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# Understanding Attitudes toward Online Music Piracy

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## **ABSTRACT**

Online piracy of copyrighted digital music has become rampant as internet bandwidth and digital compression technologies have advanced. The music industry has suffered significant financial losses and has responded with lawsuits, though online music piracy remains prevalent. More effective approaches to fighting music piracy can be developed with the aid of an understanding of individual attitudes toward online music piracy, particularly the antecedent factors influencing individual attitudes toward online music piracy. This paper proposes a research model to study the determinants of individual attitudes toward online music piracy. The model draws from various perspectives including the theory of reasoned action, deterrence theory, deindividuation, and equity theory. Deterrence, deindividuation, behavioral beliefs, outcome evaluations, and perceived inequity of relationship with the music industry are submitted as pertinent factors influencing individual attitudes toward online music piracy. Methods for empirically testing the model and subsequent expected contributions are discussed.

## **Keywords**

Piracy, music piracy, intellectual property.

## **INTRODUCTION**

Online music piracy has flourished in recent years as advances in internet and compression technologies have enabled users to send and retrieve large collections of copyrighted music files over the World Wide Web. The music industry appears to have been hit hard, as profits have decreased about 10 percent each year for the past few years (Dana 2003). The music industry has responded with a series of lawsuits, though the effects of this litigation are unclear (Fightback 2004). In any case, music piracy remains prevalent, prompting the music industry to turn to other defensive measures, since music piracy remains prevalent despite the litigations (Fightback 2004). Thus, in the search for ways to effectively approach the problem, it is necessary to develop a better understanding of the underlying factors associated with consumers' choosing to illegally obtain copyrighted music files via the internet.

A literature review reveals a paucity of scholarly articles addressing online music piracy. Interestingly, Gallaway and Kinnear (2001) found that undergraduates were generally willing to pay for music on legitimate websites to avoid breaking the law. The revenue and piracy implications of offering music online through legal channels were evaluated by Bhattacharjee, Gopal, Lerwachara, and Marsden (2003a). The authors analyzed various online models to enhance revenues from digital music sales in the presence of online music piracy and found that efforts to eliminate online music piracy may not be a necessary component of revenue maximization strategies. Recently the music industry has indeed begun to embrace distribution of music on the Internet as a defensive measure against online music piracy (Easley, Michel and Devaraj 2003). However, online music piracy remains a serious threat to the music industry and it remains to be seen if it can find a way to maintain its financial performance, even if it is embracing technology (Easley et al. 2003). Indeed, there are a number of illegitimate Web sites that distribute copyrighted music (Das 2000). While it would be difficult to argue that these illegitimate Web sites and their users have not committed copyright infringement (Langenderfer and Cook 2001), using litigation to fight illegitimate sites is a problematic, since the webmasters are difficult to locate and the users are generally too removed from the initial infringement (Das 2000).

Bhattacharjee Gopal and Sanders (2003b) studied a variety of demographic, economic, and technologic factors associated with persons who pirate music. Individuals pirating music are found to be generally young. Also, increasing the price of a music CD has a significant positive effect on the piracy of that CD. Increasing bandwidth results in significant increases in music piracy as well, suggesting consumers pirate more music as it becomes easier to do so.

While Bhattacharjee et al (2003b) provide a profile of the demographic, economic, and technological factors associated with individuals who participate in online music piracy, little is understood about individual attitudes toward the behavior.

Attitudes have been shown to be an important predictor of such unethical behaviors as cheating, stealing and lying (Zimbardo 1969). This is consistent with the theory of reasoned action (TRA), which suggests that attitude toward a behavior is a significant predictor of an individual's actual intention to perform the behavior in question (Ajzen and Fishbein 1980). In fact, attitude toward piracy is a strong predictor of intention to buy pirated CDs (Kwong, Yau, Lee, Sin and Tse 2003).

Therefore, an important step toward understanding the illegal behavior of online music piracy is the development of an understanding of attitudes toward the issue, particularly the antecedent factors influencing these attitudes. Understanding individual attitudes, the salient factors that influence these attitudes, and their relative importance, may aid significantly in the search for an effective campaign against online music piracy.

This paper develops a research model to investigate antecedent factors influencing individual attitudes toward online music piracy and their relative importance. The model's constructs, the theoretical underpinnings, and subsequent hypotheses are presented below.

