A Qualitative Examination of Movie Piracy Behaviors and Their Impact

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Abstract—The piracy of copyrighted movies in the digital disc format at any stage of the motion picture industry’s value chain without permission of the copyright holders is an ongoing problem that is prevalent and adversely impacts industry revenues. Drawing on the Theory of Planned Behavior, we qualitatively examine the factors impacting domestic movie piracy behaviors in US respondents between 17 and 70 years of age. We discuss differences across groups and examine the underlying rationale for piracy behaviors. In order to move closer to mitigating some of the damages caused by movie piracy, it is recommended that the Motion Picture Association of America (MPAA) should find ways to communicate with each group through effective marketing, education and enforcement of its piracy policies and penalties.

“Piracy is not just detrimental to major U.S. studios. Local and non-MPAA member companies in other countries (including producers, distributors, theaters, video stores and pay-per-view providers) suffer from piracy as well. Losses to other film industries were highest due to piracy in China, France and Japan.” [36]

II. PURPOSE

Figure 1.0: Percent of Potential Market Lost to Piracy [39].

Roger Friedman’s act, as mentioned in the introduction, was viewed as promoting piracy, which continues to be an issue across this globalized world. [20] conducted a study to estimate the loss of box office revenue due to movie piracy, particularly in the internet stream. They found that when movies are downloaded before they are released, the original picture usually lose about $40 million in box revenue and speeds up its decline in theatres [20]. Though the act of watching and reviewing the downloaded movie is an important issue, the purpose of this paper is to gain additional insight into movie piracy in the hard copy format because once the movie is uploaded online, even for a short period of time, it can get to the hands of pirates who can mass produce and distribute these movies—often times before they are released in the theatres, as in this case of the opening example. The topic of piracy has been widely explored through quantitative studies, but research on movie piracy is a fairly new topic. Previous researchers have focused on quantitative analysis of movie piracy of particular age groups, and several have studied different types of relevant counterfeits in many different countries. Even though other countries rank above the United States in losses due to movie piracy, there is value in studying domestic piracy, particularly understanding the differences in age groups.

DVD burners are inexpensive and can cost as little at $30. The affordability of the technology to perform piracy of optical disks makes it readily available to the average citizen. Piracy is one of the many forms of intellectual property theft and copyright infringement which have become a growing problem around the world. Understanding how difference age
groups view piracy could provide insight on how to abate their piracy efforts.

The purpose here is not to add to the generalizations of Movie Piracy but to add value and qualitative information to understanding motion picture end users’ viewpoints towards piracy and their reasons for participating in movie piracy, if they do participate. The definition of movie piracy adopted for this study is the “the unauthorized use (including taking, copying) of copyrighted movies in digital disc format in any stage of the Motion Picture Value Chain without permission of the copyright holders.” The research focuses on using the Theory of Planned Behavior as a framework to move closer to understanding movie piracy, particularly: What are the factors which impact domestic movie piracy behaviors affecting Americans between 17 and 70 years of age (categorized as Young Adult, Adult, Middle Aged Adult, and Aged Adults)? Do these factors differ from one group of respondent to the other? What are the advantages and disadvantages of movie piracy across all groups of respondents?

It is imperative to discuss the Motion Picture Value Chain and Digitalization of the Motion Picture Industry as essential insight prior to the review of pertinent literature. Subsequent sections after the thorough Literature Review are the Theoretical Background, and then the Methodology and Results of this qualitative research. The paper ends with a Discussion including implications and future works/next steps. The next section explores the topic of motion picture value chain and serves as a background to the topic.

III. MOTION PICTURE VALUE CHAIN AND IMPACT OF DIGITALIZATION

Even though the development process for each movie is unique, the first step is usually a new idea or event in the form of a literary property [53]. However, the model (Figure 2.0) above represents the widely accepted view of the Motion Picture Industry Value Chain. Once the screenplay is selected, negotiations are concluded, and funding is secured, the producer will design and plan the movie. The movie is created and monitored during the production phase. Each day different scenes and parts of the movie are captured on film and sent to the lab for development. These “dailies” allow the producer to monitor the creation process and to update the schedule and budgeting, if necessary. At the completion of the movie, the movie is iteratively edited in post-production and then the music department makes some touches. Duplicated moves are released to Theatres for 4-6 weeks run. They are then distributed through Home Videos about 5-6 months later. About 1.5 months after Home Video distribution, movies can be view on Pay-Per-View, which enables different customers to purchase the feature at different times, watching the feature at a set time. This Pay-Per-View options runs for 3-4 months. The movie is then more widely distributed through Premium Cable, such as HBO, Showtime, and Cinemas. Several cable services now offer Movies-on Demand which enables customers to watch certain movies at the touch of a button without waiting for a particular time-slot. One year later, the movie is distributed through Syndicated TV networks—such as ABS, NBC, CBS, and Fox—with a pre-determined number of telecasts [19].

Digital technologies, whether through incremental innovation of HD-DVDs or using existing technologies to stream movies (modular innovation), is prevalent in the home entertainment business. These digital technologies could help to decrease revenue from box office profits. Companies in the industry must find ways to preserve or increase their earnings through the use of DVDs. MovieLink, is an internet website, where customers may download original movies for a purchase price. This is one way which the Movie Industry is responding to the issue of movie piracy. DRM (Digital Rights Management) Tools are a force to reckon with in theatres and film. [61] argues that digitization can save funds and allow for disintermediation. [61] found that duplication of the movies which are distributed to theatres will be diminished, if not completely expunged because of digitalization. Those businesses which used to provide duplication services post-production, and even “dailies” during production, will redirect their efforts to become other movie-related service providers. The advent of digitalization of movies will decrease production costs and the process of securing funding from the top studios. The industry may become more competitive with the introduction of small independent producers, who would not have been able to operate before digitalization.

