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BUSINESS NEWS

Chartering a brave new course beyond DRM

In recent years, the media and entertainment industry has become familiar with the concept of Digital Rights Management (DRM). However, this apparently anodyne term has always been something of a misnomer, as DRM is not so much about managing digital media, but more about controlling access and usage of content. Groups like the Free Software Foundation prefer the term "Digital Restrictions Management."

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Not only is the term under scrutiny, but the very concept of DRM itself. In today's media world of YouTube and iTunes, it's obvious that consumers crave the ability to access content when and how they want. Once you've provided the means to easily access content, it's tough to then put restrictions in place. Genies seldom willingly go back into the bottle. That's not to say that free access to anyone with a laptop and the latest mash-up software is the way to go. In fact, a recent study titled, "Tracking, Monitoring and Monetizing Video Content," conducted by television and interactive media research authority Myers Publishing and Teletrax found that 64 percent of television executives believe it is important for content owners to have technology in place to take inventory of all their content contained on social networking sites. But content owners need to move away from restricting access and toward a more open, consumer-friendly environment that satisfies both parties.

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In fact, it has become clear that the overly protective view of DRM is impeding the commercial market for online content. The solution is to use technology for copyright protection in a way that allows content owners to tag content and track where, when and how it is being used, rather than restricting it. Content, particularly video content, whether on the web or in a multichannel, multi-media environment, needs to be made readily-available to consumers. This creates a platform for content owners to reap the benefits of a transaction, via digital watermarking or fingerprinting technologies that track the flow of content.

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Watermarking is already a proven success when it comes to tagging and tracking content. A recent MultiMedia Intelligence report titled, "Beyond Traditional DRM: Moving to Digital Watermarking & Fingerprinting in Media Monetization" found that applications leveraging content identification technologies such as digital watermarking and fingerprinting are growing rapidly and could surpass US\$500 million worldwide by 2012. And companies like Teletrax – which constantly monitors about 1,500 television stations worldwide – is well-positioned to let video content owners know where their content is going.

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Internet video tracking remains a new frontier – one that doesn't have a true solution yet. A number of players are working on developing reliable, efficient fingerprinting technology based solutions that will enable content owners to track publication of their content.

Historically the entertainment industry has been slow to embrace new technologies. Look no further than DVD technology, which the Hollywood studios resisted at first due to fears about piracy and the cannibalization of its then highly-lucrative VHS rental market. But once the studios came to understand the massive financial opportunity in the DVD market, they fully embraced it and were able to move quickly, realizing a financial return that surpassed expectations.

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Similarly, video content owners were slow to make their material available on the Internet. They wanted to avoid the pitfalls plaguing the music business, a once-proud industry that, due in part to its failing to understand and capitalize on emerging digital technologies, has shrunk from a \$36.9 billion industry in 2000 to one worth \$31.8 billion in 2006, according to the International Federation of the Phonographic Industry.

Once the Walt Disney Company licensed television shows to iTunes on a pay-per-view, downloadable basis at \$1.99 per episode, the landscape started to change. By making content available the day after it aired, Disney helped facilitate an environment that legally allowed consumers to watch video content when and how they want.

By using content identification solutions, the movement of digital content across the Internet and onto hard drives and mobile devices can be traced whenever and wherever those transactions occur.

Recall early last year Apple CEO Steve Jobs making headlines when he declared the demise of DRM. "In 2006, under 2 billion DRM-protected songs were sold worldwide by online stores," he wrote, "while over 20 billion songs were sold

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completely DRM-free and unprotected on CDs by the music companies themselves. The music companies sell the vast majority of their music DRM-free, and show no signs of changing this behavior, since the overwhelming majority of their revenues depend on selling CDs which must play in CD players that support no DRM system."

Jobs went on to argue, "Convincing [music companies] to license their music to Apple and others DRM-free will create a truly interoperable music marketplace. Apple will embrace this wholeheartedly."

While the concept of DRM may not be abolished entirely, its use is certainly waning. Recently, both Amazon.com and the band Radiohead have offered DRM-free music to consumers. And as we have seen, what happens first in music can quickly follow in video. The writing certainly appears to be on the wall. The opportunities – for content owners and consumers alike – are attractive in nearly limitless ways.

By Andy Nobbs

President & Managing Director, [Teletrax](#)

Teletrax is the world's first global digital video broadcast intelligence and video asset management service. Teletrax provides video watermarking services that enable video content owners to precisely track and monitor where, when and how their content is being aired on television worldwide. Teletrax currently monitors the television broadcasts of nearly 1,500 channels from more than 50 nations.