

Businesses lose Rs 1.5 lakh per month due to pirated software



Data loss, virus infections and increased maintenance costs plague businesses that use pirated software

You spent about Rs 40,000 on the PC and other hardware for each of your employees, but managed to keep the software cost to just Rs 500 using pirated software. You are smug about the “savings” you made—but the truth is actually quite different. Research commissioned by Microsoft India clearly indicates that your entire savings can be wiped out due to higher number of system crashes, virus attacks and data loss. In the long run, businesses with pirated Windows XP will find the total cost of ownership with pirated Microsoft software higher due to increased maintenance costs and opportunity loss of almost Rs 1.5 lakh per month per PC, nearly Rs 1 lakh more than businesses using original software.

The research reveals that businesses with pirated Microsoft software are more likely to have virus attacks, suffer from system failures, and most importantly, end up paying more in the long run, than if they had just purchased original Microsoft software. The details are startling, to say the least, but now the research provides proof of what all of us already know.

Your data might be at Risk

If you used a crack (a program that tries to bypass software security) to pirate Microsoft software, then beware. Websites providing these cracks also install malicious software on the PC without your knowledge. The research revealed that of the 53 Windows Vista and 30 Windows XP CDs and DVDs tested:

- All the cracks downloaded from the Internet for patching Windows Vista had one or more malicious software planted in the downloaded zip files.
- 80% of the cracks downloaded from the internet for patching Windows XP had one or more malicious software planted in the downloaded zip files.

- More than 30% of the Windows XP CDs tested were infected with viruses and malware including WPA_Kill.

KEY FINDINGS

- Cracks downloaded from the Internet for patching Windows Vista or Windows XP tend to have malicious software.
- Businesses with pirated Windows XP are more likely to be hit with virus problems, system failures and longer downtimes.
- Businesses with pirated Windows XP will find it more expensive in the long run due to higher maintenance costs and opportunity loss of almost Rs 1.5 lakh per month per PC.

Virus infections cost 40% more for pirated XP users to fix than for Original XP

Pirated software results in system failures and data loss

As part of the research, Microsoft spoke to small businesses using non-original Windows XP. It was found that:

- On an average, small businesses with pirated Windows XP face system failures approximately 4 times a year, arising from virus attacks. Nearly 50% of the affected businesses faced data loss. Pirated Windows XP users faced an average downtime of 2 hours with each system failure. (Base of 141 users)
- The cost of maintaining a PC with pirated Windows XP is almost Rs 2,000 per year and increases with each passing year to more than Rs 3,500 by the 8th year.

What are Malicious software?

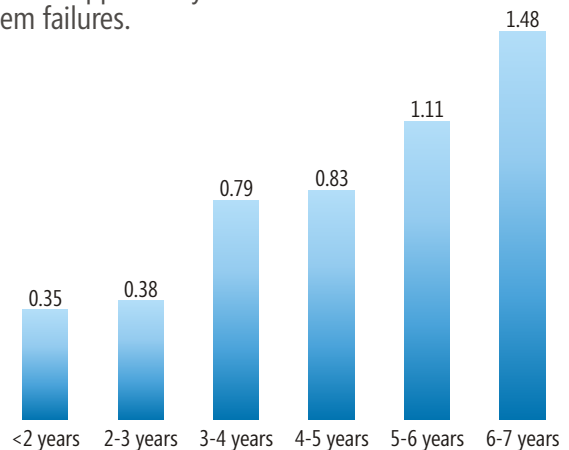
Malicious software slow down the system, install viruses or spyware that can pass on confidential information including passwords to others.

Because of the lost time and additional costs paid, the opportunity cost due to system failure per computer per month is to the tune of Rs 65,000 for businesses with pirated Windows XP, almost double that of businesses with Original XP users. Within a period of seven years, this opportunity cost can be as high as Rs 1,48,000 per PC per month, and end up losing Rs 1 lakh more per PC per month as compared to original Windows XP users. (Base of 119 users)

At an overall level, unproductive salary paid is Rs 1,579 per PC-using employee per month for businesses with pirated Windows XP.

Total Cost of Ownership (Rs Lakhs)

Pirated software is more expensive in the long run, with high maintenance costs and opportunity losses due to system failures.



Microsoft India carried out the research by actually purchasing CDs and DVDs from places such as Lamington Road (Mumbai), Nehru Place, Pallika Bazaar (New Delhi), Ritchie Street (Chennai), SV Road (Bangalore), etc. Nearly 100 such CDs/DVDs were purchased and tested. In addition, Microsoft conducted a survey of 395 businesses, equally divided between those using original Microsoft software and those using pirated Microsoft software.

