

COMPLIANCE INTELLIGENCE

Prosumer Software Vendor Converting Pirates to Customers

Usage Analytics and In-Application Messaging Power Automated Conversion Campaigns

Leading prosumer content creation software vendor detects pirate users and alerts them through in-application messaging with escalating compliance campaigns

**CHALLENGE**

- Customer estimated it was losing \$100M to piracy and needed a way to convert pirate users into paying customers

**SOLUTION**

- Reach, educate, and convert pirate users through tracking, analytics, and in-application messaging powered by Compliance Intelligence

**BENEFITS**

- Provided proof to company that pirates will convert to paying customers
- Achieved ROI within three months
- Average campaign conversion rate of 3% (and growing) within first year of deployment

No way to measure impact of piracy and preventative measures unsuccessful

A leading provider of content creation software with annual revenues of \$50M estimated that it had \$100M lost to piracy. Marketing, communications and creative professionals use the software to create compelling multimedia content across a wide range of industries. Pirated versions of its applications were ubiquitous on the web and easy to find—so much so that the support team was fielding an increasing number of calls from users that did not exist in the customer database. With tens of thousands of consumer and professional users worldwide, the company needed a scalable solution to reach, educate and convert pirate users into paying customers.

While the company believed that there was a tremendous license revenue opportunity from pirated use, it had no way to track or measure it, and was not convinced that the conversion strategies adopted by larger vendors like Microsoft and Adobe would work for the company.

It deployed simple licensing to strike a balance between streamlining the activation process for customers (and keeping support costs down) and protecting the application from piracy. Yet this approach limited its ability to slow the pace of pirated software adoption because illegitimate license keys were widely available from crack groups. The company created blacklists of these keys which grew longer and longer, and calls to support increased as users struggled to activate their software.

Through these calls, the company learned that many of these users thought they were using paid, legitimate software. They had paid their money to sellers of pirated software and illegitimate license keys, but not to the company or its channel partners.

The company also monitored the availability of pirated software on the web, but its takedown efforts were resource-intensive and forced them into a game of “whac-a-mole” where new sites quickly replaced the ones taken down.

These “preventative” strategies of blacklisting and takedowns weren’t working. Having seen that other customers had achieved conversion rates as high as 11%, the company chose to deploy Piracy Response and see if it could monetize piracy and convert pirates to paying customers.

Taking a targeted and automated ecommerce approach to compliance

The Compliance Intelligence platform identifies the unlicensed use of software and creates actionable intelligence to generate new license revenue. In-application messaging builds on this platform by providing dynamic, highly targeted in-application messaging functionality. This enables software vendors with a high-volume transactional model to cost effectively reach, educate, and convert unpaid users. Working with Reverera experts and license compliance analysts, the company created targeted in-application response campaigns based on specific demographic and behavioral profiles of the unlicensed users to convert unpaid users to paying customers. Following ecommerce marketing best practices, these campaigns were tested and optimized with the support of the Reverera team. Because the company also has larger organizational users of its software, it was able to segment those users out of the in-application response campaigns and conduct direct compliance outreach activities.

“Reverera’s experts helped us to think through our strategy and fine-tune our campaigns based on their analysis of the software usage intelligence we were receiving. As a result, we’re seeing increasing conversion rates on our campaigns.”

—VP OF PRODUCT DEVELOPMENT





Pirates become paying customers and conversion rates increase

The company initially integrated Compliance Intelligence into a point release of its main product. The company worked with Revenera deployment team to develop initial in-application messages, new ecommerce landing pages specifically for pirate users, and automated policy settings to trigger campaigns initially focused in North America. Once the company launched and tested its initial campaigns, it worked with Revenera compliance data analysts to optimize the campaigns based on regional considerations, business policies and usage thresholds (e.g., number of recordings, number of productions and day of use). Within the first year of deployment, results included:

- Proof that pirates will convert to paying customers, and that the piracy conversion approach taken by Microsoft and Adobe can work for a company like theirs
- Return on its initial investment within three months
- Average campaign conversion rate of 3% (and growing)
- Development of campaign optimization strategies based on usage analytics

The company also worked with the Revenera team to target larger organizations with a compliance letter campaign that yielded a 29 percent conversion rate. Finally, the company has leveraged the usage analytics to fine-tune its campaigns. The company is seeing higher conversion rates as a result of timing campaigns when adoption and usage meets certain thresholds and offering discounted pricing.

NEXT STEPS

Learn more about Compliance Intelligence.

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