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The purpose of the research was to identify the motivations and opinions on copyright and online music piracy on the Internet through Peer-to-peer (P2P) Networks. The research was carried out as a Master's Thesis in the Digital Culture program at the University of Jyväskylä.

Quantitative research methodology was utilized in the form of questionnaires, which were distributed for two weeks through the mailing list and personal invitations at the University of Jyväskylä. 48 responses from people of 22 nationalities were received.

Analysis of the questionnaires revealed opinions that people conduct music file sharing on P2P networks because it is convenient, promotes musicians and is environmentally friendly. In addition, the research discovered the growing popularity of online streaming as an alternative to downloading.

Based on the research, some recommendations that can be proposed to music producers and musicians in the near future include; more education on copyright issues, more promotion of online music streaming, promoting downloads of legal music files as an environmentally-friendly choice and making online music shopping more convenient for customers. The research was conducted on a small scale and therefore, further research on this topic is recommended.

Asiasanat – Keywords music piracy, online, file sharing, copyright, P2P network
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Tutkimuksen tarkoituksena oli tunnistaa tekijänoikeuksien suojaamiseen ja Internetin Peer-to-peer (P2P) –verkoissa esiintyvään laittomaan musiikkikopiointiin liittyviä syitä ja mielipiteitä. Pro Gradu -tutkimus toteutettiin Jyväskylän yliopiston ”Digital Culture” -ohjelmassa. Kvantitatiivisen tutkimuksen menetelmiä hyödynnettiin kyselylomakkeissa, jotka jaettiin kahdeksi viikoksi sähköpostilla sekä henkilökohtaisesti Jyväskylän yliopistolla. 48 vastausta saatiin 22 eri kansallisuutta edustavilta ihmisiltä.

Kyselyvastausten analyysi osoitti musiikkitiedostoja jaettavan P2P-verkoissa helpon käsiteltävyyden, muusikkojen esiin tuomisen ja ympäristöystävällisyyden vuoksi. Lisäksi tutkimuksessa havaittiin, että vaihtoehtona musiikin lataamiselle sen jakaminen ja kuuntelu Internetiin kytkettynä (online) on saamassa lisää suosiota.

Tutkimuksen perusteella voidaan musiikin tuottajille ja muusikoille ehdottaa eräitä suosituksia; lisää valistusta tekijänoikeuskysymyksistä, verkossa kytkettynä kuunneltavan musiikin esille tuomista, ympäristöystävällisyyden valinnan painottaminen musiikin laillisen lataamisen edistämiseksi ja verkko-oston tekeminen mahdolliseksi asiakkaille.

Tutkimus toteutettiin pienimuotoisena, ja siksi lisätutkimus aiheesta on suositeltava.

Asiasanat – Keywords laiton musiikkikopiointi, online (verkossa kytkettynä oleminen), tiedostojen jako, tekijänoikeus, P2P-verkko.
Säilytyspaikka – Depository
Muita tietoja – Additional information

Preface

Upon completion, this master's thesis stands as my final research to finish my education in the Digital Culture program at the University of Jyväskylä.

I would like to thank Kimmo Lehtonen, as my thesis advisor and Raine Koskimaa, as the Professor of Digital Culture, who have been supporting the research starting from developing the idea until its completion. I would also like to thank the respondents of the questionnaires, because they are a very significant part in the research process of this thesis.

My classmates were outstanding too, especially during the thesis seminars, where they gave criticism in order to improve the content of the thesis. Furthermore, I appreciate the University library, for providing me with resources for my background study and literature review.

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Iona Carina

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1. Introduction

If you're really worried about Internet piracy, become a plumber. (Wang, 2004, p.228)

With current technology, the world has become smaller and it is becoming easier to access any online information such as movies, music, news, various files and data, etc. With the sudden popularity of Peer-to-Peer (P2P) networks, piracy has increased among many Internet users. While not many users download software through P2P networks, many users exchange their music, movies, and games files online. In this thesis, however, I will concentrate only on issues of music piracy.

One reason why I chose music, as the main area for my research, is because of my interest in music and I thought it would be more interesting and motivating to write my thesis in this field. Another reason being the phenomena of music piracy seems to be favored more than piracy of movies and games because music files are much smaller. Downloading movies and games can take about 30 minutes to an hour, depending on the server and network users. On the other hand, downloading a music file usually takes only a couple of minutes. Music files may share similar qualities with CDs, while movie files might have lower quality than DVDs. Possible reasons for this low quality include; the movie was recorded at a movie theater, there are problems with subtitles, language dubbing, etc. Furthermore, many people nowadays own mp3 players as a part of their daily entertainment. Their size and functions attract consumers to own them, and there are many types of mobile phones that carry mp3 features, making music more accessible to owners. There are several ways for people to obtain their mp3 files and one way is through P2P networks.

Sharing files with friends through P2P networks could be considered a fun activity, however, this action is usually illegal because it is against copyright laws. Although most people realize the existence of this law, many might not understand what is included in copyright laws.

Included in the introduction section of my thesis, I discuss my literary findings about piracy culture. The first part describes what copyright is, and a brief history of it. It continues with some explanations of Peer-to-peer networks, which later on is referred to as P2P networks. Also included is a report over my findings about motivations for illegal downloading and uploading. Furthermore, there is a discussion about the state of the music industry and what they have done to protect their copyrights. The last section talks about opportunities that arose and might arise in the future, as a result of the music piracy, and what kind of challenges that might occur in the music industry.

1.1 Copyright

According to Dictionary.com, the definition of copyright is, “the exclusive right to make copies, license, and otherwise exploit a literary, musical, or artistic work, whether printed, audio, video, etc.: works granted such right by law on or after January 1, 1978, are protected for the lifetime of the author or creator and for a period of 50 years after his or her death.” (n.p.)

Copyrights were created to protect producers of any art work, printed materials, video, music, etc. While in the past copyright was made to protect book writers and publishers, nowadays, it is used in many different areas. The copyright law was modified several times in the past, and now it seems to be more stable. The problem being, would copyright laws be able to cope with the current and upcoming technologies? In the music

industry, there were several changes from LP to cassettes, then CD (compact disc), and now we have the compressed files (mp3, m4a, aac, wma, etc). One advantage of this technology is it is easier and faster to distribute.

Concerning copyright laws, what is illegal and what are the rights of the copyright holder? Bitlaw, which is one Internet source for intellectual property law, lists a number of copyright holder's rights, which are:

- the right to reproduce the copyrighted work;
- the right to prepare derivative works based upon the work;
- the right to distribute copies of the work to the public;
- the right to perform the copyrighted work publicly; and
- the right to display the copyrighted work publicly. (Bitlaw, n.d.)

With this information it seems most P2P networks' activities are illegal because there are uploaders who distribute copyrighted materials on the Internet, although they are usually for non-profit purposes. In addition, as copyright holders have the performance rights as well, no one is supposed to sing or play any copyrighted materials without permission. On P2P networks, there are plenty of cover songs available through music or video files, which means that there are more copyright infringement than just simply distributing the artists' works.

1.2 Peer-to-peer networks

A peer-to-peer network (P2P) is a platform in which users are allowed to exchange their files on the Internet. It seems to be very easy and practical, but it has been misused by many users. In 2005, CIAPC (The Copyright Information and Anti-piracy Centre) Finland made an estimation that about 150.000 Internet users in this country are active users of P2P networks (CIAPC, Activities and Members, 2006). The popularity of downloading music from P2P networks seems to be triggered by the comfort of using MP3 files and MP3 players. Before the MP3 phenomena, the file size of a CD discouraged many Internet users to perform Internet piracy. Presently, people can have the same type of music with one-tenth of the file size smaller than what it used to be, as National Research Council Staff (2000) says, "from 10MB per minute to 1MB per minute of music files, P2P network users could have similar quality of music to the original CD." (p. 77). Also, the physical size of an MP3 player is definitely smaller than a CD player, making it much easier to carry around.

Early idea of P2P networks

The idea of P2P networks originated from several Internet applications, one being IRC, or Internet Relay Chat. It was created as a chatting platform for Internet users around the world. Not long afterwards, IRC's users expanded its function from exchanging messages to exchanging digital files. From this type of Internet architecture of sharing files, Shaws Fanning, who was a college student, created Napster in 1999. Napster was a groundbreaking computer software at that time, which allowed users to access music files from other users' hard drives. With offers of free music files, convenience of finding music at home, wide selection of files with good quality, Napster soon became very popular. This is how Napster worked:

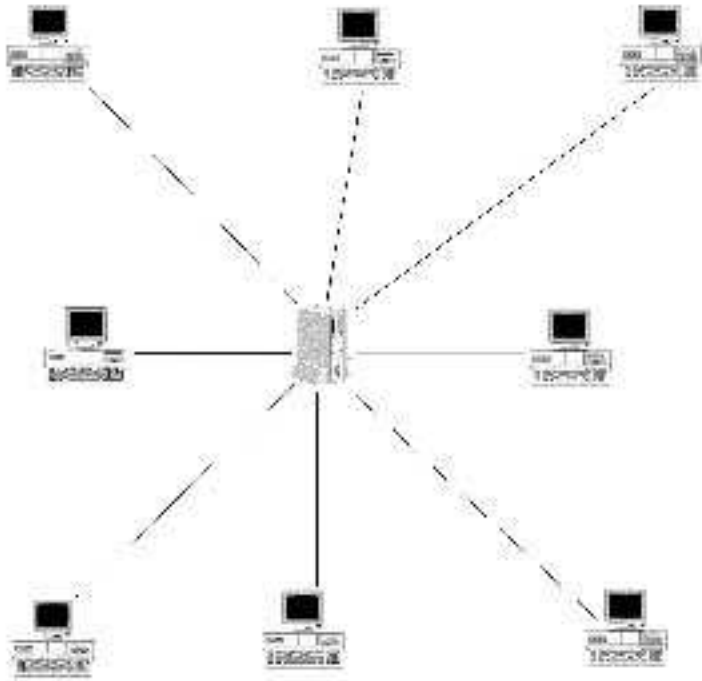


Figure 2-4

When searching on Napster, every file request first had to go through a central server, which could be shut down.

Image taken from Wang (2004, p. 23)

Despite of the comfort of downloading files without leaving the computer, the disadvantage of Napster is that it used a centralized server. Therefore, download times could take from minutes to hours, depending on how busy the server was. For that reason, Gnutella network was created to make it easier for users to access available digital files. Below is an image to illustrate how the Gnutella network works:

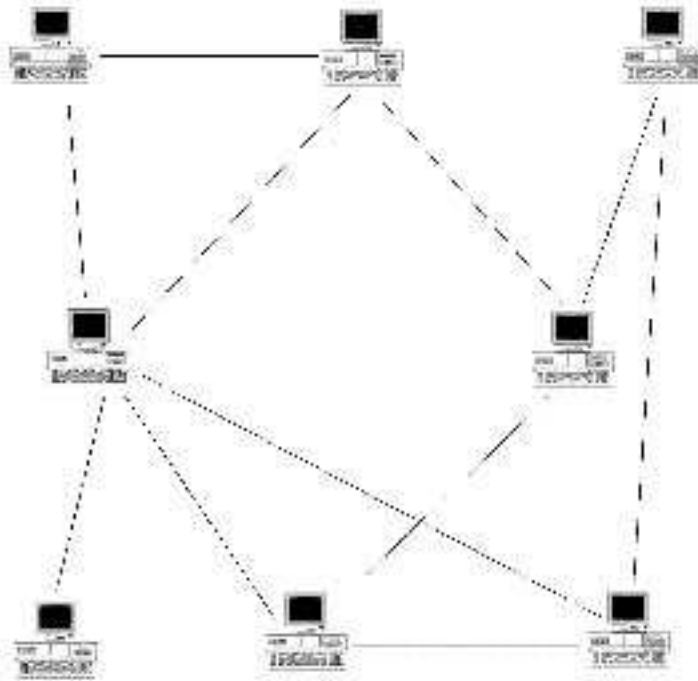


Figure 2-5

When searching on Gnutella, every file request goes through every computer connected to the Gnutella network. This makes it impossible for the authorities to shut down the entire network just by removing a single computer.

