

CONSUMER ATTITUDES & BEHAVIOUR IN THE DIGITAL AGE

RESEARCH OPTIONS

Final Report

July 2010

Research commissioned by SABIP

Providing Government with strategic,
independent and evidence-based advice
on intellectual property policy



STRATEGIC
ADVISORY BOARD
FOR
INTELLECTUAL PROPERTY
POLICY

CONTENTS

1	INTRODUCTION	1
1.1	Summary of workplan	1
2	CLARIFYING AND PRIORITISING RESEARCH QUESTIONS	3
3	GAPS IN THE EVIDENCE BASE RELATED TO THE KEY RESEARCH QUESTIONS ...	6
3.1	Demand-side	6
3.1.1	Demographics.....	6
3.1.2	Sunk investment in hardware and software.....	7
3.1.3	Peer consumption and use.....	8
3.2	Deterrents	8
3.2.4	Legal and technological solutions.....	9
3.2.5	Social solutions	9
3.3	Consumption decision	10
3.3.6	Infringing behaviour	10
3.3.7	Attitudes associated with illegal behaviour	10
3.3.8	Legal behaviour	11
3.3.9	Attitudes associated with legal behaviour	12
3.4	Supply-side	12
4	PARTNERS' FORTHCOMING RESEARCH PLANS	14
4.1	IPSOS Mori Digital and Physical Piracy in Great Britain Survey.....	14
4.2	Ofcom	14
4.3	ONS/government surveys	15
5	OPTIONS AND PRIORITIES FOR MEETING RESEARCH GAPS	16
5.1	Consumption decision	16
5.2	Demand-side	17
5.2.1	Demographics.....	17
5.2.2	Sunk investment in hardware and software.....	17
5.2.3	Peer consumption and use.....	18
5.3	Deterrents	18
5.4	Supply-side	19
5.5	Short term research options	19
5.6	Medium to long term options	21
5.6.4	Meta analysis of SABIP survey(s), Ofcom and PhD work.....	21
5.6.5	Propose questions for inclusion within the Understanding Society survey.....	21
5.7	Timeline	21



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1 INTRODUCTION

The Strategy Advisory Board for Intellectual Property Policy's (SABIP) role is to advise Ministers and the Chief Executive of the Intellectual Property Office (IPO) on the development of intellectual property (IP) policy. SABIP fulfils this role through identifying, executing and disseminating 'high quality research on both 'customer' oriented and analytic work and longer-term foundational work in a rolling programme.'¹

One of the main strands of SABIP's research programme has focused on consumer attitudes and behaviour in the digital age. In 2009 SABIP commissioned a team at University College London (UCL) to undertake a review of consumer attitudes and behaviour on the internet, published as *Copycats? Digital consumers in the online age* (CIBER, 2009). A follow-up literature review was commissioned to examine the same phenomena in the 'offline' digital world: *Changing Attitudes and Behaviour in the 'Non-Internet' Digital World and their Implications for Intellectual Property* (BOP Consulting, 2010). The BOP report drew together the insights from both studies to develop an integrated theoretical framework for understanding consumer attitudes and behaviour in the digital age. It also sketched out a set of potential research partnerships and options for SABIP in seeking to develop the evidence base.

In early 2010, BOP Consulting was commissioned by SABIP to undertake an additional piece of work that further develops the most relevant research options available to SABIP. This short report sets out BOP's proposals and provides indicative timescales and costs.

1.1 Summary of workplan

The process of identifying the next steps that SABIP can take to improve the evidence base for consumer attitudes and behaviour in the digital world and their implications for IP starts with a clarification and prioritisation of research questions, based on the existing two literature reviews. The evidence to-date is then summarised in these questions, to help identify potential research gaps.

Once the main research gaps have been identified, BOP proceeds to identify a number of options to meet these gaps. This stage of the work has involved consultation with a range of potential stakeholders and research partners. At this point it is already possible to identify some 'do nothing' areas, mainly because they will already be covered by stakeholders/research partners forthcoming work programmes, but also as some research questions can be de-prioritised.

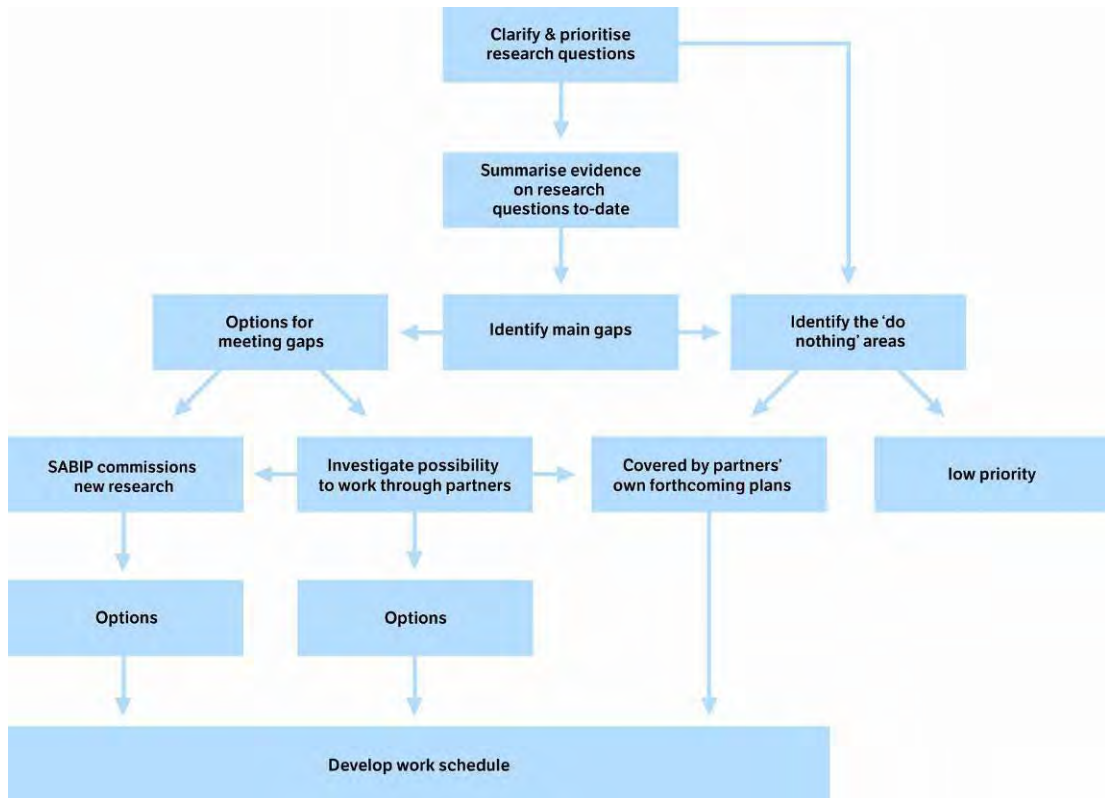
For those research questions that will not be covered by stakeholders existing plans, two routes are explored:

