Intel Moves to Give Itself a Key Home Entertainment Role

Its Viiv technology will help facilitate the delivery of movies and music from the Internet.

By Terril Yue Jones, Times Staff Writer

SAN FRANCISCO — Its chips direct the inner workings of personal computers, and now Intel Corp. is sliding aggressively into the director's chair as it tries to shape the PC's evolution as an entertainment device.

The world's biggest chipmaker has struck deals in recent weeks with a range of companies well outside its traditional relationships with computer manufacturers — for instance, with TV networks British Sky Broadcasting and France's Canal Plus, digital recorder maker TiVo Inc. as well as music download services Napster and VirginMega.

Intel's aim: To position its upcoming Viiv platform as central to the growing market for online entertainment and essential to the digital living room.

Viiv (rhymes with five) computers, expected to debut early next year, are designed to make it easier to watch TV or movies over the Internet and manage collections of music, video and photos.

"These kinds of content experiences are going to explode, the way the Internet exploded 10 years ago," says Kevin Corbett, general manager of Intel's Content Services Group. "But it's got to be done in a way that the mainstream consumer is going to get it. One step is having a technology company like Intel pull those pieces together."

By allying with content producers and device makers, Intel hopes to establish Viiv as a brand with as much cachet as its Centrino technology enjoys in wireless computing. All devices, services and applications would carry a tag that invites users to "Enjoy with Intel Viiv technology."

Viiv, though, "is a much more complicated effort than Centrino, which was a bundle of hardware technology that a PC maker could pick up and a buyer would trust," said Rob Enderle, principal analyst of the Enderle Group. "Viiv goes much beyond that -- it's trying to redefine the overall ecosystem."

With Viiv chips and technologies, Intel hopes to control a digital environment in which video and audio can move seamlessly around the world and around the house. PCs would work with televisions and digital recorders and portable devices so people could move their entertainment wherever they wanted.

That sort of integration requires coordination before devices roll off production lines or websites go online. A downloadable movie, for example, would have to be encoded with the proper software to take advantage of Viiv's technology. And portable devices would need to be Viiv-compatible to play the movie on the go.

"The most significant thing is that Intel intends to qualify not just access, but also the quality of video so as not to show jittery videos in a small window," said Richard Doherty of Envisioneering Group.

With a TiVo video recorder, Corbett said, users could transfer recorded TV shows to Viiv PCs with the push of a button. From the PC, the broadcasts could be sent wirelessly to different rooms around the house.

"TiVo offers a great consumer interface," Corbett said, adding that compatibility with Viiv might also help TiVo revitalize its own business, which is under pressure from cable and satellite companies offering generic versions of TiVo's digital recorders.

Jim Denney, TiVo's vice president of product marketing, called the alliance an important update to TiVo service: "This new application will allow our users to control their favorite TiVo recordings even more easily so they can watch what they want, where they want."
Viiv machines will be built by PC makers such as Dell Inc., Hewlett-Packard Co. and Gateway Inc. with operating systems by longtime Intel ally Microsoft Corp. Viiv could extend the reach of Microsoft's 3-year-old Media Center Edition of Windows, which provides an easy user interface to access music, photos, and CDs and DVDs.

But neither Microsoft nor the PC makers have marketed the Media Center platform aggressively and sales have been lackluster. With Intel on board, Corbett said, "you'll see more acceleration than you've seen in the last two years."

Of 40 Viiv partners Intel has signed so far, "some are companies that probably would never have allied with Microsoft on their own," Corbett said.

Despite Intel's global clout, some analysts note that entertainment differs in important ways from other areas where Intel has dominated.

"Is this going to push the PC into the living room? No, because a consumer programmable device, which a Windows PC is, is not stable enough to be a television platform," said Van Baker of Gartner Inc. The ability to tinker with PCs can result in "not getting access to your TV because a buddy brought over a CD with a game on it and then suddenly your TV doesn't work."
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