Image taken from Wang (2004, p. 23)

Gnutella is used in many P2P networks nowadays where users become both downloaders and uploaders. Copyright laws differ from one country to another, but file sharing of copyrighted works have always been illegal. However, companies usually only sue uploaders and rarely downloaders, making it seem safe to be a downloader. Therefore, pro P2P organizations, such as EFF (Electronic Frontier Foundation), suggest P2P users

deactivate their sharing option, which is available in several P2P platforms (2006), allowing P2P users to become “free-riders”. The term, “free-ride”, comes from Khrisnan, Smith, & Telang (2003), who defined the term as, “Enjoying the public good provided by others while not supplying the good yourself” (pg. 7). Aside from avoiding lawsuit, free-riders choose to have their file sharing option inactive in order to maintain, or protect, their network resources. Free-riding might be safer because users only choose specific types of files they want to download, and by not sharing their sources, the chance of their network getting hacked can be minimized.

Here are some of the most popular networks of Gnutella for different operating systems:

- Windows: LimeWire, Bearshare, Gnudeus, Phex, Swapper, XoloX
- Linux/Unix: Gtk-Gnutella, LimeWire, Mutella, Phex, Qtella
- Macintosh: LimeWire, Phex

In Finland, Internet connections are widely spread because almost every household has one. Therefore, many people in this country have access to digital files on the Internet. According to www.ifpi.org (2005), the percentage of people in this country who download illegally has reached 15%. IFPI also mentioned on its website that, “the amount of P2P in some Finnish Universities has been more than 85 % of their outgoing data traffic” (2005), which means P2P networks have been very actively used by many university students in Finland.

Besides those networks where users can search for and upload digital files, there are some websites where people can listen to samples of music from different artists and bands. Websites, like www.purevolume.com and www.garageband.com, seem to be gaining popularity from the number of visitors and new bands submitting their profiles.

These websites allow users to listen to tracks of the artists or bands, encouraging future sales of singles, albums or concert tickets. Usually, artists who submit their works on sites like Pure Volume or Garage Band, are ones who are not from the mainstream industry. While P2P networks are a good source to download songs, those websites are the place where people can become acquainted with non-mainstream or independent artists.

Furthermore, www.myspace.com has also been used by bands, artists, and even individuals, to promote themselves. On this site, visitors can listen to some tracks and read profiles of the artists. Just like Pure Volume and Garage Band, MySpace offers sample of tracks to trigger sales of their CDs and merchandise. Many popular and mainstream artists use this website as a communication tool with their fans. Moreover, the famous search engine, Yahoo, also has its Yahoo Launch, where fans can watch videos, listen to the radio featuring mainstream musicians and to encourage people to buy singles or the albums. It is free to watch videos and listen to the radio, but audiences are interrupted by advertisements every several songs. In order to avoid advertisements, listeners can opt to pay a certain monthly fee.

Music websites and P2P networks where people can access music for free or at low cost are very popular. Who are using these networks, and why are they so popular that some parties conduct copyright infringement? The next section included a discussion about P2P users and their motivations, based on findings from different researchers.

1.3 Users' profile and motivations

For every action, there are motivations behind it. There are various factors which motivate people to engage in P2P activities. From different literature resources, I have

collected information about users' characteristics and their motivations for using P2P networks. I used the results of my literature research as a guideline for me to create the questionnaire, which is one of the methods I used for writing this thesis. This section also acts as a comparison with my own research.

There are different types of music available through P2P networks. Everyday, users are distributing and downloading various music genres. According to a research by Gopal, Sanders, Bhattacharjee, Agrawal, & Wagner (2002) who conducted the research through questionnaires collected from 133 bachelor business students in the United States, the majority of people who commit copyright infringement online are Hip Hop/Rap and Electronic music listeners. In that country, there is a stereotype that many people who listen to Hip Hop and rap are of a lower class and uneducated, so the price may be one factor for downloading. On the other hand, Electronic listeners might not have so many choices in CD shops because this type of music is not so mainstream in the market. This also may be a reason why people download Electronic music from P2P networks.

Moreover, Fetscherin & Lattemann concluded in their research that “casual Internet users which use the Internet not on daily basis have a higher willingness to pay for digital content than high frequency users” (2007, pg. 190). The frequency of a user downloading and committing digital piracy might depend on the time used online. The longer a user uses the Internet, the bigger the chance that the user practices copyright infringement.

Aside from the frequency of staying online as one ground of Internet piracy, some researchers think age and income are also factors which trigger people to download digital files illegally. According to Hinduja (2005), young people, especially those who are underage, tend to engage in online piracy because of age restrictions which forbid them to purchase CDs with ‘Parental Advisory’ stickers. So for them, it is not really about price, but more of possession, and maybe the social factor takes some part too. When it comes to pricing, Sandulli mentioned in the research that “that older (and also

richer) P2P users tend to have a higher proportion of CD music comparing to P2P music” (2007, pg. 331). I do not think age defines the income of a person, unless the income comparison is done between 20 to 30-year old people, or students who are still studying or recently graduated. Most people who have just graduated and have a steady job earn more than students who have part time jobs or no jobs. Still in correlation with age and income, Sandulli continued that “it is possible that older users have higher income and are less sensitive to price, so the price difference between CD music and P2P music is not so important in their music P2P/CD proportion decision” (2007, pg. 332). About the age, he also said that older people have higher ethical beliefs which might restraint them from downloading digital materials illegally (2007).

So far, my findings say that older people equal more money, moral values and equal less piracy because it would not matter to them to spend some money on buying legal CDs because they could manage to pay the price offered by producers. Furthermore, about the pricing factor of digital media, a research by Al-Ravee & Cronan revealed that “subjects believed that digital media is overpriced” (2006), which is the aspect that might trigger Internet users to conduct digital piracy. The subject of their research were students who likely did not have a stable income. I do not think digital media is overpriced because it is much cheaper than the CD price. Also, nowadays, there are several options on the Internet to pay a monthly fee for downloads. Nevertheless, without a stable income, many things feel overpriced, and therefore, piracy seems like an easy way out to enjoy music entertainment.

In addition to age and price of the digital products as the stimulus of digital piracy, some researchers found out about a connection between gender and piracy habit, especially when it comes to ethical values and beliefs. In the paper by Al-Ravee & Cronan (2006), Ford & Richardson said that, “females have a higher ethical standard than males” (1994, pg. 240), which means that the majority of people who perform digital piracy online are male. Still from the same paper, this view is supported by the finding by Sims et al.

(1996), which stated, “male students pirated software more often than female students” (pg. 240). In relation to piracy habit, it seems like the ethical values of different gender plays a big part in their decision making. However, Al-Ravee & Cronan (2006), disagree with those observations because as stated by their research, the decision in conducting digital piracy is not indicated by the gender of the subjects.

Another motivation of music piracy on the Internet is music sampling. Some people download music to sample the album before deciding to buy the CD or not, and some others listen to songs without saving them to their computers. One research in the United States, in 2000, conducted by Pew Internet & American Life Project, revealed that “16% of online music users, or 15 million Americans as “Song Samplers” who listen to music on their computer but do not save them” (Poddar, 2006, pg. 54). There are many websites or online music shops which offer samples or music previews of several tracks of the CD. Sometimes Internet users download music through P2P networks instead because the selections are usually wider, and they can listen to the whole song instead of a 30-second preview, which some online music shops offer. This kind of activity does not seem like a huge threat. Quite the opposite, it might even bring benefit to the music industry in terms of selling CDs, or the intangible option of legal MP3 files, plus the supplementary items, like the variety of merchandise, to concert tickets.

Self satisfaction and social factors are few other aspects that play part in the music piracy. As Sandulli (2007) would call those aspects, “Discovery and Community,” which means finding out new ways, as well as new songs, which could be shared with some friends or other P2P users. The self satisfaction comes from the feeling of owning the songs and the control to freely organize one’s music library. The social process is also one aspect in music piracy as the will to show off and share MP3 collection with friends could be one thing that the youth wish for. As Hinduja, (2005), stated that the casual social process among friends could initiate more for them to begin or continue using P2P networks as the channel in getting the songs they want. Furthermore, the community and socialization

do not have to happen in the offline world only because there are P2P networks where the users can communicate with each other through several means, like from the chat windows. Spotify is one example of the P2P platform where the users can communicate with each other through different chat rooms. They can talk about music or other topics unrelated to music. Basically, they can talk about anything they want freely because the chat rooms in Spotify are not monitored. This kind of feature could motivate users to keep coming back to the network to make new friends, meet existing friends, give and receive recommendations about music, and at the same time downloading tracks they want.

Furthermore, Lessig also mentioned some interesting motivations of P2P networks users. One of them is they use P2P networks with the intention of downloading songs which are not produced anymore and have become rare records (2004). As the production company does not produce the music anymore, and as trends have changed and the band/artist is no longer popular, the record that the customer wants is usually very difficult to find. Even if the customer found it, the record would most likely be a very expensive item as it is no longer in print. Therefore P2P network seems to be an excellent and easy solution in getting out of print recordings. Nevertheless, it is also an illegal activity to download and share those materials because many of them are still protected by the copyright laws.

Besides that, Lessig, (2004). brought up another motivation for using P2P networks, which is to download materials which are not copyrighted. This seems to be the kind of way which is used by new and independent artists and bands to promote their music by letting everyone to freely download their songs. So far, this motivation appears to be the only legal way to share and download music from P2P networks. Plus, it might be a good way for the artists to start gaining popularity.

Another motivation of music piracy is the lack of fear of getting caught, especially since most companies target uploaders and not downloaders. For them, the uploaders, or the

file sharers, are the real threat, because they distribute copyrighted materials illegally. While downloading from illegal resources is basically against the law, the downloaders are not likely to receive a lawsuit. In the research report, Al-Ravee & Cronan said that, “subjects also believed that they will not get caught while pirating digital material,” (2006, pg. 247). The reason of the lack of fear could be because digital materials are intangible, so there is no direct contact with the shopkeeper, for example. As some parties address piracy as ‘stealing’ music, the feeling of stealing tangible and intangible products are different. In their research, Lysonski & Durvasula found out that, “people would not steal CDs sold in retail stores, even though the same people are willing to download music files illegally from online sources,” (2008, pg. 175), mostly due to the lack of fear.

The motivations also have something to do with people’s ethical values and beliefs and how they view P2P activities. When Al-Ravee & Cronan reviewed this issue, they said there has been research where according to viewpoints of many Internet users, P2P activities are not a crime or something unethical, and it is even socially acceptable (2006). Again, the social factor seems to be the main drive toward music piracy.