About five years after [61], a study emerged on how to assess the timing of movie release via the Internet. The value chain of [61] incorporates disintermediation via Internet, but this research focuses on the disintermediation of movie
pirates who copy the movies onto a physical hard copy. [19] found that the MPA could benefit from greater profits if it released movies, which performed well during the first weeks in Theatre, to the Internet simultaneously with paid cable services.

IV. LITERATURE REVIEW

Movie Piracy is one of the many forms of counterfeits available in our society. Counterfeit (the practice of accepting a cheaper imitation product in substitute of the original product and without regards for its revenue generation) purchases have been widely studied over the years. Business techniques, law, and politics, to name a few, have all been impacted as a result of counterfeiting and as a way to attempt abatement. While movie piracy is the focus of this study, it is known that music piracy materialized about a decade before movie piracy. Since the idea of selling counterfeits, whether pirated or imitated, is not a new topic, reviewing past literature on counterfeiting might be fruitful.

Previous researchers between 1993 and 2006 have focused on counterfeiting several end products. Since this study is mostly related to software, CDs, DVDs/VCDs, studies solely involving other products will be excluded from this discussion: shirts [6]; auto parts ([10]; [9]); knit shirts and 35-mm cameras [17]; color TVs [3]; pain reliever, sunglasses and watch [31]; and fashion counterfeits [25].

A. Reliance on Theoretical Frameworks in Piracy Studies

There have been several studies on counterfeit software or software piracy. Some have relied on theoretical frameworks. Bandura’s Social Cognitive Theory aided [26], [54] and [51] selected Theories of Ethical Decision Making. [43] selected Expected Utility Theory of Deterrence Theory. [23] relied on Equity Theory. While [11] relied on both the Theory of Reasoned Action and the Theory of Planned Behavior to aid the research, others explored one theory or the other. [14] and [58] relied on the Theory of Reasoned Action while [42] and [18] relied on the Theory of Planned Behavior (TPB). [18] has also used TPB to assess the effects of anti-piracy arguments on a number of internet music swapping adults. They emphasized the importance of the unethical nature, negative consequences for the artists, and the negative personal consequences. However, contrary to the expectations, behavior dynamics was not significantly influenced by the anti-piracy arguments.

B. Intention to Purchase Counterfeit

Several researchers studied intention to purchase counterfeit products. In studying intention to purchase genuine versus counterfeit products in five product categories in Korea, [60] found that not only do consumers prefer genuine items to counterfeits [when price information is provided, the preference diminishes], but consumer and non-consumers of genuine products displayed the same level of intention to purchase counterfeits. Additionally, they found that consumers who have tried counterfeit showed stronger intention to purchase counterfeits than the other consumers. In other Asian country, the intention to purchase pirated goods, particularly DVDs/VCDs was studied in Taiwan [55]. Like [60], [55] found that consumers consider costs in piracy; their cost benefit analysis enhances the intention to purchase a pirated DVD/VCD. On the other hand, ethical concerns, performance risk, and social norms decrease the intention to purchase a pirate product. While pirated VCD consumers existed in Taiwan, Hong Kong, Shanghai, and Wuhan were known to contain previous light and heavy purchaser of counterfeits. [45] embarked on a study to compare high and low spenders on counterfeits in Hong Kong, including VCDs. Quality and abundant supply of counterfeits enhance the purchase intentions for high spenders compared to low spenders. They also found that the importance of criteria did not differ from high spenders to low spenders, and that price is the most important criteria. [12] embarked on a study to ascertain which group would be considered high consumers of VCDs, amongst other products, in Hong Kong, Shanghair and Wuhan. They found that pirated VCD consumers were: younger consumers and singles, males, middle and high income families, white collar workers, and people with tertiary education.
C. The Role of Attitude in Piracy

Going a step beyond intention to purchase counterfeits of several products, some researchers added an interest in the role of attitude in studying piracy and counterfeiting. With attitude as a mediator to purchase intention, [4] studied piracy of music CDs by Singaporean consumers and found that attitude and purchase intention are positively correlated; males have more positive attitudes toward piracy than females. Value consciousness is positively influenced attitude towards piracy. Attitude towards piracy was negatively influenced by personal income, integrity, and normative susceptibility. Even though [15] did not consider attitude, they did find that affinity impacted the use of counterfeit goods in Thailand. Students more susceptible to celebrities and materialism were found to use more counterfeits, and do so more frequently than their affluence counterparts.

As research on CD piracy continued, [4] and [29] shared similar findings. In a study of intention to purchase pirated CDs in Hong Kong, [29] validated that attitude does influence purchase intentions of CDs, and that females have lower purchase intentions than males do. [29] also found that while age and intention are negatively related, past experience and intention are positively related to intention to purchase pirated CDs. [13] decided to consider idolization in studying the behavioral intention to pirate music in Taiwan. They found that the following reduces attitude of music piracy: perceived magnitude of consequences, perceived proximity, attributional satisfaction, perceived prosecution risk, and singer/band idolization. The latter reduces pirated CD purchasing intention. They found attitude is highly correlated with CD purchasing intention.

Like [4], [55] also studied attitude as a mediator to purchase intention but of software piracy in Chinese students. Among their findings are: attitude toward piracy positively influenced purchase intention; and purchasers display more positive attitudes towards piracy than non-purchasers. Ten years prior to [55], [57] also studied piracy intention in Asia, particularly South-East Asia, amongst students and working adults but used a wider set of products, including software. Regarding software, [57] found that purpose and quality are the only two product attributes related to piracy intention since perceived fashion content, physical appearance, image, and durability had no influence; piracy intention and education are negatively related; and attitude was the only influential psychographic variable since materialism, novelty seeking, and risk take all had no influence.

