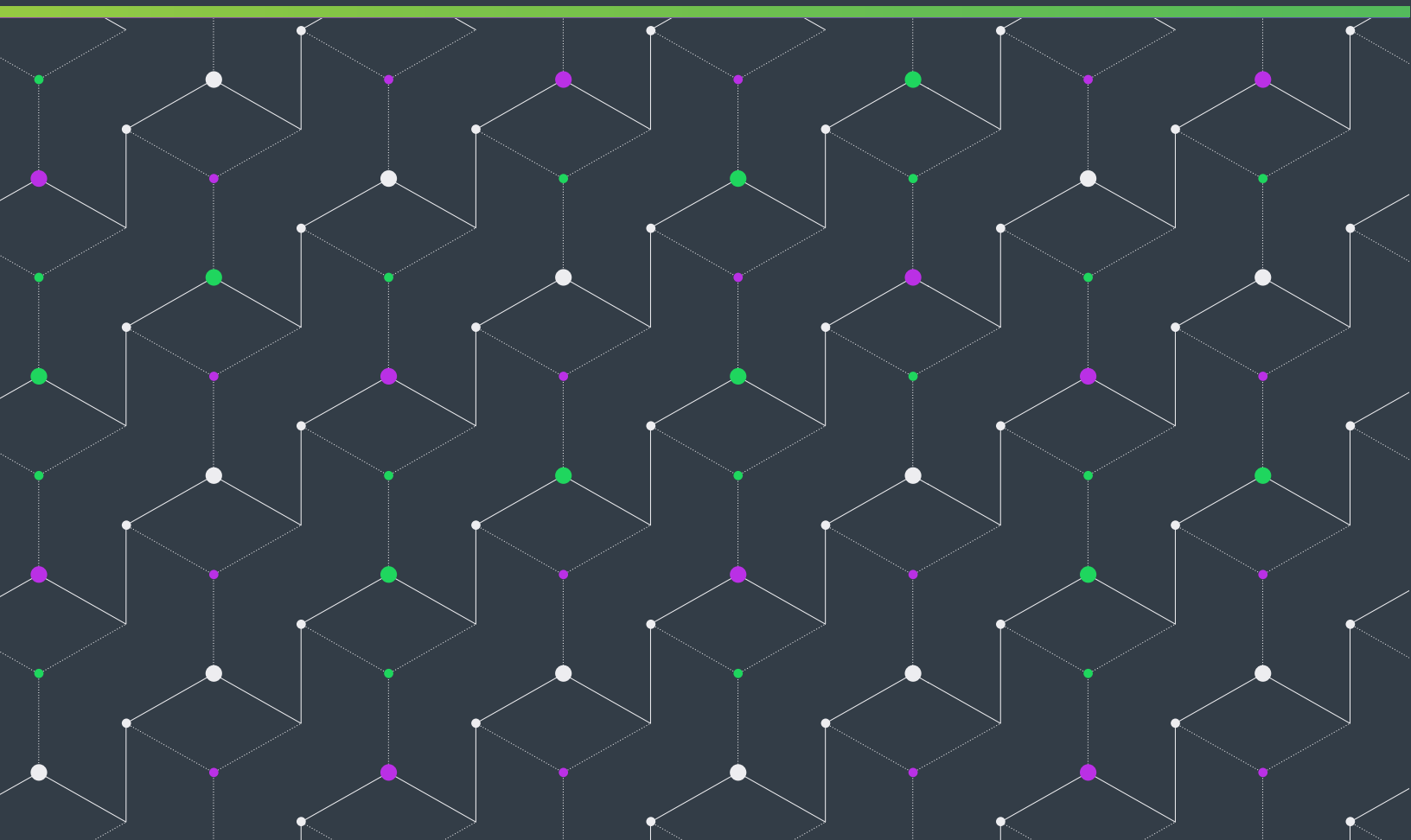


Revenera Monetization Monitor

Software Piracy and Compliance 2025 Outlook



Executive Summary

Revenue leakage is likely caused when unlicensed software use occurs and undermines suppliers' business goals. Piracy (when software has been configured or tampered with to remove or bypass license enforcement), overuse (the use of software exceeding the limits of the license), and/or misuse (the intentional configuration of the software to enable use beyond the limits of the license) are examples of usage that is not compliant with software licenses.