Still, in the ethical values aspect, an article by Lysonski & Durvasula, (2008), mentioned, “in a survey by the Gallup Poll (2003), 83 percent of young people said that downloading music for free was morally acceptable while a poll sponsored by the Business Software Alliance found that only 29 percent of young people think illegal copying is wrong (Ishizuka, 2004)” (pg. 169). From those result, it seems people have a lack of knowledge on piracy and what is legal and illegal. It might be because in the area where they conducted the research, there were very limited educational information on the Internet piracy and the users did not possess sufficient information on the effects of using P2P networks illegally. In contrast, IFPI has a slightly different result. According to this organization, “71% of people in Finland are aware that file sharing of music without a proper authorization is illegal. In age group of 25-34, awareness is 82%” (2005, n.p.). Nonetheless, as CIAPC has mentioned, Internet piracy in Finland seems to be gaining its

popularity. Al-Ravee & Cronan concluded from their research that, “subjects were generally happy and excited when pirating digital media” (2006, pg. 248), which could mean two different things. First, maybe the users do not realize the legal consequences of digital piracy and second, they know the consequences but they do it anyway. That is a possible reason for the high illegal P2P consumption in Finland, despite their awareness of copyright laws.

Not everybody is a pirate. Some people who are well-informed about piracy consequences tend to avoid P2P. Instead of downloading music illegally, they would pay the P2P provider, which offer legal MP3 files. Shang, P., Chen, Y., & Chen said in their article that, “people who have paid the P2P provider may feel less guilty and not concern about piracy while downloading files from the network” (2007, pg. 360), so because they have paid their part, they might feel that piracy is no longer their problem. Besides, their way of downloading brings benefit to all parties; themselves as consumers, musicians, music producers, and the P2P provider.

People always have a conscience in their actions. By providing the Internet users with adequate information on online piracy, it might raise their concern about this issue. From the companies' side, it might even increase or open new business opportunities by offering P2P services with some small fee, knowing that consumers are craving for their music and they realize what is legal and illegal. Currently, there is no cooperation between those parties, which causes them to blame for each other's loss; companies not getting their money and consumers not getting their music. Do P2P activities really bring financial damage to music producers? In the next section, there will be a discussion over the effects of P2P networks from a business and economical point of view.

1.4 The state of music industry

While independent artists and bands praise the existence of P2P networks, it raises some concerns for some music producers, because they claim there is a decrease in the CD sales due to the Internet piracy. In Finland, the sales record is monitored by IFPI Finland. IFPI, or International Federation of the Phonographic Industry, operates in many countries and it has members of both international and national record companies. IFPI Finland has members of 24 record companies which hold about 86% of market shares in this country. Below is a chart of the total markets estimations of music sales collected by IFPI Finland from the year of 1992 to 2009. The figures are in units, from 1992-2006, but then the data from 2007 is in packages.

Vuosi/Year	Single	Kasetit/MC	Vinyylit/LP	DVD	CD	Yht/Total
1992	349.965	2.679.802	1.182.138		2.944.504	7.156.409
1993	249.302	2.659.961	303.183		3.207.122	6.419.568
1994	252.912	2.393.650	59.359		3.660.656	6.366.577
1995	198.131	2.017.195	10.776		4.509.084	6.735.186
1996	244.828	1.941.683	1.826		5.584.499	7.772.836
1997	318.953	1.468.162	1.792		6.980.515	8.769.422
1998	358.854	1.084.337	1.703		7.949.902	9.394.812
1999	396.382	598.633	1.719		7.937.670	8.934.404
2000	519.582	419.897	8.791		8.649.166	9.597.436
2001	531.319	216.014	14.901		8.700.577	9.462.811
2002	489.532	81.447	10.902		8.227.725	8.809.606
2003	469.929	77.824	8.221		8.725.575	9.281.549
2004	364.996	91.579	8.248	278.837	7.719.820	8.463.480
2005	288.372	52.908	11.019	456.488	7.457.851	8.266.638
2006	211.384	17.426	8.359	474.371	7.964.565	8.676.105
2007	Muutos	Packages	instead	of units	Muutos	boxit kpl sijaan
2007	137.789	MUUT/OTHER	10.301	378.392	6.129.749	6.672.352
2008	105.646	36.605	13.688	328.251	5.845.260	6.329.464
2009	66.547	27.653	15.747	302.106	4.862.660	5.274.713

Source: IFPI (n.d.)

Note

LP: Long Playing/Vinyl Gramophone Record

MC: Music Cassettes

CD: Compact Disc

After a decline of music sales in 1993, there is a steady increase in 1994 until 1998, then the sales drops again. From 1998 to 2009, the total sales is slowly decreasing, although there are some years when there is an increase. The CD sales has its ups and downs since 1998, but after 2006 the number of sales is continuously declining. The same story goes to singles and cassette music sales, too. However, the LP sales is slowly rising, although

the number of sales is still relatively small, compared to the others. Using old media to enjoy music might become a growing trend again these days.

As a comparison with the previous chart, below is a report of the music sales in Euros.

Vuosi/Year	Single	Kasetit/MC	Vinyylit/LP	DVD	CD	Yht/Total
1992	993.611	12.512.665	5.420.208		22.551.892	41.478.377
1993	742.273	12.273.254	1.186.982		25.969.848	40.172.357
1994	802.267	11.339.279	237.287		29.983.548	42.362.381
1995	680.977	10.101.317	39.120		36.442.842	47.264.255
1996	821.510	9.222.962	11.014		45.072.462	55.127.947
1997	1.087.329	6.796.293	14.839		54.055.825	61.954.287
1998	947.592	4.510.258	14.423		58.521.075	63.993.349
1999	1.075.307	2.510.311	19.271		58.621.844	62.226.733
2000	1.398.748	1.698.312	91.813		63.962.039	67.150.913
2001	1.610.293	735.843	133.373		65.608.590	68.118.374
2002	1.175.104	317.231	96.660		63.199.644	64.788.639
2003	929.600	592.768	74.660		64.572.451	66.169.479
2004						61.180.164
2005						58.489.697
2006						57.764.968
2007						53.376.237
2008						49.418.123
2009						41.766.554

Figures in Euros

Source: IFPI (n.d.)

The earning from music sales has been going up and down from 1998 to 2003, and after that, the number is constantly decreasing. The total earning in 2009 is only a little bit higher than what it was in 1992, which means that audio and music video sales have not been progressing so well. Considering that the music price in 2009 is higher than the price in 1992, the number of sales is actually declining. Nevertheless, the digital sales seem to be increasing. IFPI has recorded the digital music sales in Finland. Here is the

latest result from January-December 2009 and in comparison with the previous year's sales:

Source: IFPI (1 March 2010)

IFPI Finland Digital Sales			
January-December 2009			
Figures include licensing and other new income.	Trade Value	Trade Value	2009/2008 Growth %
	2009	2008	Value
Online Downloads			
Internet Downloads			
Audio Single Track	1 145 039	944 441	21,4%
Audio Full Album	1 221 361	976 240	25,1%
Music Video	19 769	5 908	234,6%
Other Downloads	18 791	11 373	65,2%
Streams	10 903	2 741	297,8%
TOTAL DOWNLOADS	2 416 923	1 940 703	24,5%
Mobile Downloads			
Master Ringtones	319 983	541 706	-40,9%
Audio Single Track	59 839	101 725	-41,2%
Ringback Tunes	424	146	190,4%
Music Video	785	751	4,5%
Other Mobile (artist related)	4 131	4 081	1,2%
Streams	252	1 122	-77,5%
TOTAL Mobile Sales	385 414	649 531	-40,7%
TOTAL	2 802 337	2 590 234	8,2%
Subscription Income			
Non-Bundled Subscriptions - Online	168 993	18 692	804,0%
Non-Bundled Subscriptions - Mobile	21 496	3 414	529,6%
Bundled Subscriptions	190 352	0	
TOTAL	380 831	22 106	1622,7%
Ad-Supported Income	785 291	0	0,0%
Unearned Advances & One-Off Payments	199 258	0	0,0%
Other Digital Music Content	13 807	0	0,0%
TOTAL Digital	4 181 524	2 612 340	60,1%

The result show a positive increase of the digital music sales in Finland, counting the increase of total digital sales up to 60.1%. The market for online music download is

growing. There is also a huge increase in online downloads, especially in the music video downloads, up to a 234.6% rise, and sales from online streaming, which has increased 297.8% since the previous year. The sales from mobile downloads does not seem so promising, except the ones from ringback tunes sales, which have risen 190.4% since 2008. So, even though there is a decrease in the tangible music products, the music file sales seem to have a good opportunity in the market. Of course, it would not stop music piracy because when Internet users buy an MP3 file, they could easily upload it to the P2P networks for everybody else to download. While the piracy protection on CDs and DVDs limits the users' ability to copy, it would not take so much effort in spreading digital music files. That could be the reason why the record sales are decreasing despite the popularity of the artists/bands.

Bear in mind that selling music records is not the only way to create income to companies. Concert tickets and merchandise are other income sources to the artists and record companies. In his article, White said that, "concert revenue [in the United States] reached \$3.9 billion in 2007, an eight percent increase from 2006," (2008, n.p), even though there was a drop in the record sales. As it is said before, many music fans use P2P networks for sampling music; an activity that might continue to buying concert tickets and merchandise. Nevertheless, as major record companies spend their big budget on producing and marketing the records and the artists, they want to maximize their profit from all aspects. Therefore, in most cases, they do not tolerate people sharing illegal music files. For that reason, there have been cases where record companies took legal actions against P2P users and developers. On the other hand, there are also individuals or organizations who believe that P2P sharing should be legal and they have been promoting ways to encourage file sharing over the Internet. The next section will discuss the actions that have been carried out by both parties; the anti-piracy and anti-copyright.

1.5 Actions against music piracy

In order to deal with music piracy, many record companies have taken some actions against pirates through several ways. In the report by Gopal, Sanders, Bhattacharjee, Agrawal, & Wagner, (2002), they divided the actions into two categories, which are deterrent controls and preventive controls. Deterrent controls are more into taking legal actions, while preventive controls are usually the actions taken through education, making sure the technologies hinder music listeners to commit piracy. Moreover, Curien & Moreau, (2005), also added some methods used by record companies, like by promoting discounted music products and circulating music DVDs that are not largely distributed through illegal P2P sharing networks.

Major record companies have been quite active in the past several years in the deterrent controls, especially after the P2P networks become popular among Internet users. They have been suing uploaders and P2P developers with large fines. However, not all of them were intentionally performing piracy. One example is the case of Jesse, (Lessig, 2004). Jesse was a student who individually built an intranet search engine to be used in his college while he was studying there. With this search engine, the students could share their notes, the university information, student films and other educational related items in a public folder, which is accessible from all computers in the university's network area. What was so unfortunate for him was that in the public folder, there were music files as well which were placed by the students who wanted to share their music to their peers. A few months afterwards, the RIAA or Recording Industry Association of America, filed a suit against him and some other students with a piracy charge. In this case, Jesse's intention was good, which is to improve the internal communication in his college by creating an intranet search engine. He had no intention to encourage the students to do any copyright infringement. However, the fact that it was him who developed the system made him RIAA's target.

