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## Rights Protection May Restrict Digital Music, but Don't Blame Apple

Steve Jobs' Ingenious Online Manifesto Puts Onus on Record Labels

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NEW YORK (AdAge.com) -- It could go down as one of Steve Jobs' marketing masterstrokes.



Apple co-founder and CEO Steve Jobs  
Photo Credit: Don Feria

In a 1,990-word manifesto on Apple.com last week, the company co-founder conjured up a world free of the constraints of draconian digital-rights-management software, where one can buy digital music in any store and play that music on any device without running up against a DRM wall. In this nirvana-like landscape, it would be possible to port your iTunes library to a Zune or use a subscription service such as Rhapsody with your iPod.

### Shifting blame

And so, with the flick of his mouse, Mr. Jobs managed to reframe the debate on digital-rights management that often fingers Apple as a prime culprit, skillfully depositing the blame for the biggest consumer complaint against Apple squarely on the shoulders of record labels.

"Perhaps those unhappy with the current situation should redirect their energies toward persuading the music companies to sell their music DRM-free," Mr. Jobs wrote. DRM-free music "is clearly the best alternative for consumers, and Apple would embrace it in a heartbeat."

One can excuse any skepticism over Mr. Jobs' sincerity. After all, Apple has thrived in the DRM world that's allowed the valuable, easy-to-use and closed ecosystem of iTunes and iPod, which command a 70% market share among digital-music players.

"DRM in general has a bad rap, and Apple's started to become synonymous with DRM," said Dave Hamilton, president and co-founder of website Mac Observer. "He makes himself look like a good guy," said Josh Martin, an analyst in Yankee Group's Consumer Research group.

### **'Feeding the conversation'**

But whether Mr. Jobs genuinely wants to eliminate DRM or not, "he dramatically opened up the conversation," said Pete Blackshaw, chief marketing officer at Nielsen BuzzMetrics. "Apple is very good about feeding the conversation." It points to a larger issue of how executives use their websites to start memes or conversation, he said.

Digital-rights management was implemented as a way to ease the labels' worries that unprotected music files would circulate through the internet, allowing consumers to pass along music for free and destroying the paid music business. Apple developed DRM technology called FairPlay, and one of the byproducts is Apple's closed system, where music bought through the iTunes store will play on up to five different computers and an unlimited number of iPods -- but not on a Zune or other digital-music player.

Mr. Jobs' quest to call attention to DRM appears to be working. Mr. Blackshaw said Mr. Jobs has generated half as much dialogue with this essay as he did when he introduced the iPhone. "The iPhone was more discussed than the Super Bowl ads," he said.

So while the manifesto, dubbed "Thoughts on Music," has clearly made an impact in the blogosphere, the kicker is that most believe it may not have an impact on the record labels, which aren't likely to give up their DRM requirements (though EMI appears to be considering it).

"It seems like he's positioned Apple into a win-win with his statements," Mr. Martin said. "If content is still DRM-protected, it's not Apple's fault."

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