

Report Draft

Subject Report Draft
Sent 11/4/96 8:31 PM
Received 11/4/96 9:48 PM
From Doug Camplejohn, doug@digitalcommerce.com
To Peter Hoddie, hoddie@apple.com
CC
Message Peter,

Here's a more flushed out version of the report in ASCII. Let me know what you think.

I'll make any final changes, and then send it on to you in Word format.

Best,
Doug

Shaking Up The World:
Thoughts on the launch of QuickTime 3.0

Doug Camplejohn
11/4/96

Overall Observations

The next major release of QuickTime represents the most significant leap in the product architecture since QuickTime's introduction, and should be capitalized upon accordingly. After spending a day with various parties associated with QuickTime at Apple, I believe that Apple has an opportunity to (at least) match Microsoft's ActiveMovie efforts with release 2.5 for Windows, and take a substantial lead with release 3.0. However, I feel that Apple needs to be much bolder in its marketing plans, partnering, and messages if the company wants to maximize the potential impact of this launch and product. Microsoft has great marketing, broad distribution, and few morals, and to fight this battle naively or weakly invites the possibility of them winning again, despite inferior technology.

Overall Strategy

In the rest of this document, I've focused on the following areas, that comprise the elements of a successful launch:

- Technology
- Branding
- Message
- Partners
- Marketing
- Business Model

Technology

The technology in the next releases of QuickTime overall seem very strong, but there are a few holes. First, it is crucial that QuickTime 2.5 have at least as good MPEG support as Microsoft's ActiveMovie, and can read ActiveMovie formats transparently so that it's truly a superset product. The Internet link portion of QuickTime 3.0 also needs to be fully developed (i.e. ActiveX control, Navigator plug-in, tested over LAN and dial-up connections, etc.) as this will be a large part of the marketing message. Finally, Apple needs to have a stronger streaming story, which should be a combination of local caching-style streaming (e.g. ShockWave) and client-server streaming (e.g. Precept, Progressive Networks, Starlight, VXtreme).

Branding

I believe that QuickTime 3.0 is a revolutionary leap, and you should definitely not call it QuickTime 3.0 and make it appear to be only an evolutionary step. I like the name QuickTime Interactive (QTi), for what it's worth.

I also think it's time to come up with a new/updated logo for QTi - one that can be adopted to a new icon, an animated web banner (like the Microsoft Explorer banner), and used throughout the marketing/advertising campaign.

NOTE: when HyperCard 3.0 is ready to launch, I would do the same thing, and call it HyperCard Interactive (HCI), NOT

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HyperCard 3.0.

Message

QuickTime 1.0's message was "cut-and-paste multimedia."

QTi has two messages: a developer message ("cut-and-paste interactivity"), and a consumer message ("the universal player"). Obviously these messages will have to be backed up with strong partnerships, demos, and marketing background materials (e.g. white papers).

Partners

You've covered the obvious candidates (e.g. toolmakers, multimedia content vendors), but need to hit some big strategic partners to make this take off and be newsworthy. For example: Intel, JavaSoft, PointCast, Electronic Arts, Sony/Sega/Nintendo, WebTV/Diba/Navio, Pixar (active clip art), Electric Communities/Worlds Inc./OnLive (3D chat)

The war will be won on content, not APIs. You need to make it easy for people to get their materials into QTi format, and make it difficult for them to switch. A few possibilities:

- 1) Apple runs a for-profit program to get corporations to convert content into QT format. Qualify and partner with a set of multimedia developers to do the actual work. Create a "starter kit" program that lets companies send in a video and set of slides (e.g. training), and converts the entire thing into a big QTi movie.
- 2) A more subversive approach is to engineer some form of subtle bug that manifests itself (e.g. synchronization drift) if a QTi movie is converted into ActiveMovie format (much like the copy protection "spike" put into videotapes).

You definitely need to have Macromedia's support, at least publicly. I'd have someone write the Director-to-QTi conversion code. Turn it into an applet for the developer CD, and give the source to Macromedia to make it easier for them to integrate into Director.