Many people settled or lost their case against the record companies, but there are others who won against the lawsuit. EFF, or Electronic Frontier Foundation, is a non-profit organization which defends people who, according to them, by no means have any intention to break the laws. Regardless of the active legal lawsuit by anti-piracy parties, the number of illegal music sharing does not seem to be decreasing. In an article by Lysonski & Durvasula, (2008), they reported that Knopper, (2007), said, "Bigchampagne.com (the research group that follows downloading activity) maintains that P2P sharing has gone up significantly from 5.5 million users a month in 2003 to over 9.3 million in 2006," (pg. 175). Furthermore, as it is said before, companies usually target uploaders and especially the P2P developers for their legal actions. However, in some recent cases, being a developer, or creating an available space for other people to share their files might not be enough for the companies to win their case. In order to avoid the lawsuit from the companies, many P2P providers post a warning on their site that they are not responsible for any content regarding illegal transfers.

While it seems that deterrent and preventive controls have not reached its purpose, a company called MediaDefender uses a different approach. The intention of this company is to aggravate illegal downloaders by uploading fake files to the P2P networks. The files are either blank or full with data noises, which are pretty much useless for users. This approach might irritate P2P users if they download large files into their computer, because it usually takes quite a long time to download such files. However, many music files are small and very fast to download. So when users get a fake file, they can easily find another one that is real. Despite its interesting and creative method, I do not think it would be very effective in attempting to discontinue P2P users' illegal activities because it is not hard to find the real music files they want.

Educational and campaign approach are also used by some organizations in order to inform the public about the consequences of sharing files illegally on the Internet. IFPI is involved in the anti-piracy awareness campaigns, together with some other organizations.

CIAPC, or Copyright Information and Anti-piracy Centre, is one active organization which is involved in providing education about copyrights and piracy, in cooperation with IFPI. CIAPC gives education, training and seminars to different target groups, covering different topics. According to IFPI, the campaigns have brought positive influences in reducing the number of online piracy and increasing the number of online legal music services in Europe. This organization also claims that, “seven out of ten people in Europe know that file-sharing without the copyright holder's permission is illegal,” (2005, n.p). While the campaigns give people the proper knowledge about the practice of copyright, the IFPI's result on illegal file sharing in Finland, as mentioned in the previous section, does not seem like online piracy in this country is declining.

Aside from the anti-piracy campaigns which have been brought to several companies and organizations, EFF has a different approach in dealing with illegal music distribution through P2P networks. EFF, or Electronic Frontier Foundation, created a campaign to promote P2P downloads on the base that technology would make it easier for everyone to share their music. Also, this organization believes that copyright holders, as well as the artists who created the materials, should earn sufficient amount of profit through the P2P system.

In order to achieve that goal, EFF proposed an idea that includes a subscription-based fee on a P2P network, which can be used to download any song wanted within a certain subscription period. The artists/bands and copyright holders will then receive some profit, which is based on the download frequency of their music. By adopting this system, EFF claims that it would bring advantages especially for the independent artists because they would be able to share their music and get paid, even though they are not under any record label. Besides EFF, Pirate Bay, which is one of the largest source in illegal downloading, has also suggested a similar way of music sharing. Their idea is to create a network where people can download songs by paying a monthly subscription fee.

There are positive and negative aspects of illegal music sharing. Its negative side comes from the decreasing revenue from CD sales. On the other hand, there is also a positive aspect, because it creates new opportunities for music marketing, especially in the digital sales. Although many companies try to condemn the file sharers, the artists do not seem to mind about it, as long as it promotes their music. According to an article on BBC by Youngs, (2009), the artists do not agree on the British government plan to wipe out the illegal music sharers from the Internet, because they are worried that it might discourage people from listening to music. I do not think that anything would stop people from listening to music, but people will just try harder to get what they want. It would be a conflict that never ends. The companies need to think of new ways of promoting and distributing music digitally, which are convenient for the customers without any encouragement of breaking the law.

While this part of the chapter discusses about actions towards piracy, the next part will discuss about business opportunities that companies are taking and considering in order to take advantage of the current illegal music sharing situation.

1.6 Opportunities from music piracy

Illegal music sharing through P2P networks turned out not to be as bad as many people might have thought. Although there are many companies and organizations that claimed to have a decrease in profit as the effect of the piracy, it has actually opened more possibilities and opportunities to distribute music to the public. As a result, it would be easier for the artists or bands to get more market recognition, which eventually leads to more profit.

Past and current opportunities

First of all, it needs to be kept in mind that online music shops would not exist without the existence of pirates. According to Choi & Perez, the online piracy created the new idea of selling MP3 files online, just like Napster and Apple iTunes did, (2006). People download MP3 files because of the size and the comfort of using it. Some of them realize that their action is illegal. Therefore, when Napster and iTunes started to operate, it quickly became popular as many illegal downloaders began to buy legal music files from them.

Nonetheless, not all of the online shops gained success. In 2001, Pressplay.com and MusicNet started to operate by providing their customers with digital files of music for a monthly fee. Yet, they failed to satisfy the market because they only offered limited amount of music files from their partner companies and the monthly fee was considered to high, (ibid.). Pressplay.com is no longer operating while MusicNet is still running, but was changed into a B2B, (business-to-business), with various services related to digital media.

In contrast, the iTunes online music service, by Apple, is a successful one. One of the reasons might be cause it offers a wide selection of music from different artists and labels. Music sampling can be done here as well because iTunes offers a 30-second preview of each song, and the price is also quite affordable for many people. Although music files can be downloaded to as many iPods as possible, (ibid.) mentioned, “music could be transferred only up to three Apple computers, burned up to ten CDs,” (pg. 5). In Finland, iTunes is one of the most popular online music providers. Besides that, there are other companies as well, like NetAnttila, Musiikkilataamo, IltaSanomat Musiikki, and CDON Finland.

One of the most recent music players on the Internet is Spotify, which people have to download and install on their computers. This program is free for music listeners and it is paid by advertisements, but people can also opt to the paid program to avoid the commercial interruptions. Here, people can stream many songs from different artists and share their playlists with their friends for free, but they have to pay to download songs and music albums. So far, to be able to use Spotify, people need to have an invitation and downloading option is only available in some European countries, but in the near future, it will widen its market. I think Spotify is a good idea for listening to music of our choice because it is legal, and many songs that we want to listen are there, plus it is free. Of course, the downside of it is that we need to go online every time we want to listen our playlist, unless we are willing to pay for downloading, or to pay to become a Premium member, which allows the users to use the Offline mode.

Music sampling as a promotional method

Although many have said piracy through P2P networks bring disadvantages to the music industry, it gives the opportunity for the downloaders to test and sample the music before making the decision to buy the record, go to the concert or become a fan. For independent artists and bands, the P2P networks seem to be one channel to introduce their music easily, since it is a low cost way of promotion. Plus, it is legal and not considered as piracy if the artists are not signed by any record company.

Not only independent artists and bands who are giving away their music for free. There are also artists under certain record labels who let the Internet users to download their songs through their official website or other music websites like www.last.fm, for instance. Besides, to increase the popularity of their music, another intention of the free downloads is to increase sales of concert tickets and merchandise. One example of a successful free download tactic comes from Janis Jan, an artist who let people download

her songs from her site, which then brought an increase from the merchandise sales up to 300%, according to Chong, 2002, (Dubosson-Torbay, Pigneur, & Usunier, 2004).

Aside from the free download, *ibid.* also mentioned in their report about another possibility to increase profit, which is by using bundle services. In this report, the Jupiter's European study says that, "consumers were most interested in a pay service that also bundles discounts towards concert tickets, events and merchandise." (*ibid.*, pg. 6) That conclusion might open up new chances for music producers to be more creative in selling their products by creating music packages or bundles to attract the consumers.

Digital file vs. CD

Music listeners as consumers usually want to get their music as easy and efficiently as possible. That is why digital music is very popular because they can get music file they want within minutes, depending on the Internet speed. One disadvantage of the digital file is the non-existent of the physical being. Although many people would not mind it, some music fans would rather choose a real CD, especially because of what they get with it. According to Poddar, (2006), "there are also many people, including online music consumers, who still prefer CDs for their packaging and the complementary material that comes with it such as a printed booklet (with lyrics, pictures, song and artist information) and CD case," (pg. 65). While digital files complement practical values because they are easy to download, to save on the computer and to share, a real CD gives a more of an emotional value to the owner. Many of our purchasing decisions are triggered by emotions, and that is one element that can be taken advantage of by music producers to create products which are more appealing to the market. They could, for example, try to find out what kind of extra materials music fans would like to have along with the CD, or with the music files.

There is also a method to boost legal music sales that is mentioned in the report by Dubosson-Torbay, Pigneur, & Usunier, (2004), which is some kind of a teaser technique, or they call it as “the ransom model” (pg. 4). In this model, the artists can refuse to do something, like finishing their album or performing in a concert, if they do not get a certain amount of payment. The example that they use is a real case of Stephen King, who refused to finish his story unless he had received at least 75% of his payment. Although this technique might be applicable in some cases in the music industry, I do not think that it is very efficient. From my experience in working in an underground record company in Rotterdam, The Netherlands in 2004, I met many people who listen to music from artists who love music as a form of artistic expressions. They are doing it not for the money and the listeners know that. In this market, I do not think the teaser technique would work because it is unlikely that the fans would purchase music if they feel that the artists value money more than the music.

Of course, the artists have to earn some profit and the audiences realize that. They try to support by going to the concert and buying the merchandise. The music album itself is usually downloaded through a P2P network.

Music sampling by illegal downloading might boost profit because it might trigger the customers to spend their money in different ways, like buying concert tickets and merchandise. It does not mean that producers should not receive any income from record sales. Aside from the 'extra materials' strategy that I brought up above, Hinduja, (2005), mentioned about the strategy of creating discounted price after a free download. He said, “they should offer promotional singles for free download and discounts on buying an album after downloading a free song.” (pg. 139) The idea is to let the listeners sample the music before they make a decision to purchase the album and to increase the sales, because if the listener download the legal song legally, they will receive a discount on the album. It might be a good idea because everybody likes to receive a bonus on their

purchase, and in this case, the customer would see the discount as their 'prize' for not pirating.

Taking advantage of the file sharing

Many companies have filed lawsuits against individuals and groups who perform illegal activities against copyrights. However, there are several companies who are taking an advantage of illegal file sharing as Wang (2004) stated, “Warner Bros., Disney, and Atlantic Records hire the services of BigChampagne (<http://www.bigchampagne.com>), which keeps track of the most popular songs traded over file sharing networks, along with the IP addresses of the people sharing them.” (p. 152) The purpose of this action is to know which songs and artists are popular in different regions of the countries around the world. That way, the music companies will be able to launch their marketing promotion of certain artists in different regions, based on the research result.

It is one proof how illegal music sharing can bring benefit to the music industry. No one could really control the growth of the P2P networks, but it is possible to take an advantage out of it. Had the companies not done that, it might cost them more to do their research or survey about which music artists are popular in different areas. I think it is an interesting point of view from those companies, in turning a condition which many people might see it as a loss, to a great benefit.

Information transparency

People have different motivations on why they perform copyright infringement. Some of them do it deliberately and some do not even know that it is illegal. Also, there are people who do it because they think that it would not hurt the music industry. Therefore, it might be important to raise the issue on the expenses of the music industry in order to be more transparent about where the money goes. Earning some profit is the intention of most

music record companies but profit does not come easily without marketing, and marketing costs a huge amount of money. As people cannot see how the marketing scheme works in the music industry, they might not realize about the effort and the cost to make some musicians known by the audiences.