- SABIP invests in new research that it commissions and leads; or
- SABIP invests by adding to existing surveys and research carried out by stakeholders and partners

¹ SABIP (2010) *Work Programme 2010-11*.



Figure 1. Decision process for identifying research options



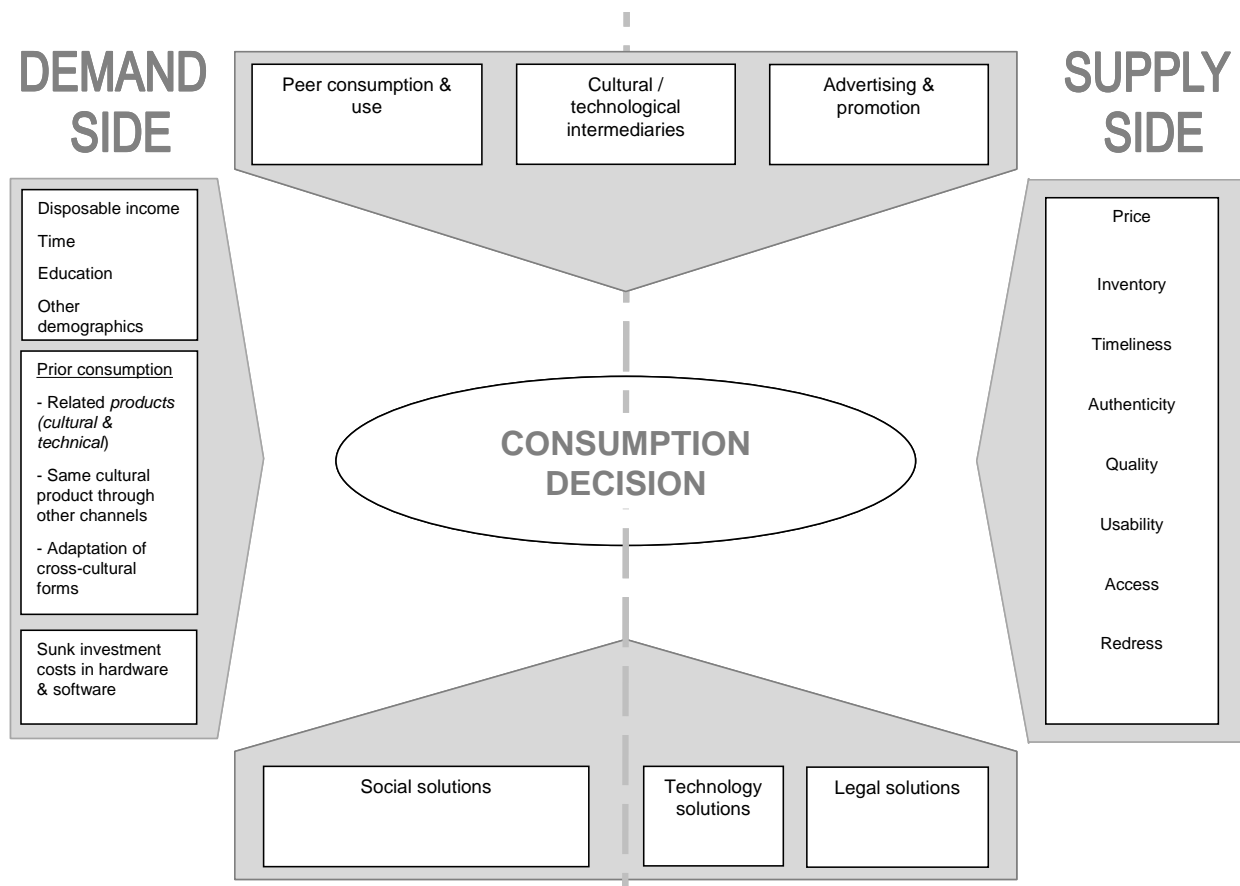
Source: BOP Consulting (2010)

Once these have been established, we conclude with a short work schedule.

2 CLARIFYING AND PRIORITISING RESEARCH QUESTIONS

The BOP report produced earlier in 2010 for SABIP concluded by developing an integrated theoretical framework for understanding consumer attitudes and behaviour in the digital age. Specifically, the framework seeks to illustrate the factors that enable or constrain consumer choice in copyright markets, including the legality of choice, and their relationship to one another. The framework is reproduced as Figure 2 below.

Figure 2. An integrated framework for understanding consumer attitudes and behaviour in copyright markets in the digital age, including the legality of choices



Source: BOP Consulting (2010)

BOP has been able to use this framework to distil the key research questions for SABIP. These are presented below in Figure 3. The questions have been prioritised according to two criteria:

- Which research questions are most germane to SABIP’s specific role as an advisor to government on IP *policy* – rather than, for instance, as simply another funder of research on consumer behaviour and IP more generally; and

- What is the status of the current evidence base – i.e. there are a few research questions that can already be adequately addressed from existing research material so these have been omitted from Figure 3.

