The Robin Hoods of the Information Age: the Differential Effects of Financial and Time Expenditures on Sharing

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The goal of this paper is to investigate how consumers justify engaging in unethical and often illegal sharing (e.g., sharing software). We posit that both, money spent acquiring a product and time spent on turning the product into a shareable commodity, influence consumers’ propensity to share. Moreover, we find that these effects are not additive. More specifically, our preliminary results suggest that consumers may be most likely to share, as well as experience a positive affective boost from sharing, when they spend more (vs. less) money on acquiring a product and a long (vs. short) time on making it shareable.

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Motivation

According to the research conducted by the Motion Picture Association of America (MPAA) one-third of all internet piracy is committed by college students in the United States. Moreover, the vast majority of Internet piracy in the U.S.-71 percent-is committed by individuals between the ages of 16 and 24. Furthermore, the MPAA states unequivocally that “downloading a movie off of the Internet is the same as taking a DVD off a store shelf without paying for it.” Nevertheless, moviemakers, songwriters, and software designers alike lose billions of dollars every year as a result of mass pirating of their products. However, it is unclear what motivates consumers to forego their moral and ethical standards as they contribute to the online file sharing frenzy? How do they justify getting involved in illegal and potentially punishable pirating activities? While the extant literature on prosocial behavior may help explain the motivation for sharing (see Gilbert et al. 1998 for review), it does not elucidate why otherwise law-abiding citizens choose to get involved in unlawful product sharing practices. The present research is an attempt to answer these pressing questions.

Conceptualization

While there is certainly a positive side to online sharing (e.g., Internet support groups), we focus on the harmful pirating activities. Furthermore, making use of online resources is a part of Internet sharing regardless of whether or not participants make similar contributions themselves (Belk 2007). For example, Nunes, Hsee, and Weber (2004) have documented consumer inclinations to pay for online goods and services as a function of whether the product’s cost is principally attributable to variable cost or fixed cost. However, while economic gains of using unlawful (shared) products are obvious, the rewards and/or motivation for allowing others to use products one owns are still unclear. Hence, the present research addresses the latter issue.

Giesler (2006), in his netnographic study of a consumer gift system in peer-to-peer music file sharing practices at Napster, found this community to exemplify all classic gift system indicators. More specifically, the author suggests that “music sharing binds a complex consumer system of social solidarity” (p. 289). Gift giving, on the other hand, usually presupposes prior ownership with a right to give. Hence, we argue that consumers must assume such ownership of the products they make available to others in order to justify their otherwise unlawful actions. Moreover, we posit that time and effort one puts into making the product available to others (e.g., cracking, modifying, and uploading software) leads to such sense of ownership.

In addition, the dual entitlement theory (Kahneman et al. 1986) provides another potential explanation for how one may be able to justify participation in illegal product sharing. More specifically, when consumers consider a price they have paid for a product to be high and perhaps unfair; they may feel that fairness would be restored if they somehow increase the utility they gain from the acquired product. Hence, making the product available to others may increase the utility derived from the product by providing a sense of vindication, a positive feeling as a result of ‘helping’ or ‘giving a gift’, or all of the above.

Both, time spent on making the product available to others and the price paid for the product are expected to influence one’s ability to justify sharing a product. Moreover, we predict an interaction of these predictors which we test in Study 1.

Study 1

Study 1 followed a 2 (financial expenditure) x 2 (time expenditure) design, where both factors were manipulated at 2 levels (low cost: $15, high cost: $150; low time expenditure: 15 minutes, high time expenditure: 3 hours.) Participants read the following scenario:

Imagine that you were required to purchase a software package for a Business Statistics class to go along with the textbook. You found the required B-STAT Software at the university bookstore and purchased it for $15 (150). Later in the semester, you heard that there is an online community of college students who have taken, are currently taking, or are planning on taking a Business Statistics course. The community website offers a chat room in which students can ask and answer course-related questions, share tips, and even software. The website provides directions and leads you through a number of steps that are required in order to upload software you might be willing to share. Specifically, it would take one 15 minutes (3 hours) to crack, modify, and upload the B-STAT package. Please provide your honest answers to the following questions. Note that your responses on this survey are strictly confidential!

Participants then responded to a 9-point Likert-type scale asking, “How likely would you be to share the B-STAT Software package with other online community members at this time?” where 1 indicated that they were “extremely unlikely” and 9 indicated that they were “extremely likely” to share. Following this measure, participants reported their affective response to sharing by stating their level of agreement with the following statements “Sharing software would make me feel proud,” “Sharing software would make me feel satisfied,” and “Sharing software would make me feel happy,” with endpoints “Strongly Disagree” (1) and “Strongly Agree” (7), and labeled at the center with “Neither Agree nor Disagree.”