D. Domestic Publications on Counterfeiting

A large percentage of the aforementioned studies were conducted using data from Asian countries. There have been a few studies on counterfeits conducted outside of Asia, for example, Austria [44], Germany [21], and in the US. It is important to note that [44] relied on the Theory of Planned Behavior for their research in Austria.

Publications on counterfeits in the US were made primarily by two sets of researchers. [48] studied counterfeit purchase intentions of US students. They found that where there is a forty percent or more price difference between the counterfeit and the original product, attitude towards piracy has a negative effect on intention. The price difference and negative intentions were found to be negatively related. Lastly, antipiracy campaigns and quality perception of counterfeit products have no influence on purchase intention. Similar to [29] who found that past experience is positively related to intention to purchase pirated CDs, [52] through a study of attitude toward counterfeiting of US consumers found that experience with counterfeit purchases does enhance attitude toward using counterfeited goods. In their second study, they further sought to understand preference for original or counterfeit, attitude, and satisfaction and embarked on another study in 1998 [52]. They found that price is an important determinant of the preference for counterfeit version of software. While preference of counterfeit leads to positive attitudes towards counterfeiting and greater satisfaction with price, it leads to less satisfaction with durability and quality. Age, income, and education are negatively related with the preference for counterfeit product. In a later study of the US population, [52] also found that age and income are negatively related to the admitted purchase of counterfeits. The purpose of this third study was to assess propensity to purchase counterfeit in the future. They also found that satisfaction of counterfeit products is positively related to future purchase intentions.

E. Qualitative Research on Counterfeiting

All the aforementioned studies were quantitative research. To my knowledge there have only been a couple of qualitative studies. Even though [25] discuss fashion counterfeit which are outside the scope of this research, their qualitative research serves amongst the few. After interviewing 20 purchasers and non-purchasers of counterfeit, years 30 and under in the UK, their findings added meaning research on counterfeits. While the idea that consumers may substitute counterfeits for the desired valuable original brand, their research added depth by attributing this to the issue of identity. They also found that other reasons for substitution were to transfer the associated cultural meaning, and impress others as long as they can deceive them about the validity of their counterfeit brand. [22] also found that counterfeits were chosen because of the brand, but went further to state that it was not a product decision. They interviewed 102 international students predominantly from the Chinese subculture and found that consumers purchase counterfeits as a trial run, or a low-grade version, to assess if purchasing the original would be worth the price difference. Per their research, tourist consumers of counterfeits found that they are symbolic of one’s travel. [21], expanded on commodity theory, mood-based concepts and cognitive dissonance to help explain the motivation of consumers to purchase counterfeits. Amongst their findings are: customers purchase to achieve a sense of belonging; the situational element of
mood and its impact on attitude; and that customers buy to try, with future aim of purchasing the original item.

In all the aforementioned research, whether qualitative or quantitative, to my knowledge, there has not been a study spanning different age groups from young adult to aged adult and getting a deeper understanding of their views towards movie piracy. As previously mentioned, the purpose here is not to add to the generalizations of Movie Piracy but to add value and qualitative information to understanding motion picture end users’ viewpoints towards piracy and their reasons for participating in movie piracy, if they do participate.

V. THEORETICAL BACKGROUND – THEORY OF PLANNED BEHAVIOR

As illustrated in the literature review, previous researchers in many different fields have used the Theory of Planned Behavior (TPB) to explain behavior. The theory has been applied to counterfeits and piracy, as mentioned. However, the theory has also been applied to tax compliance [7], investment behavior [8], heart health [40], and health promotion [47]. It has also been applied to politics [24], and sales [28].

TPB provides a framework for studying attitudes toward behavior. Intention, the most important determinant of one’s behavior (the dependent variable), and is a combination of attitude toward the behavior, subjective norms, and Perceived Behavior Control (PBC). *Attitude*: the degree to which the person has a favorable or unfavorable evaluation of the behavior in question. Attitude stems from individual positive and negative evaluations of the particular behavior. *Subjective Norms*: the influence of social pressure that is perceived by the individual (normative beliefs) to perform or refrain from performing a certain behavior. *PBC*: the individual’s confidence about the particular behavior. PBC is determined by control beliefs and perceived power, and means that a person’s motivation is influenced by how difficult the behaviors are perceived to be, as well as the perception of how successfully the person can, or cannot, perform the activity. A person will have high PBC over a behavior if they hold strong beliefs about the existence of factors that will facilitate the behavior. A person will have low PBC if they hold strong beliefs that impede the behavior. The perception may reflect past experiences or obstructions, the attitude of influential norms, or anticipation of upcoming circumstances. *Behavioral Intention*: indicates how hard a person will try and how much effort the person is planning to exert in order to perform the behavior ([1], [2]).

Like any other theory, The Theory of Planned Behavior has assumptions and was established for one reason or another. With the Theory of Reasoned Action as its root, TPB assumes that humans are rational and use information systematically, and that people consider the outcome and implications of their actions before they decide to perform that action or to refrain from performing the said. It serves three main purpose: to identify how to target strategies for changing behaviors and indentify which areas to target; to explain virtually any human behavior; and to predict motivational influence on behavior, which are not under a person’s will to control. *This qualitative study will rely on data collected from interviews with pirates and non-pirates of motion pictures. The findings will produce a model capturing their intention to pirate and their viewpoints of piracy.*

VI. METHODOLOGY

This qualitative study focuses on interviewing males and females between the ages of 16 and 70 on their views of movie piracy in optical discs: viewing or purchasing hard copies of movies which are not in its original format. The intended audience is anyone hoping to gain added insight to the issues regarding movie piracy and why there are partakers of many different ages.