These are the same criteria that are applied in section 3 below that looks at options for meeting current priority research gaps.

The research questions illustrated schematically in Figure 3 below are discussed below in the following section.

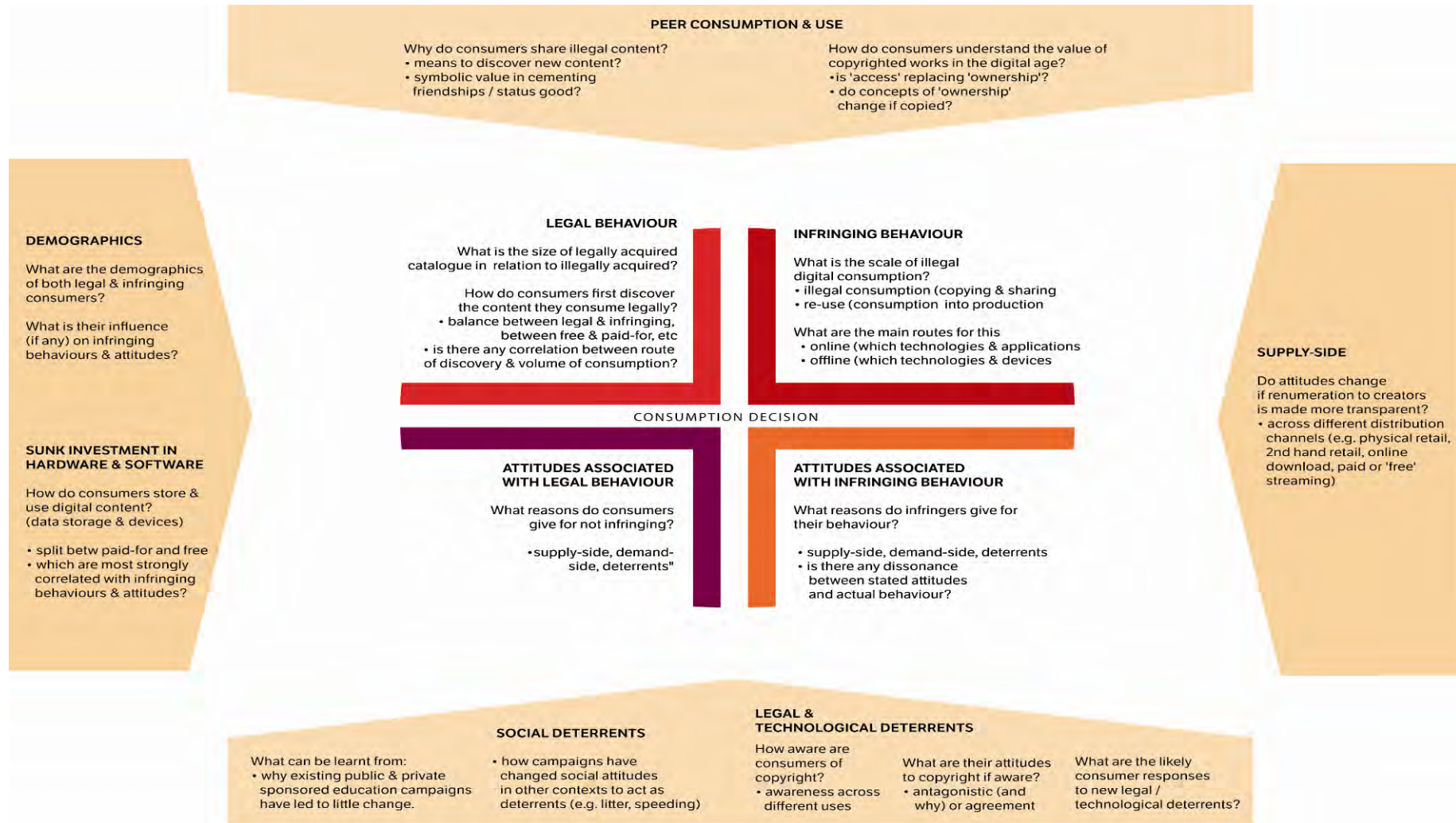


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Figure 3. Key remaining research questions for SABIP's research strand on consumer attitudes and behaviour in the digital age



Source: BOP Consulting (2010)



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3 GAPS IN THE EVIDENCE BASE RELATED TO THE KEY RESEARCH QUESTIONS

To avoid simply retreading material covered in the previous BOP and CIBER reports commissioned by SABIP, the following sections outlining the key research questions and gaps are necessarily brief. Those seeking further clarification and expansion of the issues raised here are advised to refer to the two source documents. Where any new and pertinent material has come to light since the publication of both reports, this will be flagged accordingly.

Inevitably most of the research questions focus on understanding the central issue of how and why so many consumers are infringing existing copyright law when consuming copyright-protected products in the digital world.

3.1 Demand-side

3.1.1 Demographics

What are the demographics of both legal and infringing consumers (age, education, income, life stage, time use)?

What is their influence (if any) on infringing behaviours and attitudes?

Many of the academic studies on online file sharing have simply not been interested in designing empirical studies that enable an assessment of how widespread infringing behaviours are across an entire population, nor at how social stratification may play a role in infringing behaviours (or attitudes).

However, there is some relatively strong empirical evidence from industry and government commissioned surveys, particularly the IPSOS MORI *Digital and Physical Piracy in Great Britain* surveys that have concentrated on offline digital media. The IPSOS Mori surveys are instructive for demonstrating that offline infringing behaviour may have a different, more 'ordinary' demographic from online file sharing.