This report in the *Revenera Monetization Monitor 2025 Outlook* series highlights trends in the prevalence and scope of unlicensed software usage.

Piracy, overuse, and misuse are currently equally significant problems, with approximately 1/3 of respondents reporting that each is a "major problem" contributing to revenue leakage. This aligns them with more traditional business problems, such as customer churn, also cited by 1/3 of respondents as a "major problem." Among the forms of unlicensed software usage, misuse is the driver of the greatest losses, with 13% reporting that misuse is responsible for losses of more than 30% of revenue.

Software monetization requires accurate data insights into where and how revenue loss is occurring. This report illustrates areas of opportunity for improved revenue recognition through usage analytics and/or compliance analytics.



Piracy, overuse, and misuse are now equally concerning issues, with approximately 1/3 of respondents citing each as a "major problem."



Losses of more than 30% of revenue are on the rise for all forms of unlicensed software usage.



Inefficient monetization models are increasingly significant issues.



Awareness of how revenue loss takes place is improving.



Unlicensed software usage is a global issue

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The Revenera Monetization Monitor 2025 Outlook Series

This report is part of an annual series focusing on software monetization first published in 2019. This report focuses on software piracy and compliance. The first report in the *Revenera Monetization Monitor 2025 Outlook* series addressed [Software Monetization Models and Strategies](#); the final will address Software Usage Analytics. All reports are based on 418 complete responses to a survey conducted by Revenera from May through July 2024.

Challenges of Unlicensed Software Use

Sources of Revenue Leakage

Software suppliers may be exposed to revenue leakage for a variety of reasons. While a year ago, **piracy** stood out as the most commonly cited “major problem,” this year’s research shows that piracy, **overuse**, and **misuse** are all cited nearly equally, with approximately $\frac{1}{3}$ citing each as a “major problem.” This even distribution of unlicensed usage reflects a relative rise in overuse and misuse, perhaps an indication of users’ aims to squeeze every bit of value out of their software. The growth of responses that overuse is a major problem may suggest that respondents now have an increased focus on license enforcement to avoid revenue leakage, ensuring that customers only use what they’re entitled to use. Overall, software suppliers must now pay equal attention to each of these areas that can negatively impact revenue recognition.

Customer churn, a longstanding and somewhat traditional problem, appears to be an issue that software suppliers are addressing. This year’s survey shows a slight dip in the number of respondents citing customer churn as a major problem; this may suggest that software suppliers are addressing churn risk sooner. Yet $\frac{1}{3}$ of respondents still cite churn risk as a major problem, putting it on a par with the three forms of unlicensed software usage: piracy, overuse, and misuse. Software suppliers should be giving equal focus on each of these areas in order to comprehensively address revenue leakage.

Reports of **inefficient monetization models** being a major problem have gone up significantly, more than doubling over the past two years. This might suggest a connection to the overall impact of cloud and other costs that impact profitability, highlighting the need for suppliers to test and use other monetization models. Ultimately, software suppliers must sell software the way users want to buy it.