Marketing

Some thoughts on the press presentation and demos:

- Emphasize percentage of content out there in QT format on Internet versus VFW/ActiveMovie, and statistics on QTW ranking of overall net downloads (it's in the Top 10 - check with CNET's shareware.com group)
- Emphasize number of QT applications out there (be generous), and emphasize that any QT application can immediately take advantage of QTi
- Be dramatic in visuals - e.g. create animation of all the run-time player icons being put in the Trash, and then QTi icon appears
- The current demos are good technology demos, but you should create "Day in the Life" scenarios of how this can be a paradigm shift in business, education apps, etc. Have success stories of real customers solving real problems to go hand-in-hand with this.
- There should be a very strong emphasis on the Internet tie-in - the notion that the Internet is "just a big hard disk" and that any piece of content can be dynamically updated without having to launch a web browser or separate application. Complement this with some announcements from some title vendors on how they plan to update their QTi discs via the Internet.

Assuming you have a solid marketing/advertising budget, I'd set a specific date for the launch, and then start advertising the release through teasers (much like a movie release). If you build up enough anticipation, and have a killer one-two punch of the technology and partnerships at the launch then you'll get incredible coverage and have strong momentum. Think big. Consider billboards, posters, print ads, etc.

Business Model

The real question here is: "Who has money?" The answer is authors, hardware vendors, consumer electronics companies, and large businesses.

Authors: For authors you can charge for tools, developer programs, and conferences. Create a CD-ROM with all the QTi authoring tools on it, including some tools not available elsewhere. Offer a basic set of tools as part of the price of the CD, and use unlocking technology (like Adobe Font Paks) to give customers the opportunity to unlock and pay for other software on the CD. Either put it into retail (the way Microsoft does with their entry-level developer kits), or into developer channels. Include a 1-year QTi developer subscription program in the price.

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HW Vendors: There is an opportunity to sell some pieces of QPi separately (e.g. capture) if it is truly better than Microsoft's free offerings, but there must be significant value-add. Most hardware vendors (especially PC OEMs) are not paying anything for third party software on their products, and, in some cases, are even getting paid for by the software vendors.

- **Consumer Electronics:** To become the universal player for DVD would obviously be a huge win. 'Nuff said. Need to have some strong copy-protection story here, however, to make media companies comfortable with the notion of putting their assets into this format.
- **Companies:** Sell server software for caching content updates (like PointCast) and streaming. Fastest route might be to do deals to resell existing products (PointCast, Starlight, Precept, etc.). Another opportunity is to sell content conversion services, as indicated earlier.

In conclusion, QuickTime Interactive is a very cool product, and, marketed properly, has the chance to restore some of the luster to Apple the company so deserves.

Although this project's deliverable was the report above, I'm happy to discuss any of these things further with anyone. You can reach me through the following methods (in order of preference):

e-mail: mediadoug@aol.com
home office: (415) 668-1992
work office: (408) 864-0602.

Best,
Doug Camplejohn

Subject Re: MPEG1 low bitrate data
Sent 10/20/96 9:26 PM
Received 10/20/96 9:26 PM
From self

To Masamichi ONO, ono@sm.sony.co.jp
CC
Message Ono-san --

My apologies for the late response. I have been very busy lately, and have been behind in answering my email.

I did receive the document, but I was unable to read the Microsoft word document you sent. I think our email system trashed the file. Our engineer was able to determine how the frame rate in the MPEG files works, and he believes they will cause no problem.

Also the sound is working very well with the files you sent.

>>The best way to make your own low bit rate MPEG streams is buying our
>>MPEG1 real time encoder RTE-3000. :-)

I would like very much to be able to make MPEG streams like these, but I don't think our budget allows us to buy the RTE-3000. Perhaps we will create our own software encoder some day. Of course, it won't be as fast as the RTE-3000.

Regards

-- Peter Hoddie
QuickTime Architect
Apple Computer

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