Gaps and limitations:

- There has been little examination to-date of the relationship between infringing behaviour and disposable income on the one hand, and disposable time on the other. While common sense and some existing studies do point to the role of disposable income in determining levels of software infringement, there is little research that looks at whether the time available to individuals to invest in researching the variety of channels that a product is available through (both legal and illegal) has a bearing on the legality of the eventual consumption decision.

- As trade surveys are the main sources to-date of demographic data connected with infringing behaviours and attitudes, the sample sizes are limited, preventing much further analysis. The sample sizes for market research such as the IPSOS Mori and Wiggins/Entertainment Media Research (EMR) studies use samples of 1,500 to 2,000 adults. While these sample sizes are enough to be representative of the adult population as a whole in the UK, looking at sub-samples within the data can become difficult. For instance, in the recent Wiggins/EMR survey, 28% of the sample report that they are regular or occasional 'pirates' [sic]. This means that the demographic analysis of those that infringe has to be based on only 438 responses. Thus looking at the effect of different age groups within this infringing cohort starts to become undermined by the small number of cases within each age group.

3.1.2 Sunk investment in hardware and software

How do consumers store and use digital content – using what data storage, applications and devices?

Which new hardware devices and software applications are most strongly correlated with infringing behaviours and attitudes?

There is an increasing range of surveys that provide data on how the general population and young people in particular use the internet and other devices to access content. This includes Ofcom's yearly *Communications Market* report and *Children's Media Literacy Audit* (2010), as well as the recent Wiggins/EMR *2010 Digital Entertainment Survey*, and some government surveys such as the British Social Attitudes Survey 2008. These surveys concentrate effectively on penetration and take-up rates of particular technologies and services (e.g. social networking sites), as well as asking some questions about how and what these technologies are used for.

Gaps and limitations

- There is less data from these sources on how these services are used to support consumption that infringes copyright.
- There is less detail on the applications and services that are most associated with infringing behaviour (e.g. file hosting services and P2P sites), or on the use of storage media (e.g. USB pen drives and portable hard drives) to support both legal and illegal consumption.
- As has been noted in some research, the 'free', illegally acquired copyright content that consumers can access via the internet still incurs costs for the consumer that are instead monetised by the consumer electronics manufacturers and internet service providers among others (e.g. subscription file hosting services). Do consumers feel that they have already paid for content once they have paid for distribution, storage and playback?

3.1.3 Peer consumption and use

Why do consumers share illegal content?

How do consumers understand the value of copyrighted works in the digital age?

Gaps and limitations

- There are a number of theoretical explanations that have been advanced within academic studies to explain the phenomenon of the sharing of digital media content among peer groups, and the often strongly pro-social norms that develop around this (typically) illegal mode of consumption. However, with a few very rare exceptions, these accounts – rooted in ‘gift’ or ‘equity’ theory – have received little empirical investigation.
- The idea of ‘ownership’ is typically treated as being a stable property within much of the literature that looks at the infringement of copyright-protected works. This ‘stability’ has been brought into question with regard to ‘de-materialisation’, with some studies suggesting that infringement is seen by consumers as less harmful in the digital world due to the intangibility of digital files.
- But this issue has not been looked at in detail from the perspective of how consumers value digital files that have been given to them or copied from others – that is, do consumers feel the same degree of ownership over these files as they do those purchased by themselves legitimately? And does this mean that they also value them less?
- The final issue relates to the notion of ‘ownership’. The copyright protected business model of the cultural and entertainment industries has only ever been partly based on individual consumers owning copies of particular copyrighted works. Other models, such as rental, free-to-air broadcast, or paid-for live time-limited experiences (e.g. films at a cinema, concerts), have existed alongside the ownership of reproducible media products (sheet music, DVDs, etc). As access to content becomes ever easier – first through illegal, now through legal services – will consumers value access above ownership?

3.2 Deterrents

Both the CIBER and BOP reports spend some time assessing the literature on the various factors – social, legal and technological – that may act as a ‘capable guardian’ to deter consumers from infringing copyright in the digital world. In general, the broad conclusion from the literature is that all have proved relatively weak to-date. How and why deterrents do or do not work is a particularly important area for the UK government, given the recent measures to enhance the effectiveness of technological/legal deterrents in the 2010 Digital Economy Act (DEA) – via disconnection of persistent illegal file-sharers from the internet and giving copyright holders the power to block access to websites hosting illegal content.

3.2.4 Legal and technological solutions

How aware are consumers of copyright and what are their attitudes if aware?

What are the likely consumer responses to new legal/technological deterrents?

There is only limited evidence on the extent to which consumers are aware of copyright. The 2009 UK Music Survey measured awareness of illegality and the 2010 Wiggins/EMR study indicates that two thirds of the adult population in the UK agrees that they 'understand what copyright is for and what it protects'.

Gaps and limitations

- Despite the recent Wiggins/EMR research, our assessment of consumers' knowledge of and attitudes towards copyright is still basic. For instance, we do not know if consumers are aware of how copyright functions with regard to a range of common uses, such as format and time shifting, and re-use – and what they then subsequently think of this.
- Not much is known about the likely effectiveness of the measures contained with the new DEA. The 2010 Wiggins/EMR study contains some useful data on how consumers perceive they may react when the Act comes into force. But there are real-life international comparators that could be learnt from as both France and Germany have brought in similar measures ahead of the UK.

3.2.5 Social solutions

Why have existing public and private sponsored education campaigns led to little change to-date?

How have campaigns changed social attitudes in other contexts to act as deterrents (e.g. litter, speeding)?

Far from acting to-date as a deterrent, some research suggests that the social norms that pertain to copyright infringement in the digital world are often ambivalent or, in fact, supportive of the practice – particularly among some peer groups on the internet. Given this starting point, policymakers need to know more about what strategies might work to change public opinion regarding copyright infringement.