According to Al-Ravee & Cronan (2006), “if the society was informed about the implications of this practice (such as higher cost of media, people losing their jobs, and less motivation to invent new things), this could help in making this issue more important” (pg. 248). Beside sharing the information about how the music industry works to promote the musicians, they also suggested to place some guilt to the music listeners by informing about the impacts of music piracy. The public might be aware of the direct impact of the music piracy, which is the decreasing number of the record sales. On the other hand, the indirect impacts are mostly unseen. Those impacts are long-term effects of the music piracy. The decreasing demand of record sales might cause the cost of music production to rise. Continuously, the cutting of the budget could bring negative results to the job market as well, among other impacts that music companies can communicate to their audiences. By educating the music listeners on this issue, it might open new discussions between the companies and audiences about ways of music distribution.

Making legal of the illegal

P2P networks have been the blame for illegal music downloads for several years. Rather than paying for records, many music listeners opt downloading from the Internet. That phenomenon has caused many producers to take legal actions against individuals or organizations whose activities might initiate copyright infringement. One P2P network which had been struggling to keep their site online is Pirate Bay. They were forced to shut down by a court order, and they came back online again. This time, they plan to make the file sharing legal by charging the users with a monthly fee, according to an

article by Roberts (2009). By paying the fee, the users are entitled to the right to download from the sources provided by the Pirate Bay.

Will it work? As one of the methods for this thesis, I am going to ask some respondents about their opinion on downloading fee and how much they are willing to pay. However, Fetscherin & Lattemann (2007) mentioned that the music consumers are not opposed to the idea of making downloading legal by paying a certain amount of fee. Their report though, did not mention any amount of suggested fee to the respondents. I think that report does not quite speak about the reality because downloading fees are already available on the Internet, for instance via iTunes. Nevertheless, despite the circumstance that many people are against illegal file sharing, copyright infringement is still happening.

1.7 Challenges for the music industry

In the previous section, I discussed about several existing and future opportunities that have happened and might happen in the future. One of them is about the chance of the arising of the digital music sales which seems to be convenient and less expensive for the consumers. With the availability of digital files in many P2P networks, there is a decrease in the CD sales. If the music industry supports more of the digital music sales, buying CDs might be even less popular. The positive thing is that there would be less waste and the production cost could be minimized. However, the downside of it is that it might reduce the number of employment in the music industry.

According to White (2008), many music stores in the United States had to end their business because of the popularity of the digital music files. The rise of the digital music files seems to be beneficial for the music producers and companies that sell them.

Nevertheless, the casualties fall to the employees of the music and record shops because they have to be out of job when the shops close down. Not only in the United States, but it is also happening in Finland. A research conducted by IFPI (2005) says that, “during the past two years the major Finnish record companies have reduced staff more than 10% in an average due the drop in sales” (n.p.). The rise of the unemployment number is not something that most people expect, but it is one of the challenges that needs to be considered in this digital music era. Although earning profit and popularity from the music sales and distribution are the top priorities of the music industry, I think creating a job market should be promoted as well.

1.8 Piracy culture research

This part of my thesis is dealing with a brief introduction of the copyright, P2P networks and a collection of analysis of different motivations to conduct music piracy, along with what has been done to avoid it and opportunities that arose from it. The purpose of my literature review is to help me in conducting my field research, which is through questionnaires. My findings will be a guidance for me to make suitable questionnaires that will be useful for the purpose of my research. More about the purpose and methodology of the piracy culture research will be discussed in the next chapter.

2. Research Purpose and Methodology

The main objective of the chapter is to give the readers a view about the goals of my research and how I would try to achieve them. Discussions in this chapter includes the research purpose, research methodology, the subjects of the research, and data collection and analysis.

2.1 Research purpose

Everybody has the right to enjoy entertainment. However, there is a limit regulated by the law, with the intention of protecting the producers' rights. The copyright law is strict when it comes to distributing music as a work of art, and many people have violated this law by distributing and downloading copyrighted materials to their computers.

The purpose of this research was to find out the motivations of file sharing on P2P networks. Many people say that copyright infringement happens because downloading illegal files is free and fast, and I will put that into account, but I do not want to make a conclusion based on a general opinion. I would like to conduct a research to get a deeper view on this matter.

By understanding how people think towards sharing files over the Internet, I hope that the result of my research could be used in the future as a base for further research or to help the producers to be aware of the demands from the consumers. From there, there might be a possibility in the near future to make an arrangement so people could have the maximum value of enjoying entertainment with minimum effort of copyright infringement.

2.2 Research methodology

The method that I chose to conduct this research was quantitative research because I wanted to collect different voices from people of various backgrounds. I intended to create statistical results of the respondents' intentions and reasons on music sharing on the Internet. The research instrument that I used was questionnaires, which consist of multiple choice and open questions. The respondents were asked questions which include their opinions of copyright, file sharing on P2P networks, the reasons to share music files, opinions on buying legal music files or record, social activities on P2P networks, and general downloading activities.

There were a total of 25 questions and an additional comment box available after the last question. Each question had a smaller comment box, which was optional. Since the questions were mostly multiple choice questions, I made the comment boxes available for the respondents to freely express their opinions on the topic or any specific question.

At the beginning of the research, I was hoping to reach a large number of respondents to be able to make some significant conclusions. Due to time constraint I collected only 48 respondents. Although, I was fortunate that those respondents are of different nationalities, which made it a wider selection of subjects.

2.3 Subjects/sample

The subjects of my research were people related to the University of Jyväskylä, which are the students, alumni, or employees. The respondents were obtained by sending a message of invitation on fs-news mailing list in the University of Jyväskylä. So everyone who had access to the mailing lists, including people who were not a part of the

University of Jyväskylä, could participate in the research too. I also sent several personal invitations to some people at the university whom I knew were interested in participating in my research.

Everybody who saw the invitation could take part in the questionnaire since there were no selection based on any criterion like age, gender, or nationality. It was my purpose to have respondents from different backgrounds, for example different nationalities, age group, income, etc. The reason was because I wanted to analyze if there was a connection between some characteristics to opinions on intentions and reasons to perform online file sharing.

2.4 Data collection

The questionnaires were distributed online mainly through fs-news, a mailing list of the University of Jyväskylä and personal invitations. On the mailing list and invitations, I briefly explained about my research and invited them to join the questionnaire by clicking the link that was provided there.

For spreading the questionnaires, I chose to do it online because it was much easier and faster. Also, I feel that the respondents might be more comfortable in answering the questions when they did not have to face the researcher directly. The respondents were not asked to share their contact details and their participation was completely voluntary.

The survey was available for two weeks, from 4-18 February 2010. During those two weeks, I managed to collect 48 respondents from both gender, different age groups and various nationalities.

The analysis and result of the questionnaire will be discussed on the next chapter. Following that, there will be summary of the major findings and examples on how the results can be implied on future research.

3. Data Analysis and Result

After preparing the questionnaire and spreading it through personal messages and the mailing lists of the University of Jyväskylä, I was finally ready to make an analysis of the survey result, which is discussed on this chapter. In this part of the thesis I examined every question of my survey one by one and related them to how the respondents gave their answers to my research.

3.1 Respondents

48 respondents, from both genders, were collected during the two-week questionnaire distribution. The ratio of the responses was 50:50, with 24 male and 24 female with the biggest age group, consisted of 27 subjects, between 25-35 years old. The second largest group made up of 18-25 year-olds with 19 people. Furthermore, there are two people who were above 35 years old, and none below 18 years old. Below is the information regarding different age groups of the respondents.

<i>Age Group</i>	<i>Number of people</i>
< 18	0
18-25	19
25-35	27
> 35	5

In regards to nationalities, most of them were Europeans, but there were some respondents from other continents too. Here is the list of the respondents' nationalities, listed from the most to the least number of people:

<i>Nationalities</i>	<i>Number of people</i>
Finnish	7
Slovenian	5
American	4
Canadian	3
French	3
Japanese	3
German	2
Hungarian	2
Thai	2
Argentinian	1
Chinese	1
Brazilian	1
Estonian	1
Kenyan	1
Lithuanian	1
Macedonian	1
Nepalese	1
Polish	1
Spanish	1
Taiwanese	1
Turkish	1
Ukrainian	1
Undisclosed	4

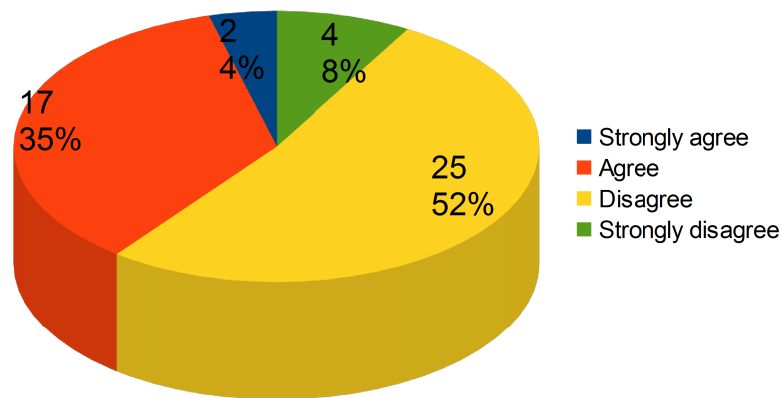
Also, below is the information regarding their occupation (student/non student) and their income status.

<i>Respondents' information</i>	<i>Number of respondents</i>
Student with full-time job	5
Student with part-time job	10
Student with no stable income, or no income	27
Full-time employee	4
Part-time employee	0
Unemployed and not a student	2

The majority of the respondents, 27 of them, were students with either no stable income or no income. Then, there were 10 students who have a part-time job and 5 students with a full-time job, bringing in a more stable income. There were also respondents who were not students. 4 of them were full-time employees and 2 people were not students and unemployed.

3.2 Opinions on copyright

My first question of the survey is asking the respondents' opinions about illegal music distribution. Their response to this statement: "Music consumers should not reproduce and distribute music without a legal license", is as such:



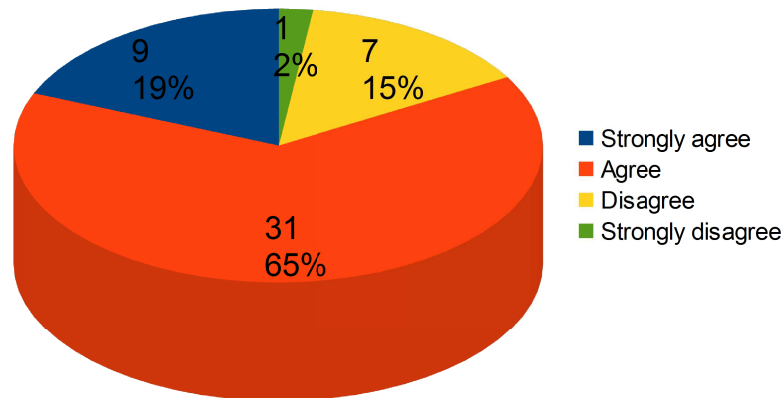
25 people disagreed and 4 people strongly disagreed with that statement, which in my opinion is quite a surprising result. It means that most of the respondents thought that it was acceptable to share copyrighted music. There were only two people who strongly agreed to that statement and 17 people agreed.

Some respondents left comments of their opinions, mostly about why they think music sharing is tolerable. Many of them said that music sharing brings benefit to the bands and artists so more people would know them, and therefore they would do more concerts, which eventually bring more profit for them. So music sharing acts as a free advertisement for musicians.

