

Clickbank Merchants = Theft Victims

By Shawn Pringle

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Software piracy accounted for over \$24 BILLION dollars in lost revenue over the last two years*. Some of that was your money! Continue doing nothing and you'll lose more money this year.

Why do Clickbank merchants put up with this? Their products are being stolen instead of bought. When Clickbank merchants sell their downloadable products, even when they use some download protection script/tool, the end product itself is being easily and freely distributed. This confirms that people want the software, they just don't want to pay for it if they don't have to. 70% of them won't if they can get it for free*.

Here's the scenario virtually all Clickbank merchants are in right now. The Clickbank system requires every merchant to upload their digital products (e-books or software) to their web server and create a download page, or "Thank-You" page in order to automate the entire order process. Merchants then set up a sales link to sell access to download their products. The customer places an order via the sales link then is sent through Clickbank to the download page automatically. This download page has the link to download the actual product. That's what's supposed to happen. But what is really happening?

The uploaded product is easily downloaded for free by potential customers that have found a "back door". A "back door" either by locating the download page without paying, or getting a copy of the product from elsewhere via email, newsgroups, forums, eBay, whatever. For every ten e-books downloaded, 4 of those are stolen *. These are lost sales and income forgone. And merchants have no idea who is downloading their product, or what happens after it's downloaded. They lose total control of its distribution. Some thieves even go so far as to sell stolen software and e-books as their own for a greatly reduced price.

Getting free software from Clickbank merchants is not very hard to do at all. All thieves have to do is find someone that has a copy of the merchant's product and get them to provide the download location. Or, simply get them to right-click, copy, and paste the file in an email. Bing bang boom - software piracy. Then that friend sends copies to his friends, who sends copies to his family, who share it with their friends...BIG PROBLEM. The more popular the product the more it is being stolen.

But this is only the first big problem for Clickbank merchants when it comes to protecting their product. Something many people don't know about Clickbank is that they promptly and without hesitation honor each and every refund request, no questions asked. EVERY SINGLE PRODUCT OFFERED IN THE CLICKBANK MARKETPLACE CAN BE DOWNLOADED ABSOLUTELY FREE OF CHARGE. How? By simply paying for any product and sending an email to Clickbank for a

refund. There's no need to explain anything, just that you'd like a refund. You'll get your refund right away and guess what, you get to keep the product, for free. There is no requirement to return the product like with a traditional refund, since there's no way to be sure the product was really deleted. Imagine the absolute uproar brick-and-mortar merchants would be in if customers were allowed 100% unconditional refunds on request, and the customer gets to keep the shirt, pants, DVD , or whatever? They wouldn't be in business very long, that's for sure.

So how are Clickbank merchants supposed to stay afloat? The only reason they are able to is because some people don't know how easy it is to get online products for free, so these people actually pay for the product. Within this system it's pure luck that anyone actually pays for the product.

Some conscientious merchants claim, "I'm safe, I protect my download location with a third-party tool that creates my download location on the fly." This is a false sense of security. Basically this protection method simply hides the download location, but the product is still just as susceptible to being freely distributed after the download. And it can still be kept if a refund is issued. This is equivalent to the banks simply hiding all the money instead of putting it in the bank vault.

The only real way to stop thieves and freebie-seekers is to protect the product itself with unique identifiers and access codes for each customer. Until more merchants become wise to this one simple truth rampant software piracy will continue to plague Clickbank merchants and the rest of the software community.

Shawn Pringle is the owner of two essential products for the entire Clickbank community. He can be reached via his web site, www.CBProtect.com or through email at shawn@cbprotect.com .

*average 40% worldwide software piracy rate for 2001 & 2002, and dollar losses totalling \$24.05 billion, based on intensive studies by the Business Software Alliance <http://www.bsa.org> .

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