Gaps and limitations

- Very little publicly available research appears to have been produced that seeks to evaluate or investigate the existing public education initiatives that have been produced in this area to-date, even where there are indications from consultation that this has taken place (e.g. by the UK Film Council).
- The problem of copyright infringement shares some of the characteristics of other problems of 'collective action' (i.e. instances where transgression brings immediate returns to the individual transgressor, while the costs of transgression are deferred and socialised). There are examples of where policymakers have used public education campaigns to successfully tackle (and reduce) some

collective action problems such as littering and speeding. These could provide useful insights into how to deliver public education strategies pertaining to copyright infringement.

3.3 Consumption decision

As the framework in Figure 2 implies, while it is possible to look at each individual research question on its own, the more difficult task is to establish precisely how the different factors interact with each other. The following research questions sit at the heart of the issue as to how and why some consumers choose to consume digital content illegally, while others consumer it legally.

3.3.6 Infringing behaviour

What is the scale of illegal digital consumption?

What are the main routes by which it takes place (online and offline, what technologies, applications and devices)?

At the heart of the numerous debates on copyright is the question of how much content is being shared and consumed illegally. In the UK, trade and government sources provide a strong indication of the frequency of infringing, particularly for offline, though less is known about the volume of products that are being consumed illegally (and whether this is truly meaningful). The focus of international research has been P2P online activity, but this has been primarily focussed on music.

Gaps and limitations

- The scale and nature of newer forms of offline P2P activity (e.g. USB pen drive and hard drive copying) are not well known, and similarly less is known about file hosting sites as sources of illegal content than P2P sites.
- Very little empirical evidence exists in relation to the scale and kinds of re-use of copyright-protected products that is currently taking place.

3.3.7 Attitudes associated with illegal behaviour

What reasons do infringers give for their behaviour?

There is a divide between the trade and government data and academic research in the treatment of attitudes held by those that infringe copyright. The academic literature has in general attempted to identify the underlying 'ultimate' causes of this behaviour. BOP considers that there are significant limitations to much of this literature however.

In contrast, trade and government surveys have yielded more useful information for policymakers, focusing on the attitudes consumers hold towards the service offering of legal versus illegal channels for acquiring copyright content. In this, there is a concurrence across the main UK surveys studied as to particular supply-side characteristics consumers cite as reasons for choosing illegal options. Cheaper cost is always the most

regularly cited reason, with a larger inventory and better timeliness the next two most regularly cited reasons. These findings also have a degree of crossover with those from a recent international study across, which also found that cheaper costs and a larger inventory were two of the top four reasons for infringing behaviour.² However, the international study also found ethical perceptions of doing 'no harm' to be strongly correlated to infringement. However, the methodology differs substantially as it is an online survey of college students across 26 different countries, rather than a survey that is representative of the population as a whole.

Gaps and limitations

- From an empirical perspective, the main limitation is the comparability of the various surveys that are undertaken. Some focus only on specific age groups (generally young people), or further sub-groups of young people (college students), while others focus on the wider adult population. This makes it hard to establish the role that age and other demographic factors play in attitude formation.
- The academic literature is often theoretically-based and not empirically tested. Empirical studies tend to be based on narrow, homogenous cohorts (mainly college students) and, most fundamentally, focus on a very partial set of psychological and ethical considerations associated with criminality. There is very little work that looks at economic criteria in the decision-making process.

3.3.8 Legal behaviour

What is the size of legally acquired catalogue in relation to illegally acquired?

How do consumers first discover the content they consume legally?

Although a lot of consumer market intelligence exists on the cultural and entertainment industries covered by copyright, this operates at an aggregate level looking at overall sales, and what genres/products and franchises are doing well or badly. There is very little detail about individual consumers. Even ratios of how many products people consume in these market (e.g. the average number of films adults see per year) tend to be basic per capita estimates.

Gaps and limitations

- There is a general lack of publicly-available empirical evidence on individual consumers – though this may exist in (commercially sensitive) market data.
- In particular, there is a lack of information concerning how much legally acquired catalogue (CDs, DVDs, MP3s, etc.) is held by individual consumers, and how the aggregate market is split across consumers (e.g. does the consumption of DVDs in the UK follow a 'normal distribution', or is it more concentrated in a small number of avid DVD buyers?).

² Reardon (2010) 'A Cross Cultural Perspective on Consumer Theft of Intellectual Property', paper presented at the COUNTER Conference: Balancing rights and responsibilities for protecting intellectual property and reducing levels of counterfeiting, piracy and filesharing in the digital economy, Manchester, UK, 23-24th March, 2010.

- What is the relationship between legally acquired and illegally acquired catalogue? There is some emerging (international) evidence that those who infringe copyright are also among the largest consumers of legal products and services. However, the evidence is insufficiently robust at present to draw any firm conclusions. This is a more complex enquiry than simply trying to establish what is the ‘cannibalisation’ rate.
- Not enough is known in sufficient detail about how people become consumers of the cultural and entertainment industries. How do consumers come to discover new content - in whichever form, through whichever channel – and how is that demand sustained and recreated time and time again.

3.3.9 Attitudes associated with legal behaviour

What reasons do consumers give for not infringing?

As noted above, the trade and government surveys have covered this area relatively well. Three reasons are most frequently expressed, though in varying order of rank):

- perceptions of poor quality;
- a lack of ‘authenticity; and
- perceived links to organised crime.

This area is unfortunately not covered in the academic literature, as it seems to be considered to be a self evident question and so is largely ignored.

Gaps and limitations

- While data from surveys tells us what the attitudes are that are associated with legal behaviour, they cannot tell us why consumers come to hold these attitudes. This would be important in understanding how to develop better education programmes to convince more consumers to hold similarly ‘pro-legal’ attitudes.

3.4 Supply-side

Do attitudes change if remuneration to creators is made more transparent across distribution channels?

