

Supported Business Models

The following scenarios are examples of different solutions for distributing digital files.

Distributed retail

A content packager encodes and packages digital files, and then distributes the files to vendors. Consumers purchase the packaged media files and acquire licenses to play them from a license-clearing house. The content owners can track which vendors were responsible for a purchase.

Streaming

A content distributor sets up a Web site to stream content for which consumers pay a fee to log on. Consumers can select digital tracks to play. A license is silently issued and the media file is streamed to the consumer.

Batch packaging

A content owner wants to convert an existing collection of digital files to packaged files for mass distribution on the Web. The content owner develops a batch packaging application that takes media files from a certain directory, adds information from a database, and then packages them.

Rental or subscription model

A content distributor sets up a rental or subscription model and charges consumers periodically to listen to music. For example, the content distributor charges consumers \$20 per month for unlimited access to the music Web site. Consumers download music and listen to it, and at the end of one month, their licenses expire. The consumers who renew their subscription receive new licenses.

Digital Media Preview-and-Purchase

Using DRM, a retail Web site offers consumers the option to preview songs before buying them. The consumer is allowed to download any song and play it two times in exchange for registering with the service. The third time the consumer attempts to listen to the file, he is taken directly to the retailer's Web site, where he is given instructions on how to purchase the music. The content owner is able to promote its recording artists and albums on the Internet while cutting down on marketing costs and also to use registration information to strengthen its mailing list.

Pay-Per-View Movies

A content owner creates a digital cinematic experience for consumers similar to cable pay-per-view. A consumer visits a virtual video store, provides registration information and a credit card, and rents a movie to play on her PC. The movie, protected with Windows Media Rights Manager, is streamed to the consumer's computer.

One File, Different Licenses

A consumer visits a retail Web site and finds a song she likes. During the purchase process, she is asked to choose the license she desires. For a small fee, she can play the song for one month. For a larger fee, she can play the song forever and transfer the song to a portable device. She chooses the latter. The DRM system can issue a license to her with no expiration date that also includes the right to play the file on her portable music device.

Company Presentations/Protection of Sensitive Material

An employee was unable to attend a company meeting about a new sales program and now wants to view the briefing. Because the company doesn't want the information to leak out to its competitors, it has protected the streamed content using DRM system. When the employee selects the presentation on his office PC, a one-time license for the content is issued silently, and the video begins streaming.

Distance Learning

As part of a career development program, an employee is taking a marketing class offered by a major university located out of state. The university has saved videos of all the presentations in the course and, using a DRM system, has encrypted them so they can be streamed or downloaded to student's computers after the acquisition of a license. The employee logs in, and a license is sent to her computer. The company uses the license as an attendance record and also for billing purposes.