THE move from physical to electronic platforms in entertainment is one of the biggest shifts we will make – bigger than the jump from analogue cassettes to digital CDs. This is not a contest between rival formats – an electronic future is inevitable.

From a business perspective, discarding the final process of stamping CDs and DVDs and distributing content online is cheaper, easier and environmentally friendly.

The upside for consumers is convenience. The prospect of carrying thousands of songs in your pocket is simply too tempting. It's the end of searching for lost CDs or suffering the agony of hearing your favourite track skip.

Generational changes in technology are goldmines for manufacturers, and the sooner the global upgrade begins, the better, as far as company results are concerned.

IT companies expect a version of the humble PC to trigger this shift.

Optimised for viewing, listening to and distributing digital content, the media centre PC is an all-in-one device that handles photos, movies, music and television. The concept has been flogged in earnest for many years – well before the technology or the market was ready, and the immediate past is littered with failed launches.

This time could be different, however.

One of the biggest barriers to the success of the media PC has been the cost of hardware – storage in particular. Now, with hard drives selling at about $1 per megabyte retail, storing music and video files on the one computer has become feasible. Sound and vision have also improved.

Surround sound on a processor chip is now built into the more expensive motherboards and video editing software can fast-forward, rewind and play while recording another channel.

The biggest factor is the development of an operating system tailored to turn PCs into entertainment centres.

Next week, Microsoft will release Windows XP Media Centre edition, aimed at simplifying the process of watching movies and television and playing music on the one computer.

A subset of Windows XP Home, Media Centre uses a single, remote-controlled interface to play music and videos, edit and manage photos, listen to radio and record television.

Press a button on the control and the interface disappears to reveal the familiar Windows XP desktop with the Internet Explorer browser and Office applications such as Word and Excel.
The lack of a single interface for the media PC has been a stumbling block. Previously, IT manufacturers built their own systems to sit on top of Windows, operated by mouse or remote control.

Microsoft's commitment to the Media Centre PC concept extends beyond its modified OS.

The software company has teamed up with multinational manufacturers Hewlett-Packard and Acer to produce customised PCs that will be launched in conjunction with Windows XP Media Centre.

Toshiba is releasing a laptop that runs the new operating system.

Taking a leaf out of Apple's book, these PCs will no longer be contained in the conventional beige box.

The range of shapes and sizes includes models that mimic audiovisual equipment such as slimline DVD players.

This is a necessary development, as aesthetics are much more important in the lounge room than the office.

The explosion in flat-panel plasma and LCD televisions encouraged the idea that new technology could look good, and the PC has long needed a makeover.

Manufacturers such as Packard Bell, Optima and Hallmark are producing their own versions of the Media Centre PC, and Harvey Norman has signed up as a key retailer. Microsoft and its partners are betting that people will leap at the convenience of having one appliance for all their entertainment needs – as the marketing pitch goes.

Media Centre PCs will come with high-capacity hard drives (at least 120GB) that can store CDs as MP3s and record and burn television programs to DVD.

They play digital radio, come with an inbuilt television tuner and have S-video output for widescreen television sets.

The Windows XP Media Centre interface also gathers photos into albums and slide shows, which can be set to a play list of favourite songs.

Later this year manufacturers will release set-top boxes that wirelessly receive streamed data from a Media Centre PC.

Each PC supports up to five of these extensions, which will simultaneously play music in the bedroom, video in the lounge and radio in the kitchen.

Audiovisual wizardry aside, Windows XP Media Centre will have to be extremely stable. It will, after all, be very difficult to convince consumers to replace their hi-fis or VCRs with a PC that freezes or gets the stutters when playing audio through the living-room speakers.

However, the success of the Media Centre PC is far from assured.

Hardware prices are falling, but it takes a fast, reasonably expensive PC to do all these things well.
Local pricing for Hewlett-Packard's Media Centre PC offerings, for example, will range from $2999 at the low end up to $3799.

It remains to be seen how many people will be prepared to buy a PC, which has a low resale value and is regularly superseded, rather than separate components for a similar, or lower, price.

The decision to retain PC capabilities raises another quandary.

Word processing and spreadsheet work are best done on a desk up close to the monitor, but watching television is more comfortable from the couch.

Swapping between the two uses would require some compromise. Watching the news on a monitor sitting on a desk is not an ideal scenario, and any reminder of work, such as a computer keyboard tucked in the corner, may make it difficult to unwind.

Microsoft, Hewlett-Packard and other partners will need to spend a lot of money and time convincing the public that the Media Centre PC has finally found its wings and can rise above the hype.

The danger is that few will see a compelling reason for replacing the television, PC, DVD player and stereo already sitting in their lounge just to have one box that will do all the same things.

The elegance of an all-in-one system may also be its greatest weakness. As one colleague asked: "What if it breaks?"

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