As noted in the preceding sections, a lot is known about consumers’ attitudes to obtaining digital copyright content, particularly to the supply-side characteristics that are seen as constraining or enabling their choice.

Gaps and limitations

- Although much is now known about consumers’ preferences in terms of the supply-side for copyright-protected content, one supply-side area that is under researched relates to whether it makes a difference to the consumer if the remuneration to the creators of content is transparent.

- One of the main theories identified as to why some consumers engage in infringing behaviour is because they have an 'antithetical' stance to the prevailing regime of copyright. This can be based on perceptions that the content industries are simply another arm of 'big business' that give little reward back to the creators they represent. Would more information and transparency about rights streams influence consumer attitudes and behaviour?



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4 PARTNERS' FORTHCOMING RESEARCH PLANS

In assessing which of the research gaps SABIP should consider addressing, a key factor is what other organisations and bodies will be doing in terms of their own research plans. The following sections look at three partners/groups of partners and stakeholders.

4.1 IPSOS Mori Digital and Physical Piracy in Great Britain Survey

The IPSOS Mori Survey, commissioned by a consortium of partners that include the major film studios, the British Video Association, the UK Film Council and the BBC and Channel 4 has been running annually since 2002. As such, it presents arguably the most consistent and longitudinal means for tracking firstly offline copyright infringement (including attitudes), and latterly online too.

Following the November 2009 workshop hosted by SABIP, it was hoped that there would be scope for potential collaboration between SABIP and a consortium of commissioning partners to help address some research questions through possible additions to the IPSOS Mori survey. However, there has been a change of strategic priorities within some of the private sector commissioning partners, and collaboration with public bodies will no longer be a feature of the survey. The UK Film Council will no longer be part of the consortium either. It is understood that the survey may be subsumed within an international survey that the Motion Picture Association of America (MPAA) is developing.

4.2 Ofcom

The new Digital Economy Act (DEA), has tasked Ofcom with the responsibility for reducing the number of illegal downloads in the UK. Related to this, Ofcom will also have to track the extent of illegal downloading activity on the internet. The measurement of whether the new provisions within the DEA are having any effect on illegal downloading will be undertaken through technical analysis of network data provided by ISPs.

However, Ofcom will also conduct an annual consumer survey in order to better interpret, and provide a wider context to, the network data. This potentially constitutes a major addition to the evidence base in the UK on consumer attitudes and behaviour as regards digital content and its implications for IP. The final details of the survey are yet to be finalised, but it is likely that the survey will collect attitudinal data as well as looking at behaviour. There is still a question as to whether the survey will look at how online illegal downloading is linked to/sits alongside other forms of illegal consumption such as offline P2P file sharing via the swapping of hard discs, or the burning of DVDs and CDs.

Much will therefore depend on what the exact nature of the consumer survey will cover, as to how far it will meet several of the gaps in the evidence base identified by SABIP's research programme. However, the uncertainty over when and what is likely to be



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covered by the survey is likely to continue for some time, as the Act itself is currently the subject of a High Court legal case with two of the UK's largest ISPs (BT and Talk Talk) are jointly seeking a judicial review of the Act.

4.3 ONS/government surveys

As outlined in the last BOP report for SABIP, the government runs a number of longitudinal surveys that may be relevant research tools that SABIP could use for tracking some key indicators. After consultation with research managers in ONS and the relevant research agencies contracted by government (e.g. NatCen), it is clear that in the short term at least, the possibilities for using any of these surveys to produce data relevant to SABIP's needs are slim. For instance, the *Longitudinal Study of Young People in England* (LSYPE), handled previously by DCSF and now by Department for Education, is an annual panel survey of 15,000 school children that has been running since 2004. While in theory it is potentially possible to add questions to the survey, the earliest would be summer 2011. This would be the eighth wave of the survey with only two more scheduled within the overall lifespan of the survey, thereby greatly diminishing its longitudinal value.

The *Understanding Society* survey remains the most desirable longitudinal option for SABIP's purposes. However, the process for getting onto the half of the survey which is allocated to rotating questions is competitive. In addition to being able to prove a social scientific as well as policy rationale for inclusion, questions would also have to have been cognitively tested and field trialled beforehand.

Although not longitudinal, the *British Social Attitudes* (BSA) survey is a large cross sectional survey (4,000 respondents) commissioned by government. While it is possible to include questions on the survey, the fit with SABIP's research requirements is not ideal as the BSA focuses mainly on very general attitudinal questions, rather than the very specific information that would be required for SABIP. It is also not the best way to pilot and test questions that could later be added to, for instance, the *Understanding Society* survey, as the turnaround for obtaining the data after the survey had been run is slow (12 months).

5 OPTIONS AND PRIORITIES FOR MEETING RESEARCH GAPS

The next section of the report combines the identified research gaps with an analysis of:

- what are the research questions most germane to SABIP’s specific role as an advisor to government on IP *policy*; and
- what are relevant partners’ and stakeholders’ forthcoming research plans.

This provides a much smaller set of proposed research actions for SABIP to take forward, and these are fleshed out in more detail below, including with indicative costs, in sections 5.5 and 5.6.

5.1 Consumption decision

The research questions under this heading are at the heart of the issues that SABIP is concerned with. Most of these questions are also relevant to Ofcom’s new responsibility for monitoring illegal downloading. It would therefore seem appropriate to draw upon Ofcom’s proposed consumer research as far as possible, as is indicated below.

Research question	Proposed solution
1. What is the scale of illegal digital consumption?	Ofcom DEA research
2. What is the scale and nature of re-use?	Ofcom DEA research
3. What are the main routes by which it takes place?	Ofcom DEA research
4. What reasons do infringers give for their behaviour?	Ofcom DEA research
5. What reasons do consumers give for not infringing?	Ofcom DEA research

The scope of Ofcom’s consumer research may not extend to covering all of these areas adequately. In which case, SABIP should look to augment any missing areas from Ofcom’s work, while also benefitting from being able to develop an approach that can be harmonised with the findings from Ofcom’s research.

