BSA Survey Finds Unlicensed Software Use at 43%, Despite Security Concerns

New Delhi, India — 24 June 2014 — Computer users cite the risk of security threats from malware as the top reason not to use unlicensed software. Among their specific concerns are intrusions by hackers and loss of data. Yet a striking 60 percent of the software installed on personal computers in India in 2013 was not properly licensed.

These and other findings released today in the BSA Global Software Survey underscore the need for effective software management practices, especially in business settings.

"We have often seen cases where enterprises may not even be aware that they are using unlicensed software. With software licensing becoming increasingly complex, compounded by fast-paced cloud adoption and proliferation of devices through BYOD [bring your own device], organizations require a fresh approach in the way they manage licenses," said Vipin Aggarwal, BSA India Committee chair. "As effective management of software assets becomes vital to organizations; tools such as BSA’s Verafirm can help mitigate risk while optimizing costs."

The BSA Global Software Survey is conducted every other year for BSA by IDC, which this year polled computer users in 34 markets including nearly 22,000 consumer and business PC users and more than 2,000 IT managers. Among the findings:

- The rate at which PC software was installed without proper licensing in India was 60 percent in 2013, a 3 percentage point decrease from 2011. The commercial value of that unlicensed software totaled over INR 179 billion (US$2.9 billion).

- The chief reason computer users around the world cite for not using unlicensed software is avoiding security threats from malware. Among the risks associated with unlicensed software, 64 percent of users globally cited unauthorized access by hackers as a top concern and 59 percent cited loss of data.
• IT managers around the world express understandable concern that unlicensed software may cause harm, yet less than half say they are very confident that their company’s software is properly licensed.

• Only 33 percent of companies in India have written policies in place requiring use of properly licensed software.

BSA works closely with various industry associations in India to increase awareness among enterprises as well as small and medium businesses on the benefits of using licensed software. It works with law enforcement agencies to help build familiarity with intellectual property rights laws in the country. BSA also provides recommendations and research on a number of policy related issues covering IP laws, Privacy Bill and cloud computing.

"Unlicensed software use is an organizational governance issue — and this study shows there is a clear need for improvement," said BSA President and CEO Victoria Espinel. "There are basic steps any company can take to ensure it is fully compliant, like establishing a formal policy on licensed software use and maintaining careful records. Companies also should consider implementing more robust software asset management (SAM) programs that follow internationally-accepted guidelines. These SAM programs can deliver substantial value by ensuring adequate controls are in place to provide a full view into what is installed on a network. That helps organizations avoid security and operational risks, and it ensures they have the right number of licenses for their users."

Among the other findings in BSA’s Global Software Survey:

• The global rate at which PC software was installed without proper licensing rose from 42 percent in 2011 to 43 percent in 2013, as emerging economies where unlicensed software use is most prevalent continued to account for a growing majority of all PCs in service.

• The commercial value of unlicensed PC software installations totaled $62.7 billion globally in 2013.

• The region with the highest overall rate of unlicensed PC software installations in 2013 was Asia-Pacific, at 62 percent. This represented a 2 percentage-point increase from 2011, with the commercial value of unlicensed installations reaching $21 billion.

• Central and Eastern Europe had the next-highest rate of unlicensed software installations at 61 percent, followed by Latin America at 59 percent and the Middle East and Africa, also at 59 percent.

• North America continues to have the lowest regional rate of unlicensed software installations at 19 percent, although this constitutes a significant commercial value of nearly $10.9 billion.

• In Western Europe, the rate dropped three points to 29 percent in 2013 with a commercial value of $12.8 billion.

• In the European Union, the rate dropped two points to 31 percent in 2013, with a commercial value of $13.5 billion.
A full copy of BSA’s Global Software Survey, including country-specific data, is available for download on BSA’s website: [www.bsa.org/globalstudy](http://www.bsa.org/globalstudy).

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