The research began with a focus group of five individuals assembled at a round table to discuss some of the pressing issues regarding counterfeiting as outlined in the literature review above. The focus group consisted of three females (ages 30, 31, and 55), and two males (ages 32 and 55). A short introduction was presented informing the group of the dependent variable of the behavior of purchasing pirates movies. After an intellectually stimulating discussion of significance of price, and several other variables, the group decided on some open ended questions with the assumption that if respondents are allowed to share to the depth at which they feel comfortable, some hidden concepts will emerge. The focus group decided to ask questions regarding:

- Intention
- Overall attitude
- Ability to pirate
- Significance of others
- Advantages and disadvantages

The focus group also decided to include questions pertaining to a specific legal
movie distributor to assess whether subjects were familiar with this newer distribution method.

The research comprises of in-depth open ended interviews. Forty potential subjects were selected without prior knowledge of whether they have pirated movies within the past. Thirty (30) subjects were interviewed based on their availability, and willingness to be tape recorded during their telephone interview. Over a period of one month, interviews were conducted via phone with the participants aged 17-70 with varying education background—ranging from those with some high school education to those with terminal degrees. The occupations of the participants ranged from blue collar (government employees and high school jobs) to white collar (consultants, managers, educators, paralegals, engineers, and government employees) and other (college students in different stages of their education). One moderator (interviewer) was selected to minimize variability of style and order of the questions. All participants were asked for their permission to be recorded. The moderator briefly introduced the topic, defined the term ‘movie piracy,’ and proceeded to asking a predetermined list of questions, allowing the participant to provide responses without interruption, but with the interjection of follow-up questions, as necessary.

VII. RESULTS

For the simplicity of the discussion, the 30 subjects will often be referred to in groups by ages. Young Adults respondents are post “coming of age” between the ages of 17 and 25, an age group often targeted for university based studies. There were 8 Young Adult respondents (1 male and 7 females). Adult respondents are between the ages of 26 to 35; this could be indicative of the post-college years when an individual is more likely to know what they stand for. There were 14 Adult respondents (7 males and 7 females). Middle age according to the US Census Bureau is 35-54, and the Middle Aged Adult respondents for this research are between the ages of 36 and 50. There were 5 Middle Aged Adult respondents (2 males and 3 females). Aged Adult respondents are between the ages of 51 and 70. There were 3 female Aged Adult respondents.

Of all the interview respondents, 5 had no experience with movie piracy while the others experienced piracy on different levels. The five exceptions were all females; two Young Adults, two Adults, and one Aged Adult. Though they had not participated in movie piracy four of the five respondents were very frank in stating that it was just not right, and they do not participate in it and do not plan to do so in the future. The other respondent adamantly expressed her viewpoints and provided great insight and analogies of other illegal activities which may be spawned from or even benefit from movie piracy.

Of the other 25 subjects, some solely viewed, copied, purchased, and other participated in many combinations of these events. None of the subjects are currently in the business of making copies for sale, but one male Adult used to sell VHS tapes back in 1999 during college. Of the 25 subjects who participate in movie piracy, 3 subjects mentioned that they used to participate in movie piracy before it was digital, on VHS tapes. Two of them have discontinued their piracy efforts over 5 years ago, and one of them is still participating in viewing pirated movies. Interestingly, all three subjects are Adult males.

Young Adult categorizes the respondents between the ages of 17 and 25. There were 8 respondents: 1 male and 7 females. Based on the responses provided by the subjects, the general finding is that respondents in the Young Adult category, less the two non-pirates, generally participated in piracy on a monthly basis without caring about the impact. Three of them have purchased pirated movies, but they mostly viewed movies brought into the house by their parents and/or guardians. They generally do not plan to pirate, however, a couple of them did have solid plans to pirate within the next 6 months to 1 year. They have also managed to articulate that movie piracy does not fit into their values and principles because it is insignificant, for the most part. Some respondents have convinced themselves that they are just watching a movie and as long as the movie is clear, they are okay with that [piracy]. Some also stated that as long as the viewer does not allow the pirated copy to leave their place of residence, then it is okay to have it. Of the Young Adult respondents who pirate, their attitudes towards piracy are summed up in the words of one respondent: “If you could
steal someone’s car with them still having their car, would you steal it?” The point this person was trying to make is that if someone can steal movies and the producers can still have their profits, they feel that there is generally no harm. While they are aware of the industry viewpoint toward piracy, they still chose to participate in movie piracy. In the words on an Adult respondent who was in a similar position as this group not too long ago, “I was too young to care,” they said with hindsight. The Young Adults were harmonious in recognizing that pirated copies are cheaper and that there is potential harm to the industry, but they generally saw the good in supporting the street distributors because everyone has to eat. Those with pirated copies would hide them if the MPAA was visiting them because they would not want to get caught. One deviated and said that they would not hide the pirated movies because it is their property. Those who did not care about the piracy announcements which flashed during the movies, find it hilarious. All of the pirates knew where to find pirated movies, and generally do not feel guilty for having participated in this illegal activity.

Adult categorizes the respondents between the ages of 26 and 35. There were 14 respondents: 7 males and 7 females. Like Young Adult, Adult also had two respondents who did not partake in movie piracy. Together the other twelve respondents bought, viewed, and copied movies. The participants do so understanding that it is movie piracy is illegal, but while they care about the impact on the industry, they also state that the economy is getting worse and paying a lesser price is more favorable. They agree that it takes away revenue from the industry but cannot understand the financial impact that their act will have on the industry. This was most strongly supported by the one person who made regular trips to purchase pirated movies in bulk, and was rebutted by a non-pirate: the more people buying these pirated movies, the higher prices will soar because the industry has to try to maximize their profits. Two members of this group use analogies to drugs and prostitution based on piracy action which they see in their urban areas: a big guy owns the block and has his gofers working in rotation. The only respondent to mention anything about Regional Locks came from this group. The respondent used to partake in movie piracy of VHS tapes almost a decade ago and have since discontinued all piracy, but he was aware of regional locks. However, as indicated by several other respondents the ease of copying and the fact that locks do not currently exist on pirated optical discs is an advantage—which will be discussed later.