Of course, there will be other important research that will help to develop the evidence base regarding these issues. For instance, in autumn 2010, findings from the EU COUNTER project should be available. The research includes a survey of almost 5,000 people across five EU countries.

Research question	Proposed solution
6. What is the size of legally acquired catalogue in relation to illegally acquired catalogue?	Academic research
7. How do consumers discover new content that they consume legally?	Academic research



We suggest alternative proposals for the two research questions concerned with how illegal consumption fits within the wider picture of legal consumption. This is because, while these issues constitute important areas of research, they are unlikely to be priorities for policymakers.

5.2 Demand-side

5.2.1 Demographics

Improving the existing evidence base in relation to understanding the demographics of those who infringe copyright in the digital world would require both obtaining larger sample sizes for surveys to enable more detailed demographic analysis, and ensuring that factors such as disposable income and disposable time could also be analysed.

Without knowing more about Ofcom’s consumer research, it is hard to know whether they intend to commission a survey larger than the usual sample size of 1,000 to 2,000. An alternative approach would be for SABIP to commission some meta analysis of existing studies. This would mean aggregating samples together from previous studies such as IPSOS Mori, Wiggins & EMR, Music Ally, and so on. However, there are significant risks involved in such a process. Firstly, it is by no means clear that the owners of these surveys would allow researchers access to the raw data to undertake the meta analysis. Secondly, the difficulties inherent in aggregating the data may be too difficult to overcome or entail such a degree of statistical manipulation as to jeopardise the quality of the output. On balance, we would not suggest pursuing meta analysis based on existing trade survey data.

Research question	Proposed solution
8. What are the demographics of infringing consumers?	Ofcom DEA research/ Commissioned survey
9. What is their influence (if any) on infringing behaviours and attitudes?	Ofcom DEA research/ Commissioned survey

A final option would be for SABIP to commission survey research to investigate a number of areas and take the demographic information from this - we outline the possible options and parameters of this below in section 5.5.

5.2.2 Sunk investment in hardware and software

As with the other demand-side questions, much will depend on the shape of Ofcom’s DEA research. The main alternative to this is, again, to commission bespoke survey work.

Research question	Proposed solution
10. Which new hardware devices and software applications are most strongly correlated with infringing behaviours and attitudes?	Ofcom DEA research/ Commissioned survey
11. Do consumers feel that they have already paid for content via fees paid for distribution, storage and playback?	Ofcom DEA research/ Commissioned survey



5.2.3 Peer consumption and use

The research questions under this heading concern the various kinds of ‘value’ that audiences derive from cultural and entertainment products, particularly looking at how notions of value and ownership may change within social networks. These are fundamental questions that need to be theoretically informed and are best suited to be undertaken within an academic context.

Research question	Proposed solution
12. Why do consumers share content illegally	Academic research
13. Does the status of 'ownership' change when content has been (illegally) given to, or copied from, others?	Academic research
14. Do consumers now value access above ownership?	Commissioned survey/Academic

However, the final question regarding value (Q14) has a more pressing commercial application and therefore could also be included within a piece of bespoke research.

5.3 Deterrents

The research gaps related to what may deter consumers from infringing copyright in the digital world represent potentially the widest range of research options. The issue of developing a sound benchmark for how aware consumers are of copyright and what permissions it does or does not give across a range of uses may be included in the Ofcom DEA research. Equally, it may not. Likewise, Ofcom may or may not choose to analyse the French and German contexts for what, if anything, has changed since they introduced measures comparable to those contained in the DEA.

Research question	Proposed solution
15. How aware are consumers of copyright, across a range of uses?	Ofcom DEA research/Commissioned survey
16. What are the likely consumer responses to new legal/technological deterrents?	Ofcom DEA research/ Commissioned research on international comparators/bespoke survey
17. Why have existing public and private sponsored education campaigns led to little change to-date?	Commissioned evaluation research
18. How have campaigns changed social attitudes in other contexts to act as deterrents (e.g. litter, speeding)?	Academic/consultant research

Concerning public education campaigns – why they have not worked to-date and what could be learnt from other contexts – there is potentially a distinctive contribution to be made here. The former could be addressed by a relatively small-scale piece of evaluation research that examines a number of campaigns run by government and trade bodies. The latter question is potentially more complex and would require a more extended form of academic or consultancy research.

5.4 Supply-side

Research suggests that a perceived lack of transparency regarding where the economic returns from copyright accrue is one of the major sources of ‘post-hoc rationalisation’ for infringing behaviour. An attitudinal survey could be carried out to test whether this would change if the remuneration to creators was made more transparent. However, SABIP might also consider commissioning a choice experiment. Evidence on real-world consumer behaviour can be helpful in understanding how people react to different market features, and what type of market solutions and policies are likely to be successful. The experiment would use behavioural economics to explore whether the provision of more information about the differing levels of remuneration received by artists through different channels (e.g. paid-for streaming and download, ad-funded streaming, traditional offline retail, etc), would influence their behaviour.

Research question	Proposed solution
19. Do attitudes change if remuneration to creators is made more transparent across distribution channels?	Commissioned choice experiment research

5.5 Short term research options

Given the small degree of uncertainty regarding Ofcom’s DEA research, the additional research options for SABIP outlined above boil down to six research propositions.