## RESEARCH MODEL AND HYPOTHESES

Drawing from the theory of reasoned action, deterrence theory, deindividuation, and equity theory, this paper develops a research model of individual attitudes toward online music piracy, and the salient antecedent factors. The model is presented in Figure 1.

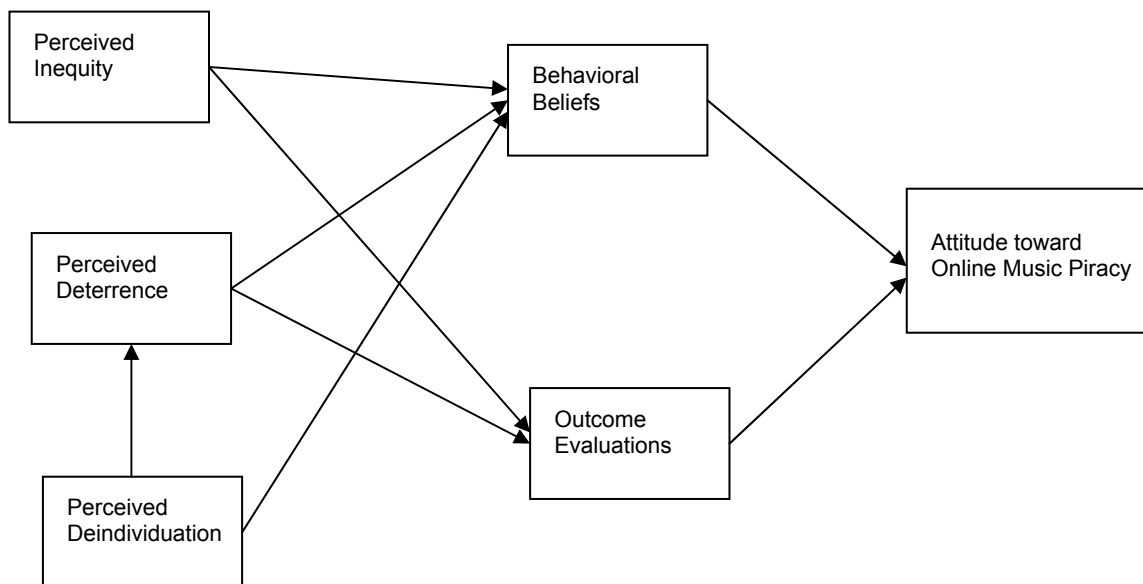


Figure 1. Attitude Model for Online Music Piracy

### Attitude toward Online Music Piracy

The fundamental constructs for the proposed model are drawn from the theory of reasoned action (TRA). TRA has been used extensively by researchers to describe ethical decision making behavior (Weber and Gillespie 1998). The theory is useful for conducting research on ethical behavior because it links beliefs, attitudes, and social norms to an individual's intention to behave in a certain way (Dubinsky and Loken 1989). While social norms and individual intentions are important constructs regarding TRA's ability to predict behavior, the present paper draws from TRA's insights into the relations between beliefs and attitudes.

TRA posits that attitudes toward a behavior are determined by beliefs about certain outcomes associated with the behavior in question (Ajzen and Fishbein 1980). Attitude refers to the amount of affect one feels for or against some object, people, events, or behavior. Simply stated, attitude toward a behavior refers to the judgment concerning whether the behavior is good or bad. Attitudes arise from a combination of individuals beliefs about the outcomes of a certain behavior and their evaluations of those outcomes. Behavioral beliefs are defined as a person's salient beliefs that performing a given behavior will result in certain outcomes that may be positive or negative (Dubinsky and Loken 1989). TRA predicts that individuals perceiving a particular behavior as resulting in predominately positive outcomes will have a positive attitude toward the

behavior. Thus, individuals perceiving online music piracy as resulting in predominately positive outcomes will have a positive attitude toward online music piracy.