Pirates in Adult, generally participate less frequently than those in Young Adult. Adult respondents expressed that they do not plan to pirate; some added that this is contingent upon whether or not a good movie comes out that they want to see. They generally viewed piracy as not favorable with the exception that they wanted the underprivileged and elderly to be able to see the movies at a reduced cost via partaking in movie piracy. This is the only group to mention that making copies for personal use for other locations (house, car), and other technologies (iPod, iPhone) is favorable. About half of the Adult category had the technology available to copy movies. They provided the most insight on the views toward the anti-piracy messages on the pirated movies, saying that it is hilarious, but also hypocritical because the movies often have an ID number of the person who is responsible for that particular copy. They are harmonious in their asserted claim that there are some inside leaks occurring. This group is also more aware of the locations of pirated copies, citing: hairdressers, barbershops, close proximity to subways stations and crowds, “hats & things” stands. A number of people stated that pirated movies come to them and they are often approached in urban areas. Adult respondents, like those of Young Adult can easily call a friend, who will know how to get pirated movies, or they will know someone who knows. The network was generally a friend of a friend.

Adult has higher regard for the viewpoints of their loved ones, though the general guessed behavior is one of joining them to watch the pirated copy, but a few acknowledge that their significant other would not care enough to comment. This group is well aware that piracy is ethically wrong by cutting into someone else’s profits and stealing their ideas but some struggled with pinpointing it as morally wrong because no one is dying. Like Young Adult, they concurred with the excuse that they have not thought about piracy enough to fit it into their values and principles because it is insignificant, for the most part. The Adult category is well aware of the illegality of the activity and would hide materials if the MPAA came to visit but don’t think they would invest the time and resources. One respondent sums it by saying, “Yeah. It’s like having the cops come over and you have drugs in your house. It’s illegal and I think it’s going to be very offensive.”

Middle Aged Adult categorizes the respondents between the ages of 36 and 50. There were 5 respondents: 2 males and 3 females. Middle Aged Adult, though one of the smallest groups, it had the most purchasers of any group, full movie piracy participation, and did not participate in movie piracy by copying movies. Like Young Adult, where at least one member intended to pirate within 6 months and 12 months and planned to attempt piracy, Middle Aged Adult had at least one member who planned the same. Generally, this group had purchased very infrequently, and had no respondent who made weekly shopping trips. They are cognizant of the impact on the industry and share the view that piracy is not right. Even the individual who purchased because she did not feel safe in her local theatre attested that, “Maybe the right thing to do is to wait until the original comes out on the market--being sold in the stores.” That’s what a member of Adult does; of the 600 DVDs in his personal collection, none are pirated copies. Some respondents in Middle Aged Adult view movie piracy as a way to promote consumer spending, and some cannot comprehend why the industry is criminalizing street distributors. Generally, they see it as a means to an end, and due to their small scale viewing cannot understand why this distribution method is so demeaning. This is the first group in
unison about hiding their goods if the MPAA was to visit their homes. They viewed the anti-piracy messages as necessary to deter pirates but they either do not pay attention to it or don’t think it will stop piracy. They cited friends and co-workers as sources for pirated movies, along with urban street corners. They stated that coping movies is easy enough but they don’t take the time to do it. They all concurred with the accepted idea that their significant other would watch the pirated movie with them and would not care very much. All except one respondent in the Middle Aged Adult category agreed that piracy fits into their values and should not be done because it is stealing from the producers. This group had the highest agreement that movie piracy is both immoral and unethical.

Aged Adult categorizes the respondents between the ages of 51 and 70. There were 3 female respondents. The last of 5 non-pirates was a member of this group. Like Middle Aged Adult, in Aged Adult none of the respondent either copied movies for self or for others. Members of this group do not have the technology to copy movies. The purchasers in this group only purchased from co-workers even though they are aware of other locations from which to purchase. Additionally, their spouses would not care about their piracy and would join them, and they do not consider piracy that serious to fit into their values. The three respondents in Aged Adult have different views of movie piracy: one did not think about it prior to being educated by Tyler Perry during one of his plays; another has never purchased any movies but sees no issue with recording a movie via TiVo; the last frequents movies, but likes to get a financial break every now and then through purchasing pirated movies. This group acknowledged the financial harm to the industry but cannot see the personal harm. One person raised an interesting comment that it is illegal to sell pirated movies but not illegal to purchase them—for this very reason she does not feel like the act is stealing. She, along with other respondents in other groups, addressed the issue of this ambiguity. The strongest feeling against the piracy warnings across the screens came from someone in Aged Adult: “I hate it because that’s proof right there that you shouldn’t be doing it in the first place. I want to take the thing back to the person and tell them they need to stop making it.”