DEFINITIONS

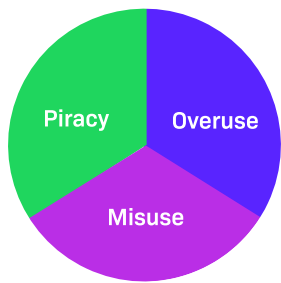
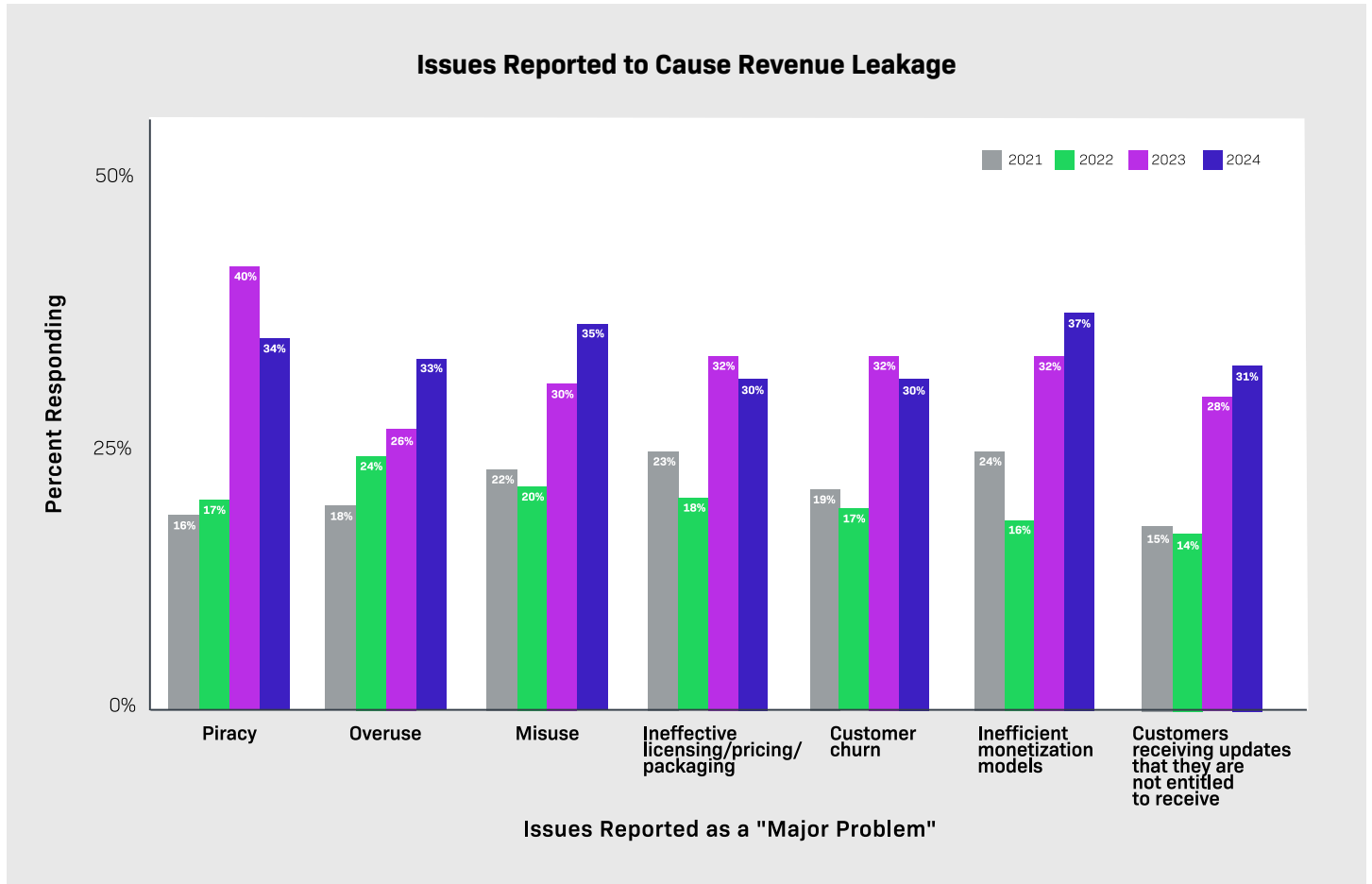
Unlicensed Use

- **Piracy:** the use of software that has been configured or tampered with to remove or bypass license enforcement.
- **Overuse:** the use of software exceeding the limits of the license.
- **Misuse:** the intentional configuration of the software to enable use beyond the limits of the license (e.g., cloning).

Software usage analytics

is the process of tracking and analyzing how users engage with software. It provides:

- **Tracking**, which usually happens via a call-home system that collects raw data about user actions and computing environments,
- **Analysis**, through visualization dashboards that show data, identify trends, user behavior, differentiators across user segments, etc., and
- **Actionable insights**, facilitating context-relevant engagement with the software.



