

ZiiEagle has landed to help Creative fly

Homegrown firm makes content market debut with movie player

By CHRISTOPHER LIM

(SINGAPORE) Creative Technology debuts in the media content business today with its ZiiEagle movie player - and hundreds of Chinese movies and TV dramas up its sleeve. Its strategy: bundled content enclosed by stringent copyright protection.

'This is definitely not a one-off project,' said Vinson Chua, Creative's director of media services, in an interview on Friday. 'As a roadmap, the ZiiEagle represents the first in a family that will engage in the media distribution business.'

The ZiiEagle is a media player device about the size of a cable television set-top box, which started selling today for \$888 and may be sold at a retail price of \$1,070 by next year.

It is Creative's first step in leveraging 668 Chinese films that it has licensed from the Shaw Brothers Film Library: a deal with rights-holder Celestial Pictures that was announced on Dec 2. Neither Celestial nor Creative would reveal the cost of the deal.

Celestial restored the movies, many of which have never been released on DVD or shown in Singapore, while Vue Networks handled detailed categorisation. Creative provided its in-house Zii chipset. Vue Networks - once a wholly owned subsidiary of Creative - is currently evenly split between Creative and Mega Media Holdings.

Some 500 hours of TV dramas have also been licensed from Celestial, but have not been released in a Creative product yet. Mr Chua also confirmed that additional content - in both English and Chinese - has either already been licensed from other parties, or is in the process of being licensed, and that this content may well find its way into future ZiiEagle boxes. Celestial chief executive Ross Pollack confirmed ongoing content discussions with Creative in an interview on Dec 7.

'You will start to see a variety of ZiiEagle devices, maybe, with different features catering to different markets,' said Mr Chua. This initial ZiiEagle is only licensed to be sold in Singapore.

Copyright protection is the first of two key aspects of Creative's ZiiEagle business model. It is a closed box, which means you cannot copy any movies on to it or off it. For example, the ZiiEagle is being sold with 668 Shaw movies at standard-definition quality, which are then upscaled by the device to high definition (HD). When the Celestial-Shaw library is eventually remastered to HD, Creative will consider selling it as a separate product rather than upgrading the current ZiiEagle.

Content bundling and pre-loading is the second foundation of the business model. International digital distribution leaders such as Apple and Amazon rely on a la carte sales of movies that are then downloaded to devices, while others such as YouTube are built around streaming videos over the Internet without downloading. Creative has stepped outside the downloading vs streaming debate by only selling players preloaded with videos. And it is only selling bundles instead of individual films or TV episodes.

Mr Chua said that Creative was not interested in competing in the existing market of general-purpose media players that can store and play back any content, but rather in creating a new market where it has a first-mover advantage.

A shortcoming of the closed-box approach is that customers could eventually end up with multiple ZiiEagle boxes, each representing one bundle of content. However, Mr Chua said that convenience, overall value and a coherent theme for each bundle would offset this inconvenience.

This first ZiiEagle is targeted primarily at customers aged 50 and above who will best appreciate its cultural and archival value, and who have disposable income.

Although Creative has no current plans to extend its new business model to music-only content, it remains open to the possibility if it can find a promising way to package such content, said Mr Chua.

While this first ZiiEagle does not integrate with Creative's extensive product portfolio, Mr Chua said that future ZiiEagle bundles may connect with Creative's portable media players and tablets.

Copyright © 2010 Singapore Press Holdings Ltd. All rights reserved.