

# Jobs Says Apple Customers Not into Renting Music

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Apple Chief Executive Steve Jobs indicates he is unlikely to give in to calls from the music industry to add a subscription-based model to Apple's wildly popular iTunes online music store.

"Never say never, but customers don't seem to be interested in it," Jobs told Reuters in an interview after Apple reported blow-out quarterly results. "The subscription model has failed so far."

His comments come as the company he co-founded gears up for contract renewal negotiations with the major record labels over the next month.

Since Apple launched iTunes in 2003, it has sold more than 2.5 billion songs and now offers increasing numbers of television shows and movies.

Many in the music industry hope iTunes will ultimately start, in effect, renting music online, so record companies can make more money from recurring income. But Jobs said he had seen little consumer demand for that.

"People want to own their music," he said.

Industry executives and analysts told Reuters last week that they expect Apple to push for further concessions from record companies on selling music without copy-protection software known as digital rights management (DRM).

In February, Jobs urged all four major record labels to drop DRM, a move that some observers at the time said was sparked by the pressure Apple faces from European regulators to open the iPod/iTunes family to other technology platforms.

Already Apple, owner of the market-leading iPod digital media player as well as iTunes, has cut an early deal with EMI Group Plc, the third largest-record company, to sell music without copy protection software.

"There are a lot of people in the other music companies who are very intrigued by it," Jobs said of the move to sell songs without copy-protection software. "They're thinking very hard about it right now."

The Apple/EMI deal leaves Vivendi's Universal Music Group, Sony BMG Music Entertainment - a joint venture of Sony Corp. and Bertelsmann - and Warner Music Group Corp. in a tough spot, analysts say.

"We've said by the end of this year, over half of the songs we offer on iTunes we believe will be in DRM-free versions," Jobs said. "I think we're going to achieve that."

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