



Creative Labs has carved an enviable niche for itself in the computer sound card market. Its reputation is such that the audio processing on most new PCs is handled by one of its cards. But it's been a 10-year haul to the top, finds Robert Blincoe

# Supplier profile: Creative

There's something about visiting Creative Labs which brings out that kid-in-a-sweetshop feeling. Or for the more grown up among you it's akin to a wine tasting tour or distillery trip. Creative's main business is sound cards, speakers and MP3 players – many of the things that make that big lump of tin on your desk fun.

The company's heart is in delivering music and audio on your PC but it also produces webcams, graphics cards, modems, keyboards, mice and a musical instrument. The latter is some strange looking PC keyboard/piano combo which

is only available from the company's online store. Admittedly it would make you look like an early 80s techno pop revivalist if you played it, but it would also make your PC fun.

## From the beginning...

The firm's story started in 1981 when a man named Sim Wong Hoo founded the company in Singapore with two employees and \$6,000. His vision was that one day the PC, which had only just appeared, might be able to make tones, talk or even play music at hi-fi quality.

In 1989 he got closer to his dream and introduced the first SoundBlaster card. This delivered an 11-voice FM synthesiser with text-to-speech capabilities, digital recording and playback and a Midi/Gameport.

The SoundBlaster Pro followed in 1991 and this is where the company name became the standard for PC audio. If you look at the specs of some of the PC systems advertised in *PC Advisor*, you'll see the SoundBlaster moniker is used even if the machine doesn't contain a Creative product.

If the box includes an onboard sound chip or a no-brand sound card, the audio will often be advertised as 'SoundBlaster-compatible'. Dell, Mesh and Evesham among others do this. To check out Creative's ubiquity in the world of PC sound, you don't have to look past

*PC Advisor's* Top 10 charts. In the August 03 issue, the Top 10 Power PCs chart featured eight systems boasting a Creative sound card – ranging from the Creative Audigy, the Audigy2 and the Audigy2 Platinum. Furthermore, nine of the 10 PCs were bundled with its speakers.

Ranked at number one, the Mesh Matrix 3000+ Xtra is described by *PC Advisor* thus: "Armed with a range of digital and audio sockets, Creative's Audigy2 Platinum and Inspire 6700 [speakers] create heart-stopping audio."

## Flying high

It's at this top end that Creative dominates. If you need convincing, take a look at the Budget PCs Top 10 on page 206. Three of the machines listed here boast Creative sound cards and four come with Creative speakers. At the sub-£700 Superbudget level the PCs feature onboard sound and in many cases are billed as 'SoundBlaster-compatible'.

Darragh O'Toole, Creative's European brand manager, sums up the situation saying that getting a Creative sound card for your PC is like getting a set of Pirelli tyres for your car. While there are people happy to buy a set of remoulds from tyre firms that advertise their wares via posters around the local area, there are customers looking for higher quality products from a reputable, well-known brand.

## Creative at a glance

- Founded **1981 in Singapore**
- Turnover **\$799m in 2002**
- Employees **over 4,000 worldwide**
- Research & development engineers **over 700 worldwide**
- Products **sound cards, speakers, MP3 players, webcams, graphics cards, modems, keyboards, mice and a musical instrument. Five percent of revenue is invested back into product development**
- UK office address **Unit 3, The Pavilions, Ruscombe Business Park, Ruscombe, Berkshire RG10 9NN**
- Website **[www.europe.creative.com](http://www.europe.creative.com)**
- Telephone **0118 934 4322**



O'Toole's even more specific with his next analogy. He thinks having Creative audio in your PC is like having Blaupunkt audio in your car. "The specs of our cards are pretty high. We've got the only card on the market with THX certification."

The Creative Audigy2 cards all have the THX tick. For those who haven't seen the very loud THX advert down at the local multiplex, THX was established in 1983 by *Star Wars* supremo George Lucas with the idea of making sure cinema goes, and subsequently home entertainment lovers, get the best in audio and video.

A lot of people seem to feel comfortable buying Creative. According to retail market analysts Chart Track, 80 percent of people who buy a sound card in the UK pick a SoundBlaster.

Results from online retailer Dabs.com don't quite match this figure, but it's close. Creative benefits from about 60 percent of Dabs' sound card sales by unit, and 75 percent by value. Rivals Terratec and Hercules both have about five percent by unit, while Terratec is about ten percent by value and Hercules about four percent.

### The strategy

Helen Slinger, head of merchandising at Dabs.com, says "Creative's strategy is to target the consumer/home enthusiast market with the typical customer looking for an industry-standard card for gaming and home studio purposes."

Darragh O'Toole says: "We are appealing to the mass market – people who'd like to do more with sound and get more out of their PC."

Though Creative likes to position itself at the top end of the market in terms of brand and quality, it prides itself on the value for money it offers. This is manifested in the software it bundles with its cards. The company estimates that with its top-of-the-range sound card it includes £400 worth of packages – magazines have even described this as 'going overboard'.