Outcome evaluations are defined as the goodness or badness of the outcomes of online music piracy. According to TRA, individual attitudes toward a behavior are determined in part by outcome evaluations. An individual who perceives the outcomes as primarily good will have a positive attitude toward online music piracy. The following hypotheses are based on the above:

*H1: Behavioral beliefs toward online music piracy will positively affect individual attitude toward online music piracy.*

*H2: Outcome evaluations of online music piracy will positively affect individual attitude toward online music piracy.*

### **Perceived Deterrence**

Obtaining copyrighted music from the internet without paying is an illegal activity and is punishable by law. The effects of punishment severity and the probability of punishment in deterring behavior are addressed in deterrence theory literature (Lee and Lee 2002). Deterrence theory submits that the perceived certainty and severity of punishment inhibits individuals from engaging in illegal behavior (Harrington 1996). Because online music piracy is an illegal activity, perceived punishment severity and perceived probability of punishment are likely to be factors influencing individual intentions to engage in the illegal act of online music piracy. Deterrence theory posits that the more an individual perceives the effects of deterrence to be severe and probable, the less likely will be the individual's desire to engage in committing the behavior in question. Therefore, the following hypotheses are suggested:

*H3: Perceived deterrence will negatively affect behavioral beliefs concerning online music piracy.*

*H4: Perceived deterrence will negatively affect outcome evaluations concerning online music piracy.*

### **Perceived Deindividuation**

Deindividuation is a feeling of being estranged or separated from others, resulting in decreased inhibitions regarding socially unacceptable acts (Zimbardo 1969; Loch and Conger 1996). Individuals in a deindividuated state may lose awareness of society and self regulation (Zimbardo 1969). A number of researchers have shown the tendency for people to experience deindividuation when performing activities involving a computer. Hsu and Kuo (2003) found a strong relationship between perceived deindividuation and software piracy. Loch and Conger (1996) empirically tested for and found a relationship between computer induced deindividuation and attitudes toward a variety of unethical computer acts. Loch and Conger (1996) suggest that computer induced deindividuation causes individuals to lose awareness of other stakeholders who may be affected by an action. This computer induced deindividuation leads individuals to "condone a broader range of behaviors, including ethically questionable acts" (Loch and Conger 1996, p. 76). Thus, deindividuation is expected to be indirectly related to attitudes through behavioral belief and outcome evaluation. Based on the above, the following hypotheses are suggested:

*H5: Perceived deindividuation will negatively affect behavioral beliefs concerning online music piracy.*

*H6: Perceived deindividuation will negatively affect perceived effectiveness of deterrence.*

### **Perceived Inequity**

Equity theory has been used extensively in organizational behavior, marketing and policy research, and has begun to appear in information systems literature (Glass and Wood 1996). Equity theory posits that individuals in social exchange relationships compare the ratios of their inputs into the exchange to their outcomes from the exchange (Adams 1963). When the perceived inputs and/or outcomes in an exchange relationship are seen as inconsistent with the perceived inputs and /or outcomes of the referent, inequity exists. When a person perceives inequity in an exchange relationship, he or she seeks ways to restore equity or reduce the perceived inequity (Adams 1963). The relationship between a buyer and seller is a relationship described by equity theory (Huppertz, Arenson and Evans, 1978). In the buyer and seller relationship, two sources of inequity are identified; price inequity and service inequity (Huppertz et al., 1978). Thus, an individual who perceives an inequitable relationship with the music industry, either due to high prices or poor service, can be expected to search for ways to restore equity in the relationship. An obvious avenue for restoring equity in such a relationship is acquiring music offered by the music industry without paying for it. Therefore, an individual's perceived existence of an

inequitable relationship with the music industry may be a factor affecting the individual's behavioral beliefs and outcome evaluations concerning online music piracy. Based on the above, the following hypotheses are suggested:

*H7: Perceived inequity of relationship between an individual and the music industry will positively affect individual behavioral beliefs regarding online music piracy.*

*H8: Perceived inequity of relationship between an individual and the music industry will positively affect individual outcome evaluations regarding online music piracy.*

## METHODOLOGY

The research model can be empirically tested using data collected from a survey. The sample will include university students from a large state university. New items will be created for the constructs perceived inequity, behavioral beliefs, and outcome evaluations. Construct validity and instrument reliability will be assessed and assured. Survey instrument development will begin with a pilot study, and the subsequent results will be used to create a final survey instrument. The model will be tested using multiple regression analysis.

## CONFERENCE PRESENTATION

The initial survey instrument is being developed and the final instrument will be available at the conference. Full results will, if possible, be available at the conference.

## ANTICIPATED CONTRIBUTIONS

Empirically testing this study's proposed model will provide an understanding of current attitudes towards online music piracy, as well as the determinants of these attitudes and their relative importance. The results will provide valuable groundwork for subsequent studies on factors influencing individuals to engage in online music piracy.

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