3.3 File sharing on P2P networks

There are several questions/statements on the survey relating to the respondents' view on music file sharing on P2P networks. The first statement is: "Downloading music through

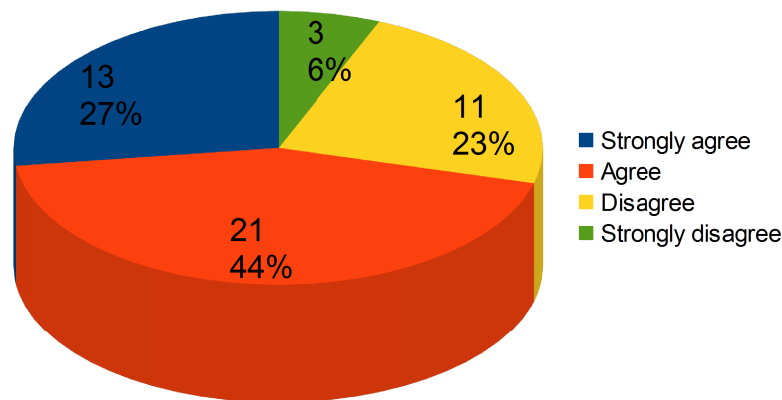
P2P networks like LimeWire, SoulSeek, Bearshare, etc., is acceptable”, which gives the result:



The majority, 31 people, agreed to this statement and 9 people strongly agreed on it. Only 7 people disagreed and 1 person strongly disagreed. Previously, I mentioned in chapter 2 that according to Al-Ravee & Cronan (2006), the research by Ford & Richardson revealed that when it comes to file sharing, males are less ethical than females, meaning that more males share files illegally than females. On this question, the respondents were asked whether downloading through P2P networks are acceptable or not. The males’ response was 44% (27% agree, 17% strongly agree), compared to 39% females (37% agree, 2% strongly agree). With 5% more male respondents having less ethics than female, the difference between the genders were not staggering. In the previous statement: “Music consumers should not reproduce and distribute music without a legal license.” 17% of males agreed with it while 19% of females agreed and 4% strongly agreed. Even though the majority of the total respondents opt to music sharing through P2P networks, in both statements (number 5 and 6 in the questionnaire), the female scored better when it came to choosing the legal thing to do.

One reason why the respondents agreed to this activity is because there are rare songs which cannot be found in non-digital format, and therefore P2P networks is the best solution to get those particular songs. Another view is they believe that sharing music file helps the producers and musicians to reach the audience. Although they thought file sharing on P2P networks was considered acceptable, the respondents also said that it was acceptable only to some extent, for example like a few albums every month.

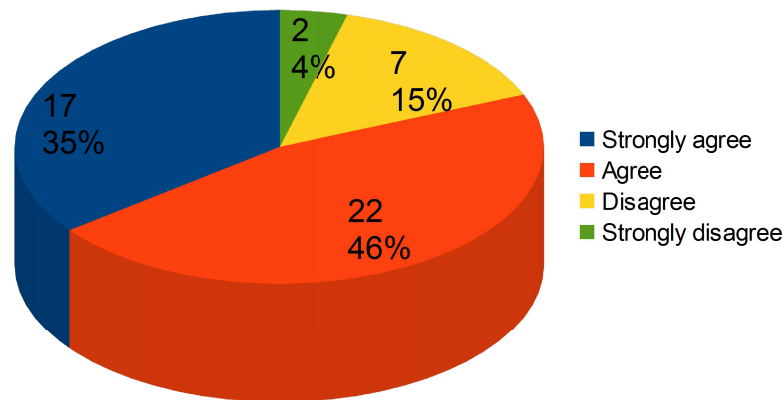
The next statement of the survey is :”Downloading music through P2P networks seems more convenient than paying for CDs or legal music files”. The result says:



21 respondents, which make them the majority, agreed to this and 13 of them strongly agreed to the statement. There were 11 people who disagreed with it and 3 people strongly disagreed. According to their comments, many of them felt that downloading on P2P networks was convenient especially because of the price issue. Buying CDs or legal music files are definitely expensive, compared to the free option of P2P download. Moreover, the convenient of having it fast is also one factor why it is popular. Some respondents said that going to the shop takes a lot of time while downloading a song

takes several minutes without leaving the house. Another point that they made was music files are environmentally friendly compared to CD's. Some of them believe that this was the responsible choice for music audience. However, the negative side of P2P download is that sometimes the file comes with a virus which might damage the computer.

Some people commented already that sometimes downloading from P2P networks was used to make sure that they liked the songs in an album before purchasing the CD. That comment relates to the next statement of the survey, which is: "Downloading music through P2P networks is one way to test music before buying the legal version." The result is indicated below:

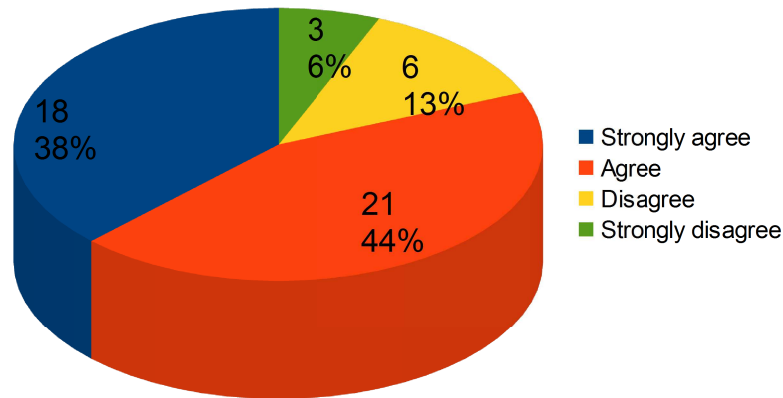


The majority of the respondents, 22 people, agreed with this statement and 17 people strongly agreed. Only two people strongly disagreed with this statement and 7 people disagreed. From this result, it seemed that it was quite a common practice to try out some songs by downloading from P2P networks before making a decision on purchasing CD or legal music files. One reason why they agreed to this statement is because it is better to test music this way than to listen to the music on some web player, according to one

opinion. Many music files from P2P networks have better quality than the ones from web players.

Although most of the respondents agreed with this statement, some people wrote comments on why they disagreed with it. People who disagreed with this statement usually downloaded on P2P network without the intention of buying the legal version. However, they do want to support the artists by doing things other than buying CD's or legal music files. For example like going to the concerts and buying their merchandise. One respondent's opinion stated that there is no need to buy the legal version of music because the ones from P2P networks have the very same or similar qualities to the real ones. Also, Youtube is mentioned by one person as an alternative to downloading from P2P networks or buying CDs /music files. With websites like Youtube where people can watch music videos, some people do not feel the need to download anything. Instead they can just go online and search for specific songs that they want to listen. The downside from this activity is they always have to go online to listen the song they want.

From downloading as a tool to test music before buying it, the next point is to discuss listening to downloaded music files before attending a concert. The respondents were asked their opinion on a following statement: "Downloading music through P2P networks is one way to test music before deciding on going to the concert or not." Here is the result:



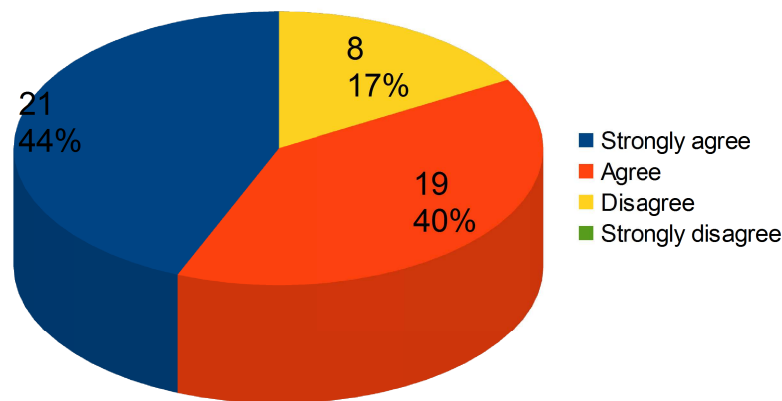
81% of the respondents either agreed or strongly agreed to the statement given. So it seems that P2P networks help music listeners to make a judgment on the quality of certain musicians, which may effect their decision whether or not attend a concert.

The minority of the group disagreed with that statement. 3 people strongly disagreed and 6 people disagreed. According to one opinion, the music files on P2P networks do not necessarily act as the key answer to their decision making process to go to a concert. The reason is because some artists can have a great record while their live performance does not match the recording performance. Some say that they use different sources other than P2P networks to make a decision to attend the concert or not, like online streaming audio at different sources such as Myspace, Soundclick, Youtube, etc.

There is a different experience between owning a music album to attending a concert. Owning a tangible album or music files give the sense of ownership and it is a part of someone's music collection. Going to a concert lets a music listener experience the musician in a live setting. It seems like there are many people who rely on their decision based on what they listen from the recording, since they might not have other resources like previous experience in a concert, people's testimonies, etc, P2P networks appears to

be many people's main source for it. Some other people prefer to try to get to know the musician from online streaming sources because it might be the easiest option for them to listen to music without reducing their computer memory.

It is quite a long way before a music listener can become a fan of a particular musician. Following the artist by paying for a CD, going to a concert, listening to every new single they make and buying their merchandise are some of the active actions that might lead to becoming a fan. In the following statement, the respondents were asked if P2P networks could be one source to start those activities. The statement is: "Downloading music through P2P networks is one way to test music before deciding whether the artist/band is worth following, listen to, and/or buy their merchandise", which brings the result:



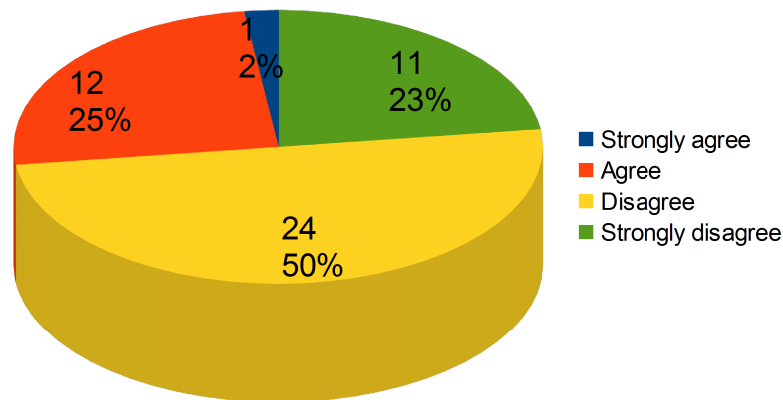
From 48 respondents, 21 people strongly agreed with this statement, 19 people agreed and 8 people disagreed. No one said that they strongly disagreed to this statement. It means that most of the respondents rely on P2P networks as one source to determine whether one artist or band deserves attention or not. Aside from P2P networks, online

sources like Myspace and Youtube are also popular for people to get to know a certain musician.

3.4 Downloading legally

The previous statements asked people's opinions on the intentions on downloading from P2P networks. The next couple of statements compare the respondents preference on downloading on P2P networks to through companies that offer copyrighted music files.

