Intel Explores the World of Entertainment

To sell its multimedia Viiv technology, the chip maker tries to bring Mexican soap operas and Malaysian soccer to the desktop.

By Terri Yue Jones, Times Staff Writer
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FOLSOM, Calif. — Little in Kevin Corbett's schooling as an engineer or his career at Intel Corp. prepared him for his current gig: striking distribution deals for movies, television shows and broadcasts of sporting events.

Yet in the last year, the 42-year-old vice president of Intel's digital home group has jetted to Hong Kong, Shanghai, Mexico City, London, Cannes and Hollywood as he leads the chip maker's efforts to secure a starring role in the era of online entertainment.

Few initiatives illustrate Silicon Valley's key place in the fracturing media industry better than Corbett's efforts to broker deals to bring broadcasts of Malaysian soccer matches to Bahrain, Chinese variety shows to Britain or Indian movie musicals to the United States, depending on regional access agreements.

It may surprise some that Mexican soap operas, or telenovelas, have big audiences in South Korea, Russia, Israel and elsewhere. Corbett is working to satisfy that appetite online.

Intel's ultimate goal is to sell more personal computers built around its home entertainment technology, which it calls Viiv. Unveiled in January, computers with Viiv (rhymes with "five") components deliver enhanced video and sound for a more seamless user experience. To spur demand, Intel needed to ensure that buyers of Viiv machines — made by Dell Inc., Hewlett-Packard Co. and others — would have something to watch.

Corbett's job isn't so much to purchase distribution rights the way a television network might. Rather, he tries to persuade studios, networks and Internet portals like Google Inc. and Yahoo Inc. to use Intel technology to pipe programs into homes around the globe.

"Our strategy is to go in and learn what the content guy needs and the network guy needs, go in and make it happen," Corbett said. "We just want to see people use the technology more and see people enjoy all kinds of new content."

It's hardly the expertise for which Santa Clara, Calif.-based Intel is best known. Corbett is an engineer who earned a bachelor's degree in computer science from the University of Texas in Dallas in 1988 and has primarily developed and sold chip hardware.

"Intel going into the content process and making that part of the value proposition of Viiv is about as far as I can get from planning the features and capabilities of microprocessors," Corbett said.

But as people increasingly turn to their PCs for video and music, Intel and other hardware manufacturers are racing to build the technological infrastructure. Intel's archival, Advanced Micro Devices Inc., is marketing its own brand of high-end computers for creating and playing digital media, called AMD Live.

Think of Viiv as a high-tech hose connected to buckets of paint, spraying small canvases around the world. The buckets are video from Intel partners such as India's

http://www.latimes.com/business/la-fi-viiv14aug14,0,3965534,full.story?coll=la-home-business
Eros International, Mexico’s Grupo Televisa and the Shanghai Media Group; the canvases are Internet portals such as Yahoo, Time-Warner's AOL unit and their equivalents, or individual computer monitors.

That hose is to be turned on before the end of the year. Studios and networks can gain revenue by allowing their content to be downloaded or streamed, either for fees or supported by ads.

At a recent strategy meeting in Folsom, near Sacramento, Corbett’s team mulled over potential arrangements with the aforementioned U.S. Internet heavyweights as well as Wanadoo of France, T-Online of Germany, British Telecom, Japan’s Biglobe and GyaO, China’s Sohu, Korea Telecom, Australia’s Big Pond and others.

"I’m in the business of convincing the media companies to make their content available, then introducing them to new markets, especially the international ones," Corbett said. "Televisa doesn’t have relationships with distribution partners around the world; we do. I’ve got 100-plus partners who are online content distributors or online portals, and that network is extremely valuable to Eros, Televisa and Shanghai Media Group."

Viiv combines powerful dual-core processors and the Media Center Edition of Microsoft Corp.’s Windows operating system, which has built-in software for playing music and video. A version of the OS allows the viewing and recording of television shows.

Viiv users click on "Online Spotlight" to reach menus of content from Mexico, India, China and elsewhere. There will be several viewing models, including free content that is either sponsored or promotional, click to rent and click to own — all available only on Viiv PCs later this year.

Nonetheless, Intel is having a hard time defining the leap that Viiv represents. "Viiv is a tough one for consumers to figure out," said Tim Bajarin, principal analyst with the Silicon Valley consultancy Creative Strategies. "It’s a legitimate platform that is important for overall Intel marketing. But I don’t think they’ve done a good job explaining the true values and virtues of Viiv to the consumer market."

Some said that even within the company there is some ambiguity as Intel stretches to be more than a semiconductor company.

"When you go to Intel and ask what Viiv is, you get different answers: It’s PCs, it’s technology, it’s services, it’s platforms," said Van Baker, a consumer technology analyst with Gartner Inc. "Within Intel, they’ve got a lot to do to communicate what Viiv is."

To American computer users who speak only English, Viiv means a fast, robust computer system optimized to deliver digital entertainment, especially video, over the Internet. In global terms, however, Viiv means not only computing muscle but access to programming from a number of foreign countries.

There’s an enormous appetite worldwide for dramas via broadband connections, and Viiv’s strategy is designed to cater to that market.

Mexican soap operas seem to address the demand for content quite nicely. Asian TV viewers eat up the melodramas, which are full of the visceral passion and tragedy that characterize home-grown shows.

Alicia Joo-hyeon Lee, a 23-year-old magazine editor in Seoul, remembers that as an elementary school student, she was enthralled by a Mexican series called "Carrusel," dubbed into Korean, about a teacher and her class.

A recent Mexican-made remake of the series, called "Vivan los Niños," was broadcast in South Korea this year. "My Sunday school students were talking all about it," Lee said.

Lee remembers "Carrusel" well. "The characters were all foreign so it was new to Korean children, and that made it interesting. But we didn’t know it was a Mexican TV show. We just knew it was a foreign program."

There is no Televisa website offering Mexican series to Koreans, Chinese, Israelis or Russians, but such shows as "Rubi" and "Alborada" are broadcast on conventional TV networks to rapt audiences in their countries.

"In South Korea, I think it’s a cultural issue. They really dig telenovelas," said Antonio Rallo, Televisa’s vice president for technology strategy. "It’s hard to compare with the U.S. — maybe something like ‘Dynasty.’"

Mexico produces more television shows than it can broadcast on its domestic channels. Televisa puts out 50,000 hours of programming a year, much more than American networks. The shows are translated into 15 languages with dubbing or subtitles and...
broadcast in 70 countries.

"Televisa for the last 30-40 years has been selling content around the world," Rallo said in an interview from Mexico City. "We've always seen ourselves as a Mexican company with global reach."

But using Intel-developed technology and rights management is new and allows Televisa to open additional revenue streams by selling broadband as well as broadcast rights in the same market.

Corbett plans to stay in the thick of it.

"I will always be on the cutting edge of what's exciting, fun and different," he said. "As long as they let me do it."

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