

National Culture Dimensions and Consumer Digital Piracy: A European Perspective

Irena Vida, irena.vida@ef.uni-lj.si
Monika Kukar-Kinney, mkukarki@richmond.edu
Mateja Kos Koklič, mateja.kos@ef.uni-lj.si
James Reardon, james.reardon@unco.edu

Abstract

Digital piracy as a ubiquitous phenomenon affects a number of stakeholders, such as consumers, enterprises, and governments. Considering its global nature, it has been of particular interest to consumer researchers. Hence, a large body of digital piracy literature sheds light on the demand side and illuminates various predictors of digital piracy behavior (Harris & Daunt, 2011). Despite these efforts, very little attention has been devoted to applying international perspective in investigating digital piracy across different countries (Ki, Chang, & Khang, 2006). This study aims to fill this void by examining the digital piracy behavior in three EU countries. In addition, it examines individual-level cultural variables and non-cultural variables as antecedents to digital piracy behavior.

Across different countries, groups, and individual consumers varying levels of digital piracy behavior can be identified. One of the frameworks that might shed light on these differences is culture which provides powerful but often overlooked behavior guidelines to consumers. Studies have demonstrated that two cultural dimensions, individualism-collectivism and uncertainty avoidance (Hofstede, 1997) are the strongest determinants of national differences in levels of illegal downloading (Husted, 2000). Majority of these studies measure cultural influence at the national level, and very few apply the individual level measurement. Oyserman, Coon, and Kimmelmeier (2002) believe that employing individual level measurement might help to capture culture in terms of articulated mental representations that affect individual's cognitions, affect and motivation. Consistent with these authors we employ the individual-level cultural orientations. Along with culture, additional insight into the digital piracy dynamics can be gained by considering individual's perception of possible negative consequences of engaging in digital piracy. That is, consumers are most responsive to consequences that affect them personally (e.g., perceived risk; Yoon, 2011), but are also sensitive to consequences for the society (e.g., moral intensity; Jones, 1991). In the context of digital piracy, a powerful concept worth considering is neutralization (or rationalization) which looks at how individuals counter feelings of guilt associated with non-normative behaviors (Skyles & Matza, 1957).

Based on these foundations we propose a conceptual model with the underlying premise that digital piracy behavior is directly influenced by two types of negative consequences, i.e., personal risk and moral intensity (H1- and H2-), and indirectly influenced by individual-level cultural variables, i.e., uncertainty avoidance and collectivism (H3+ and H4+). Furthermore, personal risk, moral intensity and piracy behavior affect an individual's tendency to rationalize his/her piracy behavior (H5-, H6- and H7+). Uncertainty avoidance refers to the extent to which an individual is able to cope with uncertainty and ambiguous situations, while collectivism is conceptualized as the degree to which an individual places strong emphasis on group membership, loyalty and respect for others.

A survey was conducted to test the proposed conceptual model. An initial sample of 10,000 adult consumers in Slovenia, Italy, and United Kingdom received the self-administered mail questionnaire, addressing various aspects of consumers' piracy perceptions and behavior. For the purpose of this study, only people actually reporting past piracy behavior and their justification for the behavior were included, resulting in elimination of several responses. In total, the data analysis included 1,017 usable responses (Slovenia n=586, Italy n=242, the UK n=189).

The sample structure was comparable across countries with the average age ranging from 36 years to 41 years, and percentage of males ranging from 48% to 58%. The levels of respondents having completed college ranged from 41% to 63%. Construct measures were derived from the existing literature. The moral intensity construct was measured on a 5-point semantic differential scale and all other items employed 5-point Likert scales. All but one construct reliabilities exceed the suggested cut-off value 0.6 (Churchill, 1979), and the exception (uncertainty avoidance) is close to the cut-off point. Actual piracy behavior was measured with the number of units the respondent reported to have illegally downloaded in the previous month in various product categories.

First, we evaluated configural and metric invariance (Steenkamp and Baumgartner, 1998). The measures that exhibited full configural and metric invariance were then used to test the conceptual model. After ensuring discriminant validity and conceptual distinction among constructs (Fornell & Larcker, 1981), we proceeded with testing the proposed conceptual model. To test the conceptual model, multi-group analysis using structural equation modeling was conducted, with all measurement weights (factor loadings) restricted to be equal across countries. Structural model fit the data well ($\chi^2 = 1,247$, d.f. = 580, IFI = .92, CFI=.91, RMSEA = .03).

As predicted in hypotheses 1 and 2, the perceived personal risk and moral intensity negatively influence consumers' digital piracy behavior, which was supported in all three countries. That is, digital piracy behavior is less likely to occur in situations when consumers perceive higher levels of personal risk and higher levels of digital piracy consequences for the society (Chiou, Huang & Lee, 2005; Hennig-Thurau,

Henning, & Sattler, 2007). Hypothesis 3 predicted a positive influence of uncertainty avoidance on perceived personal risk of illegally downloading Internet files. Data supports this prediction in all three countries. In accordance with previous research, this indicates that consumers who score highly on uncertainty avoidance tend to perceive more risk (Money & Crotts, 2003). The results also show that the relationship between collectivism and moral intensity was significant and positive for respondents in all three countries, offering uniform support for hypothesis 4. Perceived personal risk was proposed to negatively affect the level of consumers' rationalization for their piracy behavior (H5). This hypothesis receives support in Italy and U.K., but not in Slovenia, which might result from the sensitivity of the topic as suggested by Sander (2010). Hypothesis 6 stating that perceived moral intensity negatively influences consumers' rationalization (H6) received support across the investigated countries. The last hypothesis predicting that consumers' digital piracy behavior will positively influence their extent of rationalization for the behavior (H7) was also supported in all three countries.

The findings of this study offer useful implications for the affected industries by highlighting two relevant areas: perceived negative consequences for an individual (perceived risk) and perceived negative consequences for the society (moral intensity). Companies are advised to integrate potential consequences into their messages to the end users. Another cross-cultural marketing implication stems from the finding that the two cultural orientations, uncertainty avoidance and collectivism precede personal risk and moral intensity, respectively. This indicates that individual-level measurement of cultural dimensions is worth applying when companies need the information regarding the intensity of digital piracy across different societies and groups of consumers.

Several limitations apply to this cross-country study and pave the way for future research. While the data was gathered in three EU countries, it would be beneficial to include other dimensions of cultural orientations as well as additional countries/societies. Additionally, the scope of direct antecedents of digital piracy behavior is limited to negative consequences, but it would be also interesting to include positive consequences and their relationship to cultural orientations.

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Keywords: *piracy behavior, uncertainty avoidance, collectivism, personal risk, moral intensity, rationalization*

Relevance to Marketing Educators, Researchers and Practitioners: The understanding of cultural and non-cultural determinants of consumer piracy behavior is important to firms in various industries as they fight for the copyright issues.

Author Information:

Irena Vida is Professor of Marketing at the University of Ljubljana in Slovenia

Monika Kukar-Kinney is Professor of Marketing at the University of Richmond

Mateja Kos Koklic is Assistant Professor of Marketing at the University of Ljubljana in Slovenia

James Reardon is a Professor of Marketing at University of Northern Colorado

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