One statement says: “I prefer downloading legal music files through iTunes, Napster, Amazon or similar sites for a fee to downloading through P2P networks.” The result reflects as such:



Buying copyrighted music files is not the favorite option because only 12 people agreed and 1 person strongly agreed to that statement. Some comments from people who agreed with this opinion said that both downloading options are fine, and they would most likely

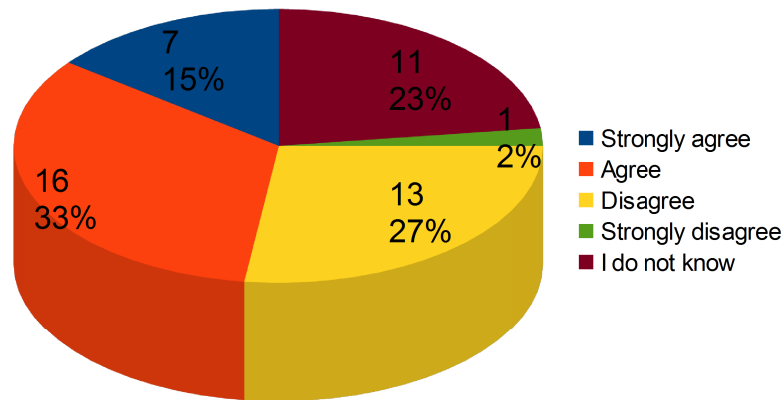
purchase legal music files if they are sure they like the songs. As for the rest of the respondents, 24 people disagreed and 11 people strongly disagreed to it. One factor why they prefer P2P networks over legit companies is the economy. Some of them feel that the cost offered by those companies are overpriced, especially since there are music listeners who listen to many albums every month, making it hard for them to spend money on purchasing legal music.

Another factor is the inconvenience of the MP3 files offered by those companies. One person said that some files that he/she had bought did not work on the MP3 players. Also, another person said that since music files are not tangible, there is always a possibility for the files to get accidentally deleted, by human or computer error like hard drive crash. So they feel like they would have to spend money again on the same things due to unintended errors. It is also possible that if the owner lose or accidentally scratched the CD so the player can no longer read the file, then they would have to buy another one. However, with a human error like this, the person only has to buy one CD while in the hard drive crash case, he/she has to buy the entire music collection in the hard drive.

Unavailability of payment option is also one reason why P2P networks are more popular. A respondent gave an example of Amazon, which offers reasonable price of music files, but the buyers must purchase them with a credit card that has an American billing address, which means that the music is not available internationally.

Apart from music files, CDs as an option is still popular among some respondents. Several respondents said that they do not download on P2P networks and purchase copyrighted music files. Instead, they would rather buy CD's or LP's along with doing other online music activities like listening to online radios and watching music videos on online resources.

Next, I wanted to know the respondents' opinion on the pricing of copyrighted music files by putting this statement on the questionnaire: “Downloading legal music through iTunes, Napster, Amazon or similar sites is expensive.” The chart below expresses the result:



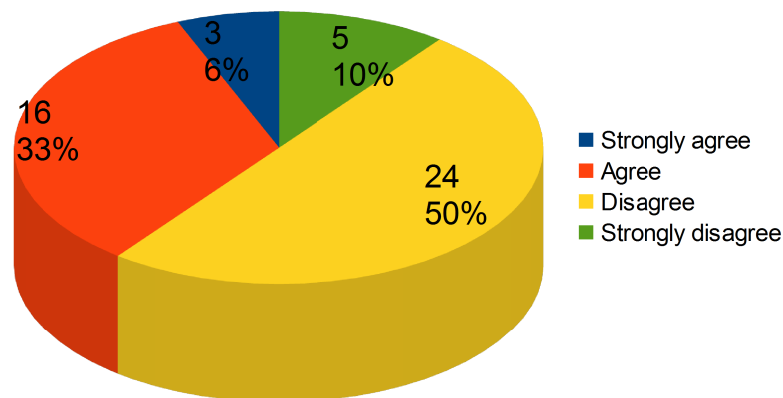
11 people said “I do not know” because they had never used or searched music on those sites. In addition, 16 people agreed and 7 people strongly agreed with that statement because according to them, compared to using P2P networks for their download resources, those sites are expensive. Also, there are 13 people who disagreed and 1 person who strongly disagreed to the statement that copyrighted songs are expensive.

Earlier, I mentioned that in a research by Al-Ravee & Cronan (2006), they revealed that their subjects thought that the price of digital media is steep. My own research seem to give similar results because there is a higher percentage of respondents who have the opinion that downloading legal music is expensive. 48% of my subjects were on the agreeing side of the opinion (33% agreed and 15% strongly agreed), compared to 29% on the disagreeing side (27% disagreed and 2% strongly disagreed).

The respondents said that the music files prices are less expensive, especially compared to CD stores, but it could be very expensive if the music listener buy many records. Even though the prices are affordable, the respondents were still concerned about computer crash problems, which might prevent them from buying copyrighted music online.

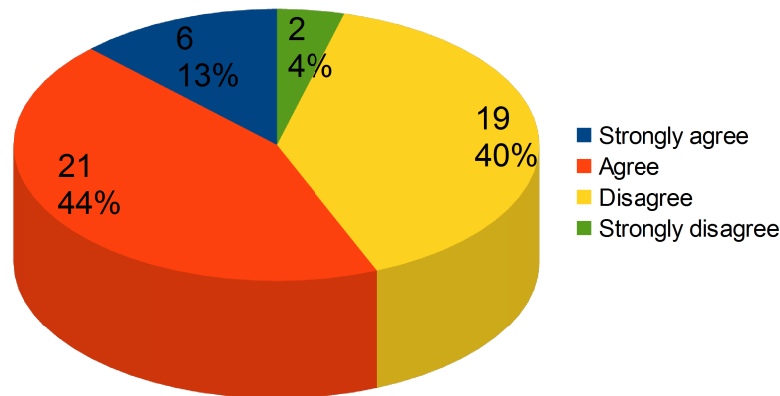
3.5 Communication on P2P Networks

There are some P2P networks which provide its users with chat rooms, where people can talk about various subjects. Soulseek is one example of P2P network with several chat rooms and their community-based network is their unique selling point to attract more users. Therefore, I wanted to know the respondents' opinions on P2P networks where the users can interact with each other by creating several statements. One of them is: "P2P networks might be useful as a social platform to meet and make friends." From the result, it seems that P2P networks are not so popular for the purpose of meeting and making friends, as indicated below:



The majority of respondents, 24 of them disagreed and 5 people strongly disagreed while 16 people agreed and 3 people strongly agreed. Souseek was mentioned by a couple of people in the comment box as a platform to meet new people, but it is unlikely that they would become friends in the offline world. One responded that there are already many chatting platforms to meet and make friends on the Internet, and that P2P networks are not necessary for this purpose.

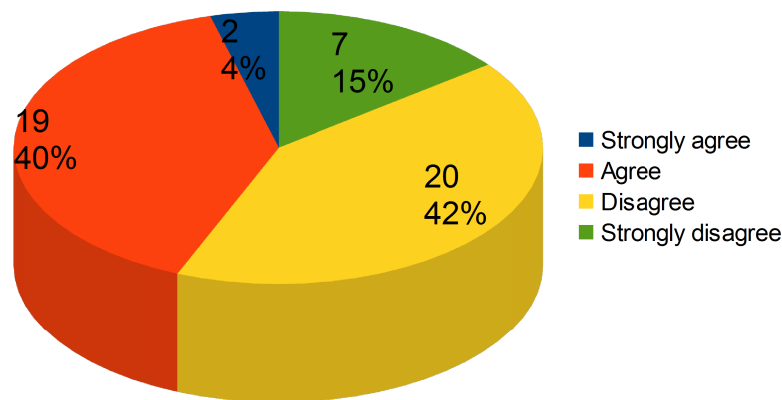
Following the previous statement, the respondents of the questionnaire were given this statement: “The chat rooms in P2P networks might be useful to exchange information on music”, which gives the following results:



Answering to this statement, the majority agreed with 21 respondents and 6 strongly agreed. There were 19 people who disagreed and 2 people strongly disagreed. Although many of them said that they agreed to this statement, from their comments it seemed like their opinion was based on assumption rather than their own experience. Some respondents said that the chat rooms in P2P networks can theoretically be used to talk about music. They think it could work, or it should be interesting to do so, but they have

not done it yet. People do not usually use P2P networks to chat. They go to the network to find the music they want and then log off. Nevertheless, there are some groups of people who would like to make use of the networks for doing other things than downloading, like sharing information about music, the latest single of a band, a new band that might be worth to listen to, upcoming concerts, etc.

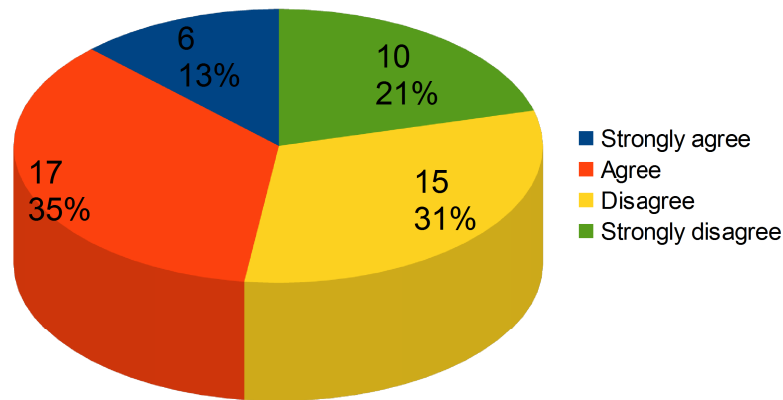
In Soulseek, the users are online in the chat rooms to chat, share information, express their opinions and feelings about a variety of topics. They do not only talk about music, but about different issues too. Therefore I wanted to know the respondents' view on P2P networks as a platform to chat about various subjects. The statement that they had to give opinion to is: "It might be convenient to use the chat rooms in P2P networks to talk about various things other than music." The line between agreement and disagreement was very thin here as the result says:



There were 19 people who agreed and 20 people who disagreed with this statement. Additionally, 2 people strongly agreed and 7 people strongly disagreed. So fundamentally, the chat rooms might work for the users to chat about various themes, including and not including music. Some people who disagreed to this idea said that this

type of room is boring, or there are other networks for similar purposes, that they would not choose P2P networks as their first option in doing so.

The next thing that I wanted to find out is the respondents' opinion about the legal risk of file sharing on P2P networks. The statement that they were given was: “I feel the P2P network users should not be worried about getting warned or even caught by the authorities resulting from file sharing”, which brings the following result:



There are 6 people who strongly agreed and 17 people who agreed with this statement. According to one opinion, the P2P users should not be worried about the legal risks because there is only a small percentage of file sharers who have been charged for sharing copyrighted music files illegally. Another opinion says that there is no forceful law that deals with file sharing. Therefore, there is no need for the file sharers to be worried.

On the contrary, there are respondents who disagreed with that statement, with 15 people disagreed and 10 people strongly disagreed. One respondent said that generally people

should not be worried if they share a small number of files, but if they share thousands of music files, then they have a reason to be worried. Others said that they have seen or heard some legal penalties of file sharing and therefore the P2P network users should avoid file sharing. Basically, they think that in this Internet era, it should not be difficult for the authorities to monitor people's online activities. As a result, any Internet users should be careful with what they are doing online.

If I compare it with the finding from Al-Ravee & Cronan (2006) who mentioned that illegal file sharing does not make their subjects concerned about being caught by the authorities, my questionnaire result tells a different story. More respondents, 52% (31% disagreed, 21% strongly disagreed) said that P2P users should be worried about getting caught while 47% (35% agreed, 12% strongly agreed) gave the opinion that P2P users should not be worried about the consequences. The 5% difference does not seem so big, but the result tells that most of my respondents are aware of the copyright law and the existence of the penalty from breaking the law.