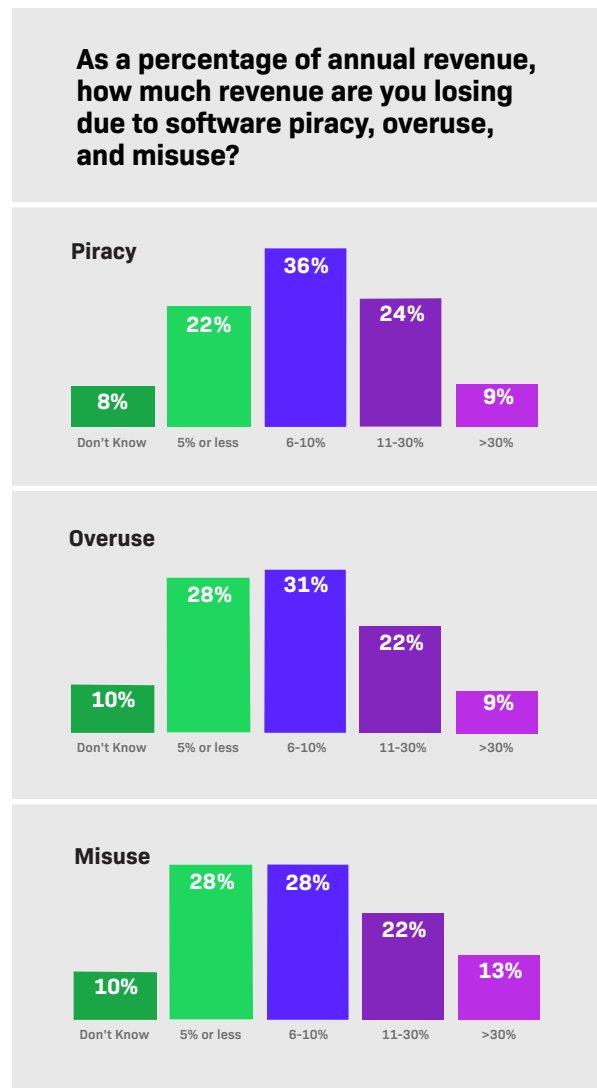
Piracy, overuse, and misuse are now essentially equally problematic, with approximately 1/3 of respondents citing each as a “major problem.”
These issues are now on par with more traditional problems like customer churn. Software suppliers must pay equal attention to each of these areas that can negatively impact revenue recognition.

The Impact of Revenue Leakage

How and why is revenue leaking from software suppliers' ledgers? Suppliers need accurate software usage analytics to determine the scope, severity, and causes of piracy, overuse, and misuse.

An improvement over the past year's findings, the number of respondents who "don't know" how much revenue they're losing to these causes has dropped (8% don't know how much revenue is lost to piracy, down from 15% a year ago; 10% don't know how much revenue is lost to overuse and misuse, each down from 14% a year ago.) This illustrates an encouraging focus on shoring up losses, reducing the impact of customer churn and offsetting costs.

Yet where leakage is happening, it is trending upwards, driving greater dollar losses. The number of survey respondents who report losing significant amounts has gone up in the past year. In the present research, 9% (up from 8% a year ago) report that both piracy and overuse as causes of losses greater than 30% of annual revenue; 13% (up from 10% a year ago) report that misuse is a cause of losses greater than 30% of annual revenue. Clearly the dollar amount goes up as revenue and company size increase, but also noteworthy is that among the largest companies (those with revenue greater than \$101 million), the problem of misuse is even more widespread, with 17% reporting it as a cause of losses greater than 30% of annual revenue.