A. Additional Points

A snapshot of the results discussion for each age category is summarized as follows:

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Young Adult (YA)</th>
<th>Adult (A)</th>
<th>Middle Aged Adult (MAA)</th>
<th>Aged Adult (AA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has at least one non-pirate pirate</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Participation Frequency</td>
<td>Monthly</td>
<td>Less than YA</td>
<td>Very infrequently</td>
<td>Least frequently</td>
</tr>
<tr>
<td>Participation Method</td>
<td>Bought, Viewed, Copied</td>
<td>Bought, Viewed, Copied</td>
<td>Bought, Viewed</td>
<td>Bought, Viewed</td>
</tr>
<tr>
<td>Intention to Pirate</td>
<td>Not planned</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Hide pirated movie from MPAA if they were visiting (ex. of PBC)</td>
<td>Yes</td>
<td>Yes, but don’t think they will come and invest the time or resources</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Views about Piracy (ex. of attitude)</td>
<td>Generally don’t care</td>
<td>Not favorable but cannot understand the impact</td>
<td>Not favorable but cannot understand criminalization of street vendor</td>
<td>See financial harm to industry but not personal harm</td>
</tr>
<tr>
<td>Antipiracy message (ex. of sub. norm, or social pressure)</td>
<td>Hilarious; don’t care</td>
<td>Hypocritical</td>
<td>Necessary to deter pirates but do not think it will stop</td>
<td>Ignore them but want to return pirated copies to the seller</td>
</tr>
<tr>
<td>Ethics</td>
<td>Have not given it much thought</td>
<td>Unethical</td>
<td>Unethical</td>
<td>Varied Responses</td>
</tr>
<tr>
<td>Morals</td>
<td>Have not given it much thought</td>
<td>Insignificant to values</td>
<td>Immoral; goes against values</td>
<td>Varied Responses</td>
</tr>
<tr>
<td>Unique Contribution</td>
<td>Convinced they are just watching a movie; nothing is wrong</td>
<td>Okay to make copies for other locations of house. Mentioned regional locks, and links to other criminal activities</td>
<td>Would all hide pirated materials; has most purchasers; highest agreement that piracy is both immoral and unethical</td>
<td>Illegal to sell but not to purchase</td>
</tr>
</tbody>
</table>

Each respondent was asked to list the top three advantages and disadvantages of movie piracy. The responses to each section are listed by the frequency of its mention. Responses received by at least half of the respondents are indicated by an *.
TABLE 2.0: ADVANTAGES AND DISADVANTAGES OF MOVIE PIRACY

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Price</td>
<td>*Quality in all regards: picture, sound, video varies by source</td>
</tr>
<tr>
<td>*Timing Release: Early viewing of the movie</td>
<td>*Immoral—hurts the film industry</td>
</tr>
<tr>
<td>*Accessibility; Convenience</td>
<td>*Stealing from them; may put mom &amp; pop places out of business</td>
</tr>
<tr>
<td>*Ease of Attainment</td>
<td>*Unethical—continued acceptance leads to accepting other “less than correct” things</td>
</tr>
<tr>
<td>Ability to view it multiple times</td>
<td>*Legality</td>
</tr>
<tr>
<td>Ability to replicate—the is readily available; no locks</td>
<td>Guilt</td>
</tr>
<tr>
<td>No visible enforcement of the anti-piracy law</td>
<td>Raises movie theatre tickets and affects other distribution streams</td>
</tr>
<tr>
<td>Preview—decide whether to purchase; or see a movie you wouldn’t otherwise select</td>
<td>Risk of getting caught purchasing</td>
</tr>
<tr>
<td>Back up personal collection</td>
<td>Jail</td>
</tr>
<tr>
<td>No hassles of theatres</td>
<td>Not always easy to find—in some suburbs you have to know someone</td>
</tr>
<tr>
<td>Sellers get quick cash</td>
<td>Fund other illegal activities</td>
</tr>
</tbody>
</table>

Though the interview questions were created before beginning the interviews, it was interesting that a few respondents mentioned that piracy has no face. They discussed that if they could visualize who it was hurting, they would be more likely to stop participating in piracy. Since the generally consensus was that there is hardly any noticed efforts to shut down piracy, except two respondents who witnessed street distributors being arrest, we decided to ask a question about the online abatement efforts: MovieLink. Most of the respondents agree that MovieLink, a legitimate place to purchase movies online, would help to abate movie piracy depending on the availability of the needed complements—internet access, and a computer. None of the respondents were aware of MovieLink.

VIII. DISCUSSION

The results of the interviews above coupled with the illustration of the current example of an industry leak have lead to the following New Piracy Value Chain. This model below incorporates the original Motion Picture Industry Value Chain as intended, but includes different outlet streams caused by Piracy. It goes on step beyond that of [61] Internet Piracy and incorporates the sharing element of the Optical Discs with family and friends.

*Figure 7.0: Motion Picture Industry Value Chain, incorporating Optical Disc Piracy*

A. Parallelism with Previous Research

There are striking parallelisms with the questions of this qualitative study and the following research. [30], through studying purchase and copy of pirated software in China, found that excessive prices of genuine [original] goods is a key factor to using pirated software, which is similar to [60]. They also found since counterfeits are readily available, that presents another determinant to purchase it. [33] conducted a study on intention to purchase pirated software in Hong-Kong, and replicated that study in 2004 [34] studying the country of Singapore. Both studies found that the high availability of pirated software, high cost of a legal [original] copy, and the low social reprimand for purchasing the pirated copy all impacted the intention to purchase the counterfeit. [35] did not consider social reprimand in their study, but focused on moral intentions instead [35]. They studied buy
and use behavior of pirated software in Hong-Kong, and found that both behaviors are strongly related, for men the relationship between the two variables are stronger than for women, older participants were more influenced by moral intentions than younger participants, and that moral intentions reduce buying behavior. A few years prior, [50] studied intention to purchase pirated software by potential counterfeit software consumers in China. They also established that younger consumers have higher purchase intentions. The following also reduce purchase intentions: perceived magnitude of consequences and social consensus, perceived financial, performance, prosecution and social risk, moral judgment, and experience with copyrighted software. However, experience with pirated software purchase increases purchase intention.