3.6 Downloading activities

The next several statements on the questionnaire deal with downloading activity on the Internet. I did not ask them where they download the songs from, or if they share while downloading, but they were free to leave some comments if they wanted to. The results from the respondents' downloading activities are as reflected below:

<i>I download:</i>	<i>Yes</i>	<i>No</i>
mainstream and popular songs for example like the ones on the Top	13	35

20 music chart.		
songs from artists/bands whom I have never heard before.	30	18
songs which are rare or not produced anymore.	37	11
songs which are not copyrighted.	31	17

The first statement is asking about their download activity on popular music. The statement is: "I download mainstream and popular songs for example like the ones on the Top 20 music chart." From the result, it seems like most of the respondents were not followers of popular or Top 20 songs because only 13 people said "Yes" and the majority, 35 people, said "No". Most respondents who said "Yes" to downloading popular music said that they usually download Pop and Rock music. Some others included Jazz, Metal, Reggae, Hip Hop, R&B and Dance.

Regardless their genre choice, mainstream or not, most of them think that downloading through P2P networks is acceptable. Out of 13 people who claimed to download mainstream songs, 12 of them thought that it is fine to download on P2P networks. Then, out of 35 respondents who did not download mainstream songs, 28 people were not opposed to P2P downloads. However, music listeners also use other sources beside P2P networks to get their songs. One comment from a respondent who did not download popular music said that she used online platform like Spotify to listen to popular music. That is why she did not feel the need to download anything since according to her, she was online most of the time.

Then, I also made a statement in order to find out about the respondents' downloading activity outside popular music scene. Many people download to listen to songs from a new band or artists and I wanted to know the respondents' opinion on this. The statement on the questionnaire is: "I download songs from artists/bands whom I have never heard before." It turned out that the majority of the respondents do download to try out new music because 30 people said "Yes" to the statement and 18 people said "No". They

commented that sometimes downloading music from an unheard musician is a way to get good music or to get to know a band or artist. Downloading is easy, so they do not feel like it is a waste of energy. If they like the music, they can keep it but if they do not like it, then they can easily delete the file. Some of the respondents do not usually download songs from unknown musicians. Instead, they use online streaming services like Youtube, Spotify, Myspace, etc. If for some reason the band or artist does not have a music sample on their webpage, then they might consider downloading.

Aside from the unknown artists and bands, which many of them might be independent musicians whose songs are not copyrighted and hard to find, some music listeners find it difficult to find copyrighted songs which are not produced anymore. The next statement on the questionnaire is asking the respondent' view on this issue. They had to answer with a “Yes” or “No” on this statement: “I download songs which are rare or not produced anymore.” The majority, 37 people, said “Yes” on this statement. One opinion says that sometimes this is a good way to promote some musicians that do not work under a certain production label. Also, downloading is easier than finding albums that were produced more than a decade ago.

Furthermore, there are 11 respondents who said “No” to this statement, indicating that they do not download rare and no-longer produced music. Some were just not interested in downloading rare songs, but some others had another reason. Even though there are various P2P networks available, some users do not download those type of music files because they face difficulties to find rare music they want.

Just like some of the respondents have mentioned, nowadays downloading music is one way to promote many bands and artists. This method has been used by independent musicians to make people listen to their songs by providing sample music on their webpage or letting people download MP3 files of their songs. That way, they hope

people would come to their concerts and buy their merchandise. Many independent artists do not work under a recording company and therefore their songs are not copyrighted, which makes it legal for people to download and share their songs. In my questionnaire, I made a statement to ask people's opinion on downloading non-copyrighted music files, which is: "I download songs which are not copyrighted." Most respondents, 31 people, said "Yes" and 17 people said "No". People who download such music files also mentioned that they usually download both copyrighted and non-copyrighted songs. Likewise, one comment said that the person was not sure whether the files that they download are copyrighted or not. So it seems that not everybody knows whose songs are copyrighted and whose songs can be shared without breaking the law.

From the previous statements, I found out that many respondents download music files, both copyrighted and non-copyrighted, in various music genres. I wanted to know if their social activity had any influence in their downloading activity, especially in how they found places to download. So in the questionnaire, I asked them where they found their downloading resources. In this question, they could choose more than one answer, and here are their answers:

<i>I found music downloading resources through:</i>	<i>Number of people</i>
Friends or family	33
Search engine	21
Blogs	14
Other sources	5
I do not download music	7

The most popular source is from friends or family members, with 33 people admitted to find their download resources from people close to them. Then, 21 people claimed they found places to download by browsing the search engine. Blogs are also a place where people share information about where to download because 14 people chose blogs as an answer to this survey question. A few people, 5 respondents, said that they found downloading networks from other sources like Mininova, Torrentz, Btjunki, Extratorrent and V Kontakte. The rest, 7 people said that they do not download music. From this result, it is clear that the social interaction between friends and family is the main source of the beginning of downloading and, possibly, file sharing on the Internet. This finding confirms Hinduja's (2005) statement, which I mentioned on chapter 2. He said that the beginning of file sharing activities on P2P networks could start from casual social process. Words-of-mouth is still the best advertisement because the words from people who are closest to us, friend and family, are the words that we usually trust. When a group of people share a similar interest, it most most likely that they share their interest, including music files or downloading sources.

Searching downloading resources from search engines seem to be popular too among the respondents. Maybe if they do not use one particular P2P network regularly, the download waiting time is too long or they could not find the file they want on their usual P2P network, they might turn into search engines to find other resources. Then, blogs are also a popular spot to find downloading sources, although not as popular as search engines, family and friends. Many people have been involved in blogging activities and some of them have more than one blog, each for a different purpose. There are many topics that people write on their blogs, including music. So I suppose that some people would find information about music on their favorite blogs, as well as where to find the songs, legal and illegally.

3.7 Internet use vs. the tendency to download

The next question that I have in the survey is the amount of hours that the respondents spend on the Internet per week because I wanted to know if there is a correlation between the willingness to download and the time spent online. In total, 46 people answered this question. The answers vary between 5 to 168 hours. The total hours of one week is 168 and I do not think the person who answered 168 really spends that much time online, but I included that answer when I calculated the median. The result says that in average, those 46 respondents spend about 32 hours on the Internet per week, or less than 5 hours a day. My first assumption was, the less amount of time spent online, the less willingness that they have to download and share files. However, the result proves that people who answered “I do not download” on the previous question are not the people who spend the least amount of time per week. 7 of them, which consist of 5 female and 2 male, spend about 30-70 hours per week on the Internet. So in my respondent group, there is no connection between Internet hours and willingness to download and share.

3.8 The price to download

Regarding the download fee, there is still a debate about the current fee for music files offered by online companies. Some say it is too expensive, some say it is a low-cost option. In the near future, some companies might offer something like unlimited download packages in order to encourage people to download music legally. In my questionnaire, I asked the respondents on the maximum price they are willing to pay for unlimited download. In average, they are willing to spend about €15 per month for unlimited download, with the respondents' answers range from €0-50. A few people said for a lifetime unlimited download, €100 would be suitable for them. I think €100 is too low for a lifetime unlimited download because it might not create much profit for the

company, the producer, and the musician. The monthly unlimited download might work well to attract more consumers and to reduce illegal file sharing. Nevertheless, if the users abuse it by over downloading, the profit share might not be much.

3.9 CDs vs. music files

Legal music files are generally cheaper than CD prices. Nevertheless, the CD industry is still active and people are still buying them, although there is a decrease in the number of sales. In my questionnaire, I asked the respondents about their opinions on what makes a CD better than a music file. With the right strategy, there is a possibility for the music industry to make CDs popular again if they know what the customers like about it and then improve the CD's performance. There are several categories of answers that I collected from the respondents on why CDs are better than music files:

- Traditional

Two people said that they liked CDs because they are traditional and classy. Although music files have many advantages, CDs have more emotional value on being the traditional way to enjoy music. Both respondents are students on the age group of 18-25.

- Physicality

Many respondents think that physicality of a CD is an important thing. When they buy something, they want to feel and touch what they have paid for. Although, they choose to buy the CD only when they really like the musician. The satisfaction of having the

original music is also one factor that makes them choose CD, along with the booklet that comes with it. The booklet seems to be an important element because many respondents mentioned it to answer the question of why CDs are better than music files. With the booklet, they usually get the lyrics, liner notes and maybe some more information about the musician, concerts, etc. One respondent also said that sometimes the original CD gives additional goodies along with the booklet. However, the CD is sometimes more challenging to use than playing music in an MP3 player.

- Appearance

The design of the CD and its booklet seems to be an important element for the customers. Several respondents of the questionnaire answered that their decision in buying a CD is sometimes determined by the design of the CD cover. Some of them see it as an artwork that reflects the musician. They find it interesting to know the artists intentions and visions which are shown in the cover design, lyrics, and the booklet design. They like to have the CDs as a part of their 'art' collection for everybody to see.

- Sound quality

The sound quality of a CD plays a big role in making the music listener want to have a CD instead of a music file. According to some respondents, CDs sound better than MP3 music files because they are not compressed files. Although purchasing a CD costs more money than buying MP3 files or downloading them from P2P networks, if they really like the musician they will buy the CD in order to get the better quality of music.

- Durability

Many respondents said that CDs last longer than MP3 music files, and that is one of the major reasons why CDs are better. Some people might have had an experience when their hard drive crashed or they accidentally deleted the files so either they have to search or buy the file again. That kind of think does not happen so often with CD's. Also, some people believe that CD's can be stored for a longer period of time. Moreover, one very important thing for them is, when they buy a CD, they can be sure that the CD does not come with a virus that might destroy their computer or CD player. On the other hand, downloading a music file might do so, especially if they download from some P2P networks.

- Practicality

Another reason why some people think that CDs are better than music files is because according to them, having CDs are more practical than having MP3 files. Many people do not have an MP3 player in their car but they have a CD player. So, for people who like to have some music while on the road, CDs are a better option for them. Also, one respondent said that it is easier to have tons of CDs than having many music files because there is a limited disc space. Furthermore, CDs are more comfortable to use for people who do not have a regular access to the computer or Internet.

- Collection

CDs as a collection can be something to be proud about. Some people like to have CDs to add to their music collection which they can display in their house. It is not only a

collection, but also a decoration for the house. People who collect CDs as a part of house decoration like to show their collection to guests who visit their house, and they might use it to start various topics of conversation. Also, others like to collect CDs not as a decoration, but they want to add their CD collection if they really like certain musicians or they are a fan of an artist or a band. In most cases, if someone is a fan of a musician, they want to have the original record from that artist or band.

– Legal

Some respondents mentioned that the reason why they like CDs better than music files from P2P networks is because they know for sure that it is legal. CD is the concrete proof of an ownership of a legal record. They like it because buying it is the right thing to do, although one respondent said that they cannot distinguish the sound quality of a CD from an MP3 file. Moreover, they feel that they support, respect, and acknowledge the musician and their work by buying their CD legally.

Most of the respondents gave reasons on why CDs are better than music files. However, there are 10 people who said that there is no reason for them to think that CDs are better. One opinion states that CDs get scratched after a certain period of time and therefore cannot be played anymore. Another person gave a comment that CDs take too much space in the house and they are expensive. Most people on this category choose music files over CDