

CONTROLLING Digital Product Usage

Electronic licensing delivery provides the key to lowering the costs of digital rights management — while providing increased customer satisfaction.

By Paul Martinelli, Intraware Inc.

Delivering digital content over the Internet is growing rapidly, and where it isn't already the predominant method of distribution, it soon will be. Devices that receive and play digital media extend beyond computers, including game consoles, cell phones, DVRs, MP3 players and GPS devices. They are all becoming more connected via the Internet; creating a new, heterogeneous digital landscape; and craving ongoing content additions and updates.

Controlling the use of digital products is a concern for all content publishers. Although content types vary, the issues faced when deciding to implement a licensing strategy are similar. Challenges such as how to derive as much revenue as possible without overly burdening the customer and how to be prepared to serve changing markets and sales strategies come to mind. Internet distribution of content and the new wave of consumer devices have complicated licensing and control strategies and have created varying digital rights management (DRM) technologies.

Licensing technology consists of two main components: the actual DRM code libraries embedded in the product locking it from unauthorized use and the method of generating and distributing keys to unlock functionality for those that have purchased the product.

The locking technology needs to be able to function on specific types of devices (and their underlying operating systems) and often tries to identify each individual device by automatically obtaining a host ID or serial

number. Different types of content also require different degrees of locking functionality. Because producers create a range of products for a variety of devices, they often employ many different DRM technologies.

Online sales channels have to support an even broader set of DRM schemes because they support multiple producers. The DRM technology is either incorporated into the content at the time it is engineered or produced, or it encapsulates the content when it is delivered. Either way, once it is embedded, it is easily replicated in all issued copies.

The Real Cost

The real, ongoing cost comes from creating, delivering and managing the keys for each consumer who has purchased the product. Understanding the rules of generating license keys for different DRM technologies and for the various methods in which products are sold can be an operational nightmare. Keeping customers happy when they request new, changed or updated license keys can be a support headache.

One solution to lowering operational DRM costs and increasing customer satisfaction around DRM schemes is to utilize an electronic license delivery (ELD) system. This type of service plays the locksmith role in the licensing lifecycle, providing keys to those who are authorized and producing accurate reports of usage back to content producers.

ELD systems can support any number of DRM technologies and can do so by providing a consistent experience for producers, sales channels and end users. Producers can provide templates for each type of key, to be filled in with order data (from e-commerce systems,

for example) and used to dynamically generate the appropriate key at the time a consumer requests it.

A software as a service (SaaS) model for ELD is especially beneficial. SaaS providers leverage the Internet for communication between all parties, and the model fits well into the ecosystem of digital goods and device connectivity. Having a trusted third-party provide services diminishes channel conflict issues.

These services have Web-based user interfaces, allowing customers a convenient way to manage their own license keys at any time, and can be localized to provide access from anywhere in the world. In addition, SaaS systems provide strong integration interfaces so content owners and sales channels can automatically entitle users and get activity updates automatically pushed into their own CRM systems.

Consumers benefit by having all their entitlements and licenses in one place, on a virtual key ring, maintained by the ELD provider. Tools are provided for customer support to help, if need be, and to track the usage. Compliance can be achieved on all fronts.

An ELD service not only saves time and money for producers of digital goods in the short run but also allows them to add new products and progressive selling models, such as subscriptions, in the future. A blending of products, markets and sales models is the way to increase revenue for digital content. Controlling usage of it all is the producer's right, as long as it is balanced with a reasonable customer experience. ELD services can help make it a reality right now.

Paul Martinelli is chief technology officer and a co-founder of Intraware. Prior to joining Intraware, Martinelli held a number of IT applications design, systems engineering, networking and management positions at Dataflex and Sybase. For more information, visit www.intraware.com.