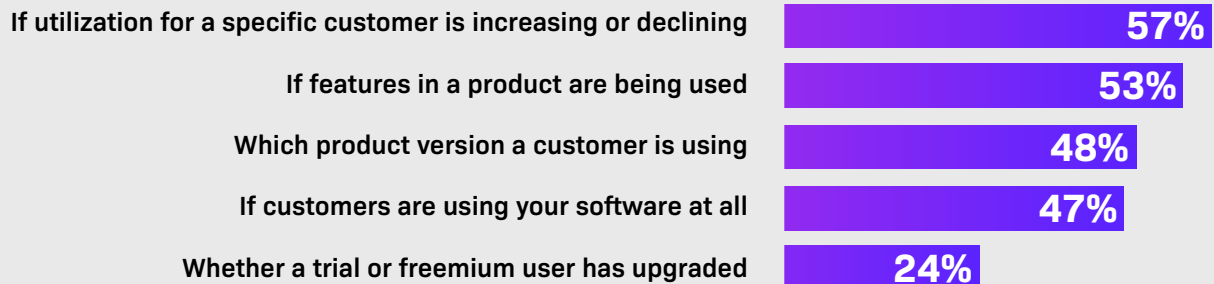


Understand how customers use your software!

Knowing how your customers use your software is key to preventing overuse and misuse. Yet many software suppliers don't have the comprehensive insights that can inform them about these trends.

Only about 57% (57%) of respondents can see if utilization for a specific customer is increasing or declining. Without being able to identify behaviors such as increased use, software suppliers may not be able to determine where overuse and misuse are taking place—or take the necessary steps to remedy the problem and prevent revenue leakage, such as implementing a usage-based software monetization model like [Elastic Access](#).

How well do you understand your customer's use of your software?



Recovering Revenue from Unlicensed Software Use

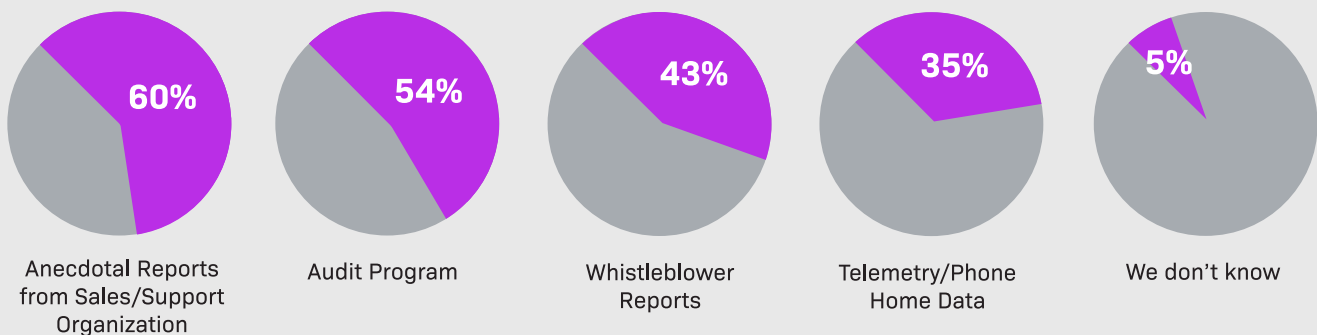
How Software Piracy, Overuse, and Misuse Occur

Ensuring that all users are paying customers requires clarity into how piracy, overuse, and misuse are occurring. Software suppliers rely on varied sources to gain insight into how revenue loss is occurring.

Marking a significant improvement in awareness of revenue loss, presently only 5% say that they are unaware of how they are losing revenue to software piracy, overuse, or misuse, falling from 21% a year ago. This may indicate an increasing focus on revenue and the prevention of revenue leakage. However, among respondents who use a homegrown solution as their main technology for managing entitlements and usage rights, the number remains relatively high, with 13% reporting that they don't know how revenue is lost to software piracy, overuse, or misuse. These solutions may not be surfacing the relevant information as easily as is needed.