OPTION 1: CASE PhD
Description: SABIP becomes the policy partner for a CASE PhD to investigate what is the role of illegal digital consumption in building legal digital markets and future consumers for the cultural and entertainment industries
Addresses research Qs: 6-7
Costs: Based on current ESRC CASE guidelines, industry/policy partner pays minimum of £2K per year to the student and £2K per year to the host HEI = c. £12-16 over the lifetime of the doctorate
OPTION 2: CASE PhD
Description: SABIP becomes the policy partner for a CASE PhD to investigate how consumers derive value from digital cultural and entertainment content within social networks, and what implications this has for concepts of ‘ownership’
Addresses research Qs: 12-14
Costs: Based on current ESRC CASE guidelines, industry/policy partner pays minimum of £2K per year to the student and £2K per year to the host HEI = c. £12-16 over the lifetime of the doctorate
OPTION 3: One-year Fellowship or six month consultancy project
Description: SABIP commissions either an individual on a Fellowship basis or a consultancy company to investigate how have campaigns aimed at other problems of collective action changed social attitudes to act as deterrents (e.g. litter, speeding)
Addresses research Qs: 18
Costs: Approximately £40-60K depending on scope

OPTION 4: Four month consultancy project

Description: SABIP commissions a consultancy company or individual to investigate a small number of government and/or trade body supported education campaigns aimed at reducing copyright infringement in the digital world. The aim is to distil the lessons learned to-date and would be based on consultation and secondary data analysis where available.

Addresses research Qs: 17

Costs: Approximately £15-30K depending on scope

OPTION 5: Consumer choice experiment

Description: SABIP commissions an experimental research design to investigate whether consumers change their consumption behaviour – i.e. change distribution channels (from illegal to legal, between a range of legal channels) – as a result of receiving more information as to how artists and creators get rewarded across the different channels.

Addresses research Qs: 19

Costs: Approximately £40-80K, depending on scope

OPTION 6(i): Omnibus Survey Research

Description: SABIP commissions a set of up to 20 questions on an existing telephone market or social research Omnibus Survey. The precise questions to be asked could be delayed until it is clear what will be covered by Ofcom’s own DEA research.

Addresses research Qs: 8,9,11,14,15 (assuming little or no overlap with Ofcom research)

Costs: Approximately £22-60K. Quotes obtained from three companies operating different Omnibus Surveys. Based on a sample of 2,000, with costs varying in terms of the nature and complexity of questions asked and the rigour of the sampling method used (top end costing based on random probability sampling as opposed to quota sampling).

OPTION 6(ii): Bespoke Survey Research

Description: Alternatively, SABIP commissions an entirely new telephone survey from a market research company. The survey would consist of approximately 20-25 questions plus demographic classifiers. One option is to undertake a representative population survey in order to investigate how widespread certain behaviours and attitudes are across society. A second option is to look in-depth at only those consumers who are engaged in infringing behaviours, in order to enable more detailed analysis of the possible influence of demographics on infringing behaviours. This would require asking a first screening question, which would significantly increase the cost of the survey as only approximately 1 in 4 respondents would ‘qualify’ for the survey. The precise questions to be asked could be delayed until it is clear what will be covered by Ofcom’s own DEA research.

Addresses research Qs: 8,9,11,14,15 (assuming little or no overlap with Ofcom research)

Costs: Approximately £35-55K, based on a sample of 2,000, with costs varying according to contractor and whether the survey is a population survey (lower end) or only a survey of infringers (top end)

The research options above all adhere to SABIP’s role, either in providing ‘customer’ oriented and analytic work or in developing longer-term foundational research work.



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5.6 Medium to long term options

In addition to the short term options described above, two further research options should be noted in the medium to long term.

5.6.4 Meta analysis of SABIP survey(s), Ofcom and PhD work

Coordinating a programme of work that SABIP itself commissions, as well as ensuring compatibility with Ofcom's forthcoming DEA research, would provide an opportunity to undertake meta analysis on the data captured by the range of survey instruments used. This would enable more in-depth analysis of a larger range of factors, that could in turn be used to produce economic models to test hypotheses about the relationship between the different factors affecting consumer behaviour in copyright markets. This would mean that the individual strands of work would become more than the sum of their parts.

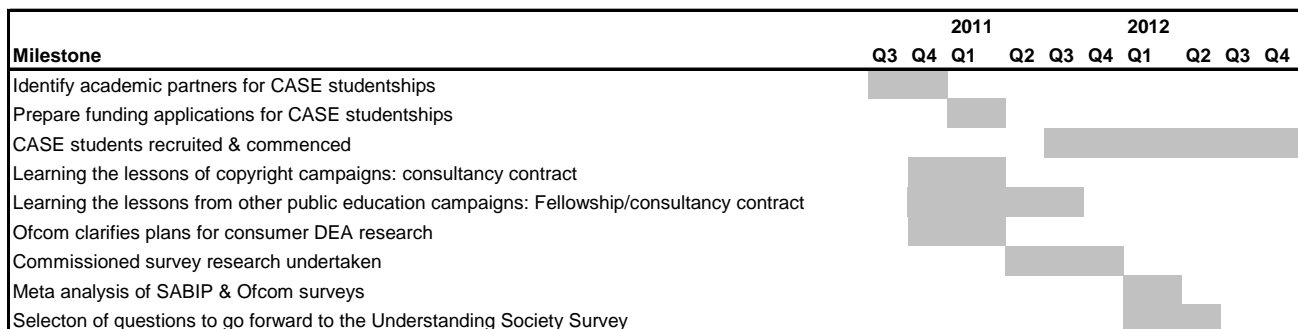
5.6.5 Propose questions for inclusion within the Understanding Society survey

As noted above, inclusion within the Survey will only be possible if the questions have already been piloted and run in another field survey. Inclusion would depend on the timing and turnaround of any commissioned survey research. Clearly, waiting to know the content of the Ofcom DEA research would slow SABIP's own commissioning process, but it is likely to yield better results.

5.7 Timeline

Figure 4 below presents a simple timeline for the research options outlined above. Greater detail is given to the academic options due to the longer lead times required to set up CASE PhDs.

Figure 4. Timeline of SABIP research options



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