

Electronics and computers compete for the digital home

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Expansión

Consumer electronics companies, like Panasonic and Sony, and computer companies, like HP and Microsoft, are competing to implement their platforms in the business of the intelligent home.

Regulating the lights and the temperature in the home from a remote tactile screen or using the same appliance to control in an integrated way all household leisure appliances is now a reality.

This was made clear at the 2003 Consumer Electronics Show (CES), which took place in Las Vegas at the start of January. This forum has become a shop window of products for the intelligent home, a market that will move some 1700 million dollars in 2005, compared with 180 million in 2000, according to the research firm Cahners In-Stat.

Screen

One of the star products of CES 2003 was the intelligent screen, a wireless tactile monitor that, in the opinion of Forrester, as soon as its price comes down, will change the use of the PC as much as broad band has done. If high speed Internet allows you to connect at any moment, intelligent screens add the possibility of connecting anywhere and, thanks to the wireless nets, without the need of cables.

Thus, these appliances will allow you to enjoy the capabilities of a computer anywhere in the home. The user will be able to surf the Internet from the sofa, consult electronic mail lying in bed or look at digital photographs in the kitchen. Moreover, the intelligent screen can be used to adjust the volume of the music centre, change the TV channel and even turn out the lights in the next room.

Some of the appliances present in the intelligent home already enjoy a certain popularity. Such is the case of the PVR (Personal Video Recorder), a type of intelligent video that downloads programme planning from the Internet, recording the user's favourite programmes and transmitting TV programmes with a certain delay to avoid the adverts. This appliance will be in nine million North American homes by the end of 2003, according to Forrester. Others will have to wait a little longer for it to become a reality. As is the case with refrigerators with the capacity to order via the Internet the foodstuff that they have run out of.

However, in order for the use of these appliances to become popular in digital homes, the widespread utilisation of broad band is essential. The majority of appliances that make up the intelligent home require the high speed connection of always on. Thus, in the so called digital homes, broad band Internet will become a utility, the same as electricity. It is also probable that bills will be similar, with only one bill including the consumption of all connected appliances.

Consumers

Forrester affirms that more than twenty percent of the consumers that have the intention of contracting a broad band connection in 2003 will also be interested in having a connected home (in which the PC and other appliances are connected to one net IP). In Europe, six percent of the population have this type of home and in Germany the percentage rises to ten percent. In the next twelve months, eight percent of European users will have broad band, while in the United States the number of homes with high speed Internet reached 16 million at the end of 2002, according to The Yankee Group. For this research firm, the market will not only be divided among computer companies like Microsoft, Hewlett-Packard and Texas Instruments, but also among manufacturers of consumer electronics, like Panasonic and Sony. This competitiveness obscures the debate about which platform the digital home will be developed on: the products of consumer electronics (especially the television) or the personal computer. The discussion responds to two types of users. On the one hand, the consumers of leisure products, like games, cinema and television. And on the other, the users of productivity tools who make their homes an extension of their offices, although with some concessions to leisure.

Of course, manufacturers like Sony opt for the television as the centre of the intelligent home, as their president Kutikane Ando stated at CES 2003. For their part, at the same event Dell and Microsoft assigned this role to the PC.

Whatever the case is, the debate still depends on a reduction in prices and on the establishment of a standard that will guarantee the compatibility of all the products that will come to make up the intelligent home.

The Question

"What services will stimulate the adoption of products that make up the digital home?"

Users want to make a saving

Brian Subirana, IESE Professor

It would be very easy to say that the possibilities are infinite and that the digitalisation of the home will reach previously unimaginable levels, like the detection of fractures in materials or the remote control of said fractures. One could also say that the social model will change because of the nature of the buildings in which we will live or that horizontal or vertical property rights will give way to new formulase of ownership based on new digital services. However, the most important thing is that the services offered are reasonably economical, easy to use, reliable and integrated. The World Wide Web and the mobile illustrate the importance of these four aspects. The digital home will have the added problem that its value lies in the installation of services within the home, which actually supposes multiple barriers: installation, maintenance, furniture not adequately adapted and obsolete regulations. For this reason, any service that can overcome these barriers will be to the advantage of an early adoption of the products that make up the digital home.

A question of prices and new applications

Sebastián Muriel Herrero, Manager, PwC

The concept of intelligent housing deals with the existence, within the home, of multiple points of access to appliances of very different origin. Today, the use of this network

starts with the connection of entertainment equipment, advanced communications, access to information and contents to do with leisure, as incipient systems that carry out certain functions by remote control. Other services that will certainly stimulate the digitalisation of the home will have to do with telework, education, security applications, telepresence and other more complex systems of health monitoring and telemedicine. Undoubtedly, it will evolve towards integral solutions in which, via a residential bridge connecting the digital home with the exterior, community networks and applications for specific collectives can be established. Of course, it is necessary to point out that access to all these new possibilities and services will not be free.