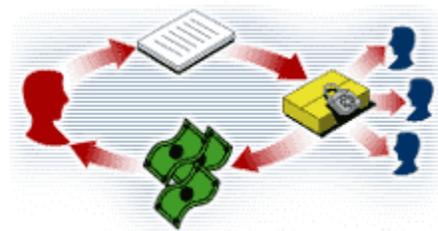




Transform Your Publishing Business using Digital Rights Management Technology

By Gary Allen

The Internet creates opportunities to reach new customers and produce better and different products. Traditionally, adoption and sales of online content has been slow because there are concerns about how to get started and how to prevent the unauthorized reproduction of content. Publishers have been waiting for a solution that protects their content from unauthorized use, yet doesn't require a major investment in new technologies and IT resources to implement. Tapping into the Internet's opportunities, however, requires publishers to adopt new technology and new ways of doing business. Easy-to-use application services built on leading digital rights management technology (DRM) are appearing on the market and are beginning to address the concerns of B2B and B2C publishers.



Create new revenue streams by selling your content on the web.

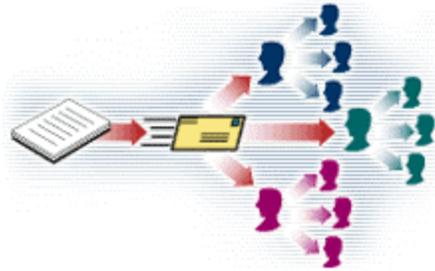
Graphic courtesy PublishOne.

There are three capabilities in particular that are driving the transformation of the publishing sector – **superdistribution**, **persistent protection** and **monetization** of content in the form of new products from the same original source material.

Superdistribution

The velocity and reach of email has created a distribution opportunity that had not been conceived of a few years ago - digital content is an ideal product to be marketed and sold via email. When customers download electronic content, they may choose to email it to their colleagues or friends. In this fashion, a single piece of content can be reproduced repeatedly and shared among individuals, groups, and even

communities. It's a powerful capability **IF** the publisher can be paid for each pass along copy. This concept of superdistribution, where a piece of content is continuously multiplied and forwarded, is a core benefit of doing business over the Internet.



The reach and velocity of email helps publishers find new customers

Graphic courtesy PublishOne.

Persistent Protection

Persistent protection enables publishers to exploit the superdistribution power of email. Publishers have had the ability to sell electronic content over the Internet for several years via website download. The buyer would make a payment at a website and was given access to download their purchase. The only protection in place was preventing fulfillment until payment was received. The customer was on the honor system not to make copies and distribute them to colleagues and friends. The advent of persistent protection means the protection stays with the product, rather than at the point of purchase.

Using a DRM-enabled application or service provider, publishers "package" their content inside an electronic container, and it's only accessible to customers who have paid for the content. Customers can send colleagues copies of a purchased product, but in protected form only. The recipient can't access it until they have purchased their own copy. Persistent protection ensures that the content can't travel freely over the Internet. Other forms of replication, such as "Cut and Paste" are disabled as well.

DRM-enabled services lets publishers easily sell protected content over the Internet. Customers can make purchases 24 hours a day. Many publishers are considering selling their archived content as well, so they can generate additional revenues from past issues and content that's out of print but still in demand.

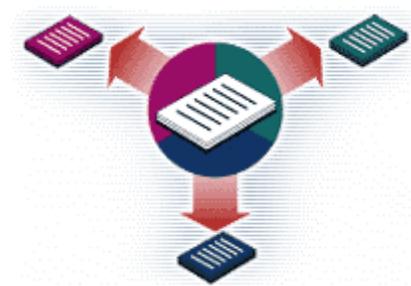
Reach New Audiences and Monetize More Targeted Products

The Internet makes it easy to reach new customers. Your protected content can be emailed, downloaded from your website or distributed through news groups. Content can be electronically purchased any time, from anywhere in the world. This means you can effectively communicate directly

with potential customers and instantly provide them with the products they require.

The production constraints on printed publications force publishers into offering “one size fits all” products. Digital rights management services let publishers easily produce a variety of offerings from existing content. In some cases, potential customers may only need a ‘slice’ of a large publication and wouldn’t purchase the entire offering. By producing electronic products, publishers can easily sell a large report segment-by-segment since you don’t actually print a publication. Similarly, publishers can create “ultra premium” products for their most demanding, high-end customers. This ability to easily offer different pricing and content combinations is a revolutionary capability for publishers.

Offering better, more targeted products means publishers can find new customers who are willing to purchase information in the form in which they need it. Publishers will be able to develop a wide range of electronic products that they wouldn’t ordinarily keep in printed inventory, yet still can create revenue with a DRM-enabled service.



Your content can be sold on a segment-by-segment basis, attracting new customers that would not buy a larger report.

Graphic courtesy PublishOne.

How It Works

Digital rights management (DRM) is the industry term used to describe the process of managing access, usage and reproduction of electronic products, including databases, research reports, music, newsletters and publications. Owners of these electronic materials have been reluctant to distribute and sell their products over the Internet because they have been unable to control what people subsequently do with these items. DRM is a technology that helps owners protect their assets and still take advantage of the World Wide Web as a medium for reaching customers.

Digital rights management is based on the ability to protect or ‘lock’ the content inside an electronic package. The content can only be accessed when a user is furnished with an electronic key (also called a license). That key is tied to the purchaser’s computer and can’t be shared. If the user passes the content on to another viewer, only the protected package can be transferred. Subsequent recipients must purchase their own access - and receive their own key - in order to access the content.

Access to the content is managed by a remote process, which determines which users are granted keys. Typically, access is granted when a user buys the content, or is a member of a group (like subscribers) who are scheduled to receive information on a regular basis.

DRM-enabled application services, such as InterTrust's PublishOne, include management of the process for granting access. The service handles the credit card transactions, manages subscription rights and can discontinue granting new access keys when a document becomes obsolete or has been updated.

Who Needs Digital Rights Management?

If you distribute electronic content, DRM gives you the ability to protect your content so that it can only be used by people who have paid for it or by those you authorize. Consider a research company that sells high value reports, and wants to deliver the reports to their clients electronically. If an unprotected document was sent, it could be easily reproduced and forwarded to people who haven't paid for the content, and the value of purchasing the information would be diminished.

DRM helps publishers who want to sell their publications and get paid for their product. The DRM services let publishers easily distribute a secure version of their product over the Internet. PublishOne is a good example of a DRM-enabled service that lets publishers protect, distribute and sell their content over the Internet without worrying about unauthorized use or reproduction.

The focus on DRM application vendors today is on making leading digital rights management technology accessible through an easy-to-use web interface. Because PublishOne is a service, publishers won't need to invest in additional infrastructure, hire additional staff or use costly consultants. You'll be able to easily implement digital rights management control over your products and ensure that they are only accessible to people who have paid for them.

When done right, DRM technology and its applications and services let publishers focus on the quality of their content, their relationships with their customers, and creative business models instead of the intricacies of the technology infrastructure.

Gary Allen is a Director at InterTrust Technologies, a leading digital rights management vendor, which also owns and operates the PublishOne service. He is an expert on web-based commerce and teaches at the University of California.