MPEG FMV demonstration at London Multimedia Conference

The first public demonstration of working MPEG Full Motion Video decoder silicon was given by C-Cube Microsystems at the Third Multimedia Conference & Exhibition on CD-I in London.

C-Cube's MPEG decoder technology allows CD-I players to play-back Full Motion Video from a CD-I disc, which requires the use of data compression and decompression technology.

Data compression according to the MPEG (Moving Picture Experts Group) standard reduces the data storage requirements and the bandwidth needed for data transmission, allowing up to 72 minutes of VHS-resolution full-motion digital video to be stored on a single Compact Disc.

C-Cube Microsystems supplies products that enable true-colour images and full-motion video to be used in fast-growing applications such as colour desktop publishing, image databases, digital video editing, video mail, multimedia video production, CD-ROM-based video and direct broadcasting of video programming from satellites.

New CD-I authoring tools from OptImage

OptImage - a partnership between Philips Consumer Electronics and Microware Corp. - announced a range of new CD-I authoring tools at the London Multimedia Conference. The aim of these tools is to make it easier for title creators at all levels to enter the CD-I field, and to prepare and produce their titles simply and efficiently. The new tools are:

- *MediaMogul 1.1*, the latest version of the first multimedia authoring package that non-programmers can use, making it easier for individuals and companies to produce CD-I titles. MediaMogul 1.1 is a player-based package comprising four integrated software modules that combine to form a powerful multimedia authoring environment.

- *CD-I MediaShowcase*, an interactive player-based design and development environment for use by multimedia designers. This package is based on the dedicated CD-I Talk object scripting language, based on the Balboa runtime standard, which allows easy-to-use natural-language communication of application design to the CD-I player.

- *HAL90 PC-based development package*, a high-level authoring language that replaces complex computer procedures by multimedia navigation using a Microsoft Windows-based user interface. A library of Interactive Media models are available for designers to build on and use to form the basis of their programs, without the need to worry about low-level operational details.

- *CD-I Animation Stack conversion utility* allows multimedia program developers to convert QuickTime movies and PICS files to CD-I movies, thereby enabling the Apple QuickTime development community to bring QuickTime movies to the home consumer market via CD-I.

- *CD-I Media Stockroom asset management package*, a powerful multimedia database that allows easy browsing through the file system, easy database searching using almost any attributes of the assets, and manipulation of assets matching defined search criteria. A variety of built-in conversion routines are provided for both audio and video assets.

- *CD-I Fonts* provide TV-quality display of text and scripts in CD-I titles. These fonts are compatible with all the standard CD-I authoring tools from Philips IMS, such as the Balboa Runtime Library, MediaMogul and future developments. A choice of nine font families is available, and more will be added by the end of the year.
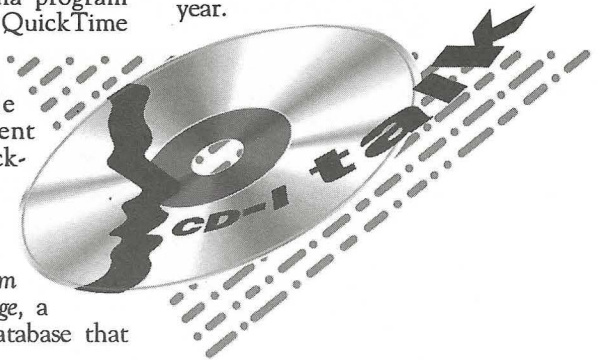
'Interactive television' development announced by GTE ImagiTrek and Philips IMS

Answering questions from the floor during the Multimedia Conference are Mr. Richard Robinson of GTE ImagiTrek (right) and Mr. Gaston Bastiaens.

GTE ImagiTrek - a major developer of CD-I applications - and Philips IMS have agreed to jointly develop technology and software that will allow TV viewers to interact with material presented on Compact Disc, based on the CD-I system.

This new development will be tested by consumers later this year. It will allow cable or broadcast TV viewers to use their CD-I system to retrieve information or images related to the programme they are viewing.

According to GTE ImagiTrek, this new system will allow consumers to benefit from the interactive capabilities of their CD-I system in a customised, on-demand way, adding a new dimension to the TV viewing experience. For example, a viewer using a 'baseball' disc, activated by an encoding signal in the broadcast, could call-up the image of a baseball player to review personal statistics whenever that player came to bat.

This development represents a further moving together of the TV, computer and communications worlds, creating an important platform for the growth of interactive media.

Japanese CD-I launch in April

Directly preceding the launch in the UK on 27 April was the CD-I system introduction in Japan on 25 April. At the launch 34 titles are being made available, eight of them in Japanese, with an estimated 100 titles to be available by the end of the year.

The lead in the development of Japanese titles is being taken by the Philips joint venture Japan Interactive Media (JIM). All the software titles were demonstrated in Tokyo at the CD-I Fair '92 on 21 April.