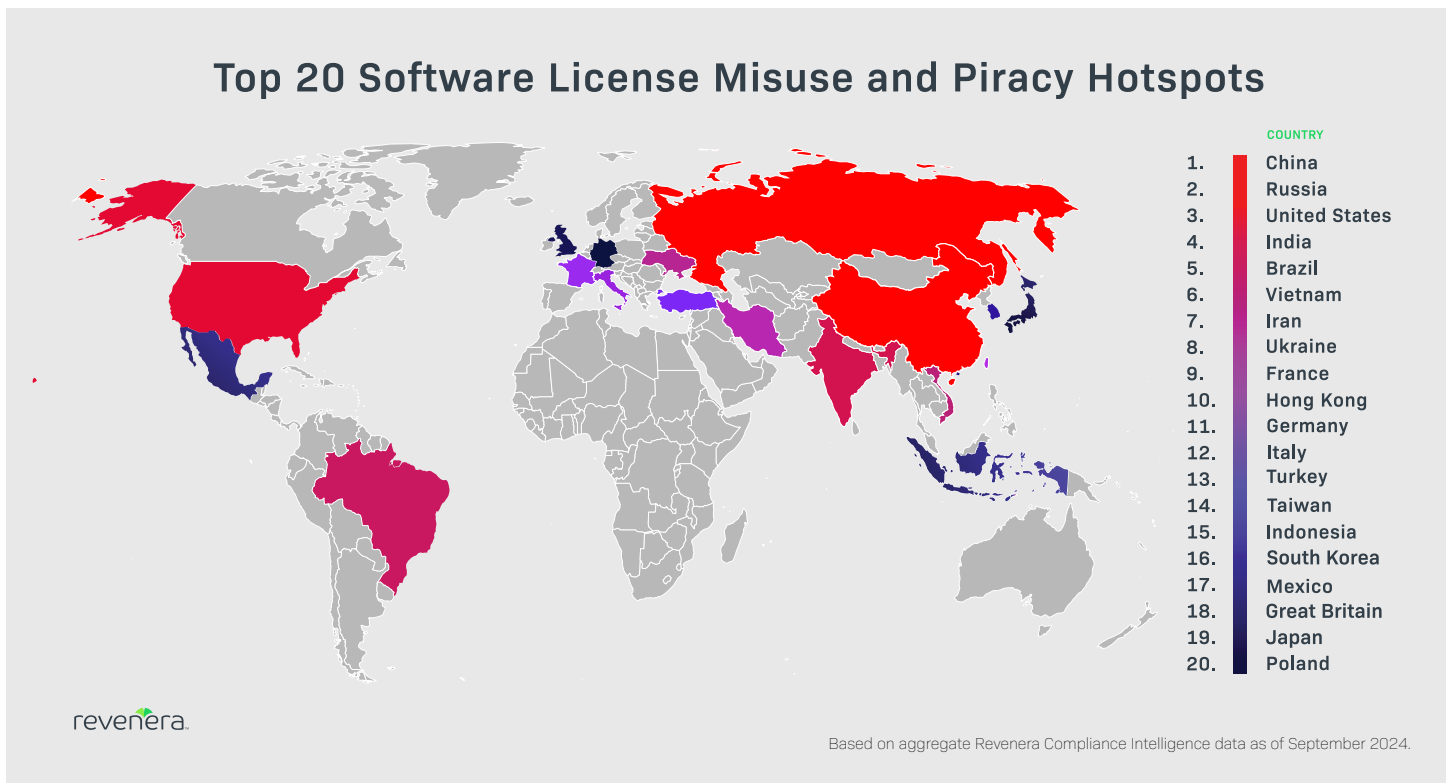
Reliance on often manual processes is on the rise: 60% of respondents (up from 52%) use anecdotal reports from the sales/support organization; 54% (up from 50% a year ago) use audit programs; and 43% (up from 36% a year ago) use whistleblower reports. The growing use of these approaches may indicate that software suppliers don't have the telemetry in place to gather these usage insights efficiently. With 16% of respondents indicating that they plan to change monetization models in the next two years in order to tighten enforcement/compliance for goals such as to help eliminate revenue leakage, streamlining the ability to gather insights will prove useful.

What sources do you use to learn that you are losing revenue to software piracy, overuse or misuse?