Some researchers have disputed the impact of in individual’s moral obligation (MO), feeling of guilt in performing an action; also, the personal obligation to perform or refrain from performing the behavior. [2] indicated that MO could be added as a separate determinant of intention. According to [49] moral obligation would be a good predictor of ethical or unethical intention. [16] argue that MO was a significant predictor of intention in several studies. MO could play a role in behavior involving ethics. Ethics has been another disputed issue by several researchers. ([46]; [27]; [5]; [32]). Though previous researchers have different inclinations as to where ethics and MO fit, it is clear that it has a role. In this research, based on the respondents, it played a joint role in influencing attitude and PBC.

B. Conceptual Framework and Hypotheses

The resulting research model is as follows, which incorporate the elements of TPB. It can be argued that morals and ethics can be controlled beliefs and does impact Attitude, and PBC (Perceived Behavior Controls). Intention is comprised of Attitude, Subjective Norms, and PBC. Intention impacts Behavior to Pirate Movies. Based on the interviews, some respondents have separated the two and both may or may not play a role in their attitude or their PBC. Intention is comprised of Attitude, Subjective Norms, and PBC. Attitude includes equipment attitude, legality, lack of policies and enforcement, views towards actors, time to go to theatres (including pricing schemes), and piracy as a preview, and rare vintage movies which cannot be attained by conventional streams. Subjective Norms: viewpoints of loved ones (view it; don't care), watch in own home, and education. PBC: technology, ability, information accessibility, and the issue that the industry and technology companies put equip out there to facilitate piracy.

Figure 8.0: Proposed Research Model for Optical Disc Piracy (based on the Theory of Planned Behavior)

This research collected demographic information, but only age and sex were used in the discussion. The other demographics collected are education, occupation, and marital status. Based on what we have found from the interviews and focus groups, research hypotheses and future direction are:
- Respondents who participate in movie piracy through purchasing and are less knowledgeable about the legal consequences would be more inclined to purchase from many different sources, including street vendors.
- Respondents who view piracy as a substitute for original motion pictures participate more frequently in movie piracy.
- Respondents who either possess the skills to pirate movie optical discs or know someone who have those skills will pirate more often than those who do not.
- Respondents who have pirated in the past are more likely to participate in movie piracy in the present and in the future.
- Are age and intention significantly? Younger respondents will be more inclined to participate in movie piracy.
- With morals and ethics as valid moderators, attitude and PBC have the most significant impact on Intention.
- Education (affluence) impact purchase intention.

C. Limitations

This research has some limitations: it is exploratory and qualitative, and has a small sample size. Though it adds depth to the already accepted knowledge, it may not be generalizable. The data was collected in the U.S., and since there might be a difference by regions so a regional study
may provide more value. Quantitative data from other countries which are infiltrated with Optical Disc Piracy may also add to the depth and improve generalizability.

The analysis of the results for each group of respondents may likely be different depending on the number of respondents and their experience. So, those results must be analyzed in context, knowing that the context may vary. All interviews, less one, was conducted via telephone and recorded for accuracy. There have been studies done which argue that phone interviewing is equitable to in person interviewing, but this may be a limitation depending on the respondents and their level of comfort with this interviewing technique.

Intention is amongst the most important determinant of actual behavior. However, based on the interviews a respondent may be going to work or running errands, and the seller of pirated movies will approach them for purchase. Their purchase intention may have little to do with the behavior of purchasing the pirated copies of movies. Those with planned trips to the pirated movies salesperson may have the best link between their intention and their purchase behaviors. The purchase intention for those respondents without ease of access may be more fitting for their actual purchase.

D. Implications and Conclusion

Based on the results of this study, there are three general implications for the Motion Picture Industry, and a few specific implications for each age group of this study. Firstly, even though regional lock codes have been implemented prior to distribution; these locks have advantages and disadvantages. One advantage is that it is a way to combat piracy. However, their lock policy may not be consistent as a respondent mentioned that a friend was burning movies which were rented through Netflix, a valid part of the Motion Picture Value Chain. The MPAA may want to enforce consistency in implementing locks through all elements of the distribution chain. The Movie Industry must find a way to minimize or stop movie piracy because if they fail, it will propagate to future technological improvements in the industry. In a recent publication, [56] studied enforcement in the Movie Industry and explored the Digital Rights Management (DRM) technologies. As stated by an Adult respondent,

“The music industry hopped on that really fast, but the movie industry has had the VHS tapes bootlegged, the DVDs bootlegged, and now they are coming out even before the move comes out in DVD quality bootlegged. You can see the progressing that leads to it, which might lead to BluRay bootlegged, especially with the DVD and HDTV.”

Secondly, the Movie Industry should educate the public about the definitions of piracy and the different categories. Education is also needed about the consequences of movie piracy, the consequences of ignorance, and why piracy should not be supported (for example: the other illegal acts which stem from piracy). Some respondents have stated that it is difficult for them to put a face to who is hurt by movie piracy. The MPAA may consider stronger advertising campaigns. The anti-piracy warning [“Warning: The unauthorized reproduction or distribution of this copyrighted work is illegal. Criminal copyright infringement, including infringement without monetary gain, is investigated by the FBI and is punishable by up to 5 years in federal prison and a fine of $250,000”] is shown at the beginning of movies, and there are some warning in trailers of theatrical movies. However, some respondents have said they ignore the advertisements, and find them comical. [48] found that anti-piracy campaigns have no impact on purchase, which holds true for this study as indicated in Table 1.0 above. In the pirated copies, the respondents of this study find that when the movies have an identification number the anti-piracy warning is hypocritical because the Movie Industry is not enforcing laws for previewers of the screening copies. It seems as if those trusted parties are not upholding their commitment to not share the screening copies.

Thirdly, few have witnessed the arrest of a street pirate or any action in policing pirates, their networks and/or their customers. One person stated:

“I think it’s an illegal act that is overregulated. The definition of piracy is too wide. Piracy should not be criminalized, except for the more egregious cases. Street side piracy should not be hunted down. People who share copies of movies with their friends even by giving them copies should not be hunted down either. They should not be considered illegal pirates. They are only duplicating to enable their friends to enjoy what they are enjoying.”