### Bargain bundles

The Audigy2 Platinum EX comes with Steinberg's Cubasis VST 4.0 Creative Edition for music makers and Ulead VideoStudio SE DV for those more interested in movie creation. You also get Native Instruments Traktor CE, Fruity Loops Pro 3.5 CE, and Soldier of Fortune II.

Another example is the external USB SoundBlaster MP3+ card. This retails for

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## Technical support

**C**reative's technical support centre is based at its European headquarters in a business park on the outskirts of Dublin. It is staffed by 57 advisers. Creative offers customers five ways to get support. FAQs and driver downloads are available on the website, you can engage in an online webchat with an adviser, telephone for assistance, send an email and write or search the Creative forum and get fellow users to help you.

The company is keen to push customers to use the web. It feels it's better for them as support calls cost the price of an international call to Dublin. In January 00 the centre received 27,000 support telephone calls. But in January 03 this dropped to 9,000 phone calls, there were 3,000 webchats and Creative answered 30,000 emails (90 percent within a day).

Technical advisers have a test PC that enables them to recreate any customer problem. Each assistant has had at least five weeks training on the system architecture and Creative's products. There are also specialists in each product to help out with particularly thorny problems. Every adviser can offer support in English, but some work in four or five other languages.

## Building a community

The phone lines are open weekdays from 9.30am to 6pm; webchat support is available 9am to 5.30pm and Creative says email queries will be answered within one to two working days.

The advisers prefer webchats and can handle three simultaneously. On our visit we witnessed a customer complaining his speakers stopped working when they reached 30°C. The adviser admitted to us she didn't know how he had tested the temperature of his speakers, but got the customer's product number and issued a replacement. That speaker batch had been recalled because of fault.

Creative's technical support manager Andrew Killeen likes to name the call centre a 'contact centre' and is keen to build it into a 'community' of Creative users. Regular and helpful forum contributors are rewarded with gifts and even unhappy comments aren't censored (as long as they're not offensive) as that would give an unattractive Big Brother feel to the section.

- Technical Support Centre **Ballycoolin Business Park, Blanchardstown, Dublin 15, Ireland**
- Website <http://uk.europe.creative.com/support>
- Telephone **00 353 1 433 3200**

between £33.49 (Dabs.com) and £39 (Creative's online shop at <http://uk.europe.creative.com/estore>, which seems to be a touch more expensive than the usual retailers on most lines). But as an added feature it contains an optical I/O to connect a PC to mini discs and other digital devices.

O'Toole points out an advert for an Edirol USB audio connector with an I/O interface and no sound card included – for sale at [digitalvillage.co.uk](http://digitalvillage.co.uk) for £64.99.

Though all Creative's products are assembled in the Far East by third parties, the company spends five percent of revenues on research and development.

## Streets ahead

This investment is how Creative achieved its market dominance in sound, speakers and MP3 players. It's also imaginative with technology and often first to market new products. According to Chart Track, 65 percent of people who buy a solid state MP3 player buy a Muvo (Creative's cigarette lighter-sized player and USB storage device which a lot of people working for the company seem to have dangling around their necks). This equates to 45 percent of all MP3 players.

The company also makes video cards – the 3D Blaster range – and was a presence in the graphics market

very early on, although it hasn't grabbed the same lion's share of the business with these. According to Dabs.com's Helen Slinger, "The big difference here is that the sound cards are Creative's own technology, whereas a graphics card is just another nVidia card."

"Creative has now bought 3D Labs and consequently owns its own technology, it will be interesting to see if this situation changes over the next couple of years."

## Creative testing

Franco De Bonis, Creative's worldwide audio sales marketing manager, says the time is now very good for his company to assert itself in this market. But all he'll commit to at this stage is "watch this space", although in the US Creative is selling a VideoBlaster to test opportunities for this kind of product.

Creative understands its strengths lie in controlling the technology its products are based on. That is why the company pulled out of manufacturing CD-RW/CD-ROM drives. It was in a very competitive market and the company didn't have the technological advantage.

Creative's edge lies in PC audio. "We're the first with many things," says De Bonis, while pondering the future of the PC and its place in people's homes. Many computer companies have come unstuck trying to push the PC as a replacement to the TV and hi-fi, but De Bonis thinks the next big step towards this lies just around the corner. "There'll be wireless audio within a year, and it's not going to be at ridiculous prices."

Creative wants to expand its business, moving away from the gamers and musicians to concentrate on customers who are PC savvy and want good quality sound in their lives. If wireless audio is the next step to attract these people, Creative will be one of the first offering an attractive, well-specified product.

We know that it will be the arrival of wireless audio technology which will allow our spouses to let us have surround sound in our front rooms. Proof, indeed, of the potential of the market. ■



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