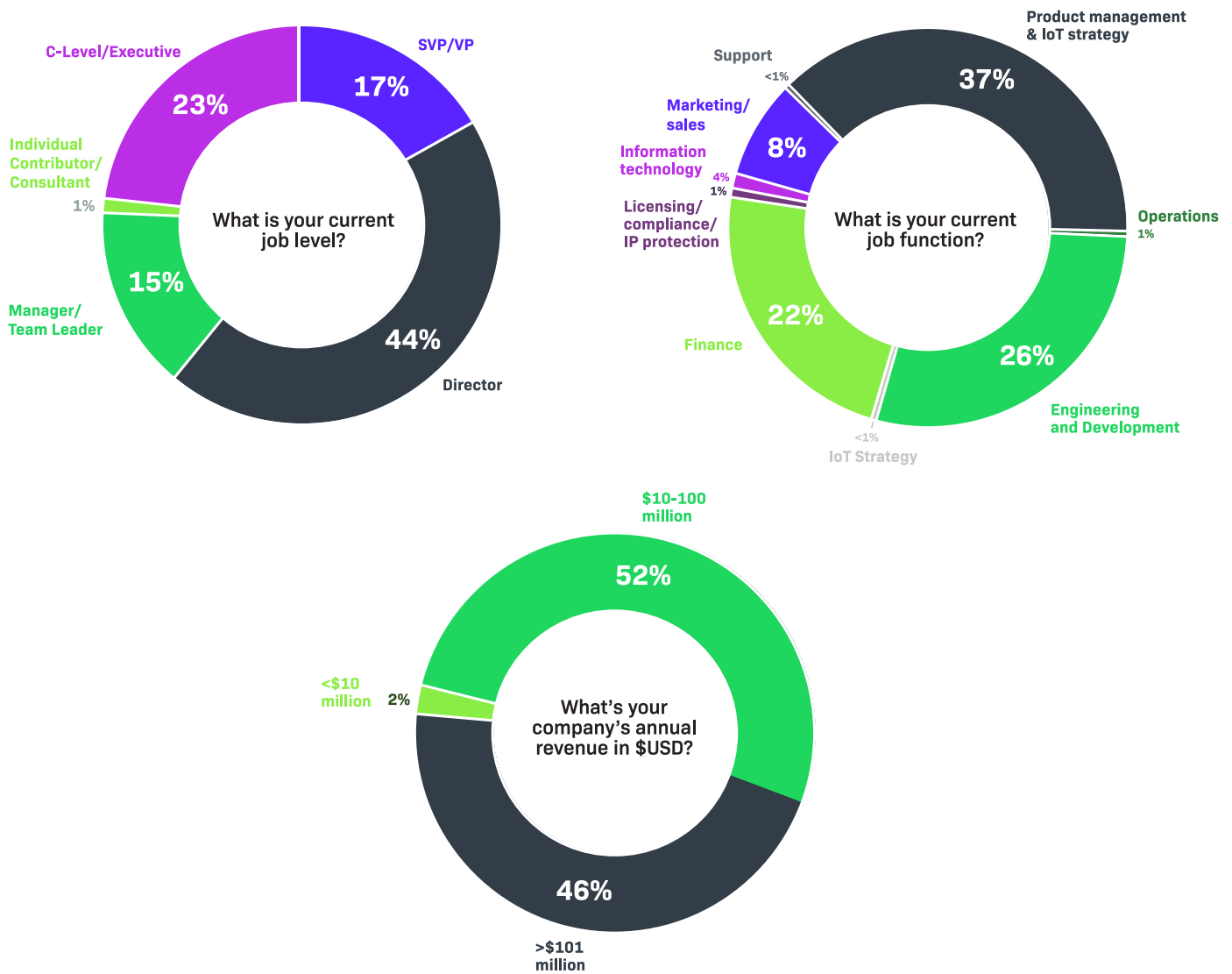
Top Software License Piracy Hotspots

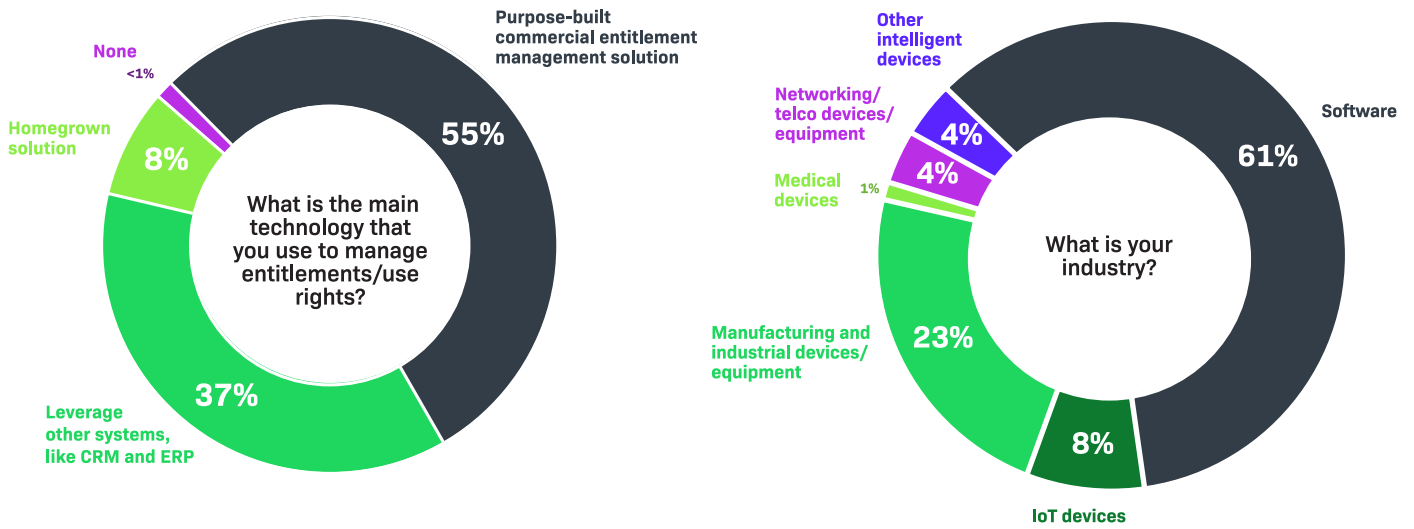
Detecting, identifying, and reporting on the unlicensed use of applications helps software suppliers monetize license piracy, overuse, and misuse. Aggregate data from Revenera's Compliance Intelligence customers used to create the Top 20 list of piracy and license compliance hotspots reveals an \$18.7 billion revenue opportunity in countries with strong IP laws and a track record of successful license compliance programs, which is a \$2.5 billion increase from 2023. These initiatives will help improve overall license compliance and improve the incoming revenue stream from software products.



Survey Background

The *Reverera Monetization Monitor: Software Piracy and Compliance 2025 Outlook* report is based on 418 complete responses to a survey conducted by Reverera from May through July 2024. This research project looks at software producers' software business models, pricing, usage, and transparency. Due to rounding, percentages may not always appear to add up to 100%.





REUSE

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The Bottom Line

Who is using your software in an unlicensed way?

The ability to answer this essential question requires accurate data into how your software is being used and if that usage is in compliance with license terms. As software suppliers continue to embrace **hybrid monetization and deployment models**, the ability to gather that usage data and analyze it is more important than ever. Clarity into who is using your software can help software suppliers make product decisions that deliver their software offerings exactly how their customers want to use them. The results can drive better compliance, improve customer satisfaction, and improve revenue recognition.

NEXT STEPS

Take action to improve your organization's license compliance initiatives.

[LEARN MORE >](#)

Insight into software usage analytics will be provided in the next report in the ***Revenera Monetization Monitor 2025 Outlook*** series.

Revenera helps product executives build better products, accelerate time to value and monetize what matters. Revenera's leading solutions help software and technology companies drive top line revenue with modern software monetization, understand usage and compliance with software usage analytics, empower the use of open source with software composition analysis and deliver an excellent user experience—for embedded, on-premises, cloud and SaaS products. To learn more, visit www.revenera.com