The MPAA may want to establish different levels of punishment and establish ways to enforce these rules. However, targeting the mass producers may be more effective than arresting the street sellers. Questioning the street sellers may only garnish useless and outdated information. Going after the mass producers may only create a void that would be filled by another mass producer. The only viable option would be to punish pirates at all levels in the value chain and cut of the supply to the street pirates and their customers.

After discussing some of the general implications, it is time to address some of the specific implications for each age group. Young Adults in this study do not see who they are hurting, would hide their pirated good if authorities were visiting, purchase because they are cheaper, and do not care about the anti-piracy announcements. For this group values and principals have no effect on intention because the group states they have not given piracy much thought. They had the highest frequency of participating in piracy, but since [52] interestingly found that age is negatively related to admittance of purchasing counterfeit, one could wonder if the same holds true in this study. Some suggestions for the
MPAA are to lower the cost of movies in the theatres, and make advertisements more tangible in order to strategically reach this group since the generic advertisement is unable to reach them and affect their moral codes. Advertising on social networks, which are popular in their age groups, using esteemed celebrities and movie stars who are in their age groups to educate them on piracy may be one effective way to reach out to this age group. Young Adults generally feel like they are watching a movie and nothing is wrong, but they might be inclined to listen to these customized anti-piracy ad campaigns and see who they are hurting with their piracy attitudes and behaviors. MPAA may also want to team up with Girl Scouts and advertise on the boxes of their cookies to preemptively educate the future generations of Young Adults on the laws of piracy so that when the next generation comes of age and are able to make their own decisions, they will take an anti-piracy stance. Some believe that once they bought it they can reproduce it, sell (if they chose to), or freely give it to someone else. However, the MPAA should make it abundantly clear that if someone else wants their own copy, they must buy it, paying the producers their asking price.

Adults in this study understand that it is illegal to participate in piracy—on any level, but excuse it because of the economy. Adults recognize that piracy leaks from the top and they are able to make the connection that the sellers may possibly use piracy as a stepping stone to other illegal and more life threatening crimes. While they have the technology to make copies, they chose not to do so. In most cases they do not believe that the MPAA would actually visit their residences. For this group values and principals have no effect on intention because the group states that piracy is insignificant to their value system. Some suggestions for the MPAA are to create a protocol and implementation plan with law enforcement and make it consistent to catch pirates, invest resources to at least terminate leaks from the top, invest in tighter locking of original productions on DVDs. The MPAA may want to hire consultants or create an R&D division to keep abreast of the latest changes in locking codes regarding DVDs and other technologies applicable to the industry, and implement tighter locking of the technologies to hinder or block the ability to copy original motion pictures. In an attempt to catch leaks from the top, the MPAA may consider their policies and procedures on previewing movies at the top, and policing those copies more closely. Embedding a code for the previewer would be a useful way to track down duplicated copies stemming from a particular previewer. Lastly, the MPAA may want to tighten their policing efforts, catching the owners of some of the duplication factories, and making a public example of them on the news.

Middle Aged Adults in this study purchased infrequently, view it as a way to increase customer spending, are against criminalizing street vendors or pirated movies, and had highest agreement that piracy is both unethical and immoral. This group did not participate in making copies of movies. As found in [21] and [22], this group viewed piracy as a preview of purchasing the original product and to increase customer spending. Having the highest agreement on the ethics and moral standing of piracy could possibly explain why this group does not participate in making copies of movies. However, there remains some confusion about the definition of piracy. Some suggestions are: consider which streams can be released in parallel, target pirates who mass produce instead of the street vendors trying to make a living. Like suggestion above regarding the mass production factories for the Adult group also holds true for this group. The MPAA may consider revising the definition of piracy, accentuating that viewing non-originals is also a form of piracy.

Aged Adults, the final group of this study, did not copy movies, credits Tyler Perry for educating them on piracy impacts, and viewed piracy as being illegal to sell but not illegal to purchase. Some suggestions for the MPAA are: clarify the piracy laws by expunging personal interpretations and definitions, partner with celebrities to advocate for anti-piracy campaigns. As with the previous three groups, the MPAA should edit consider clarifying its definition of piracy specifically the sell vs. purchase, and viewing vs. purchase elements. Respondents, a subset of the general population, remain confused about the meaning. MPAA may also solicit celebrities involved in different parts of the value chain to educate the general public about piracy and its impacts. Some respondents stated that the messages from Tyler Perry reached them which the other anti-piracy efforts did not. The purpose of this suggestion is along the same vein as using celebrities in advertising to the Young Adult aged group above.

This globalized world is constantly inventing new products to meet the needs of customers across the world. Some innovations obliterate existing technologies and others provide slight improvement. In this fast paced economy, several individuals and people are looking for a “Better, Faster, Cheaper” approach. In the Motion Picture Industry, there are technologies to facilitate the accomplishment of this goal. While these technologies improve components of the legitimate Motion Picture Value Chain, it could also arm pirates with the technologies needed to facilitate their unlawful acts. After examining the factors which impact domestic movie piracy behaviors and categorizing respondents in age groups, the differences between groups sometimes subtle on certain issues but are strikingly different on other issues. The Motion Picture Association of America (MPAA) may consider finding ways to communicate with each group through effective marketing, education, and enforcement—to make a step closer to mitigating some of the damages caused by movie piracy. The Motion Picture Industry must be willing to reinvent itself in a dynamic environment. President Barack Obama eloquently and more clearly stated in a live broadcast on CNN’s Coverage of the Press Dinner at the White House on May 9, 2009, “This season of renewal and reinvention is what government must learn to do; it is what business must learn to do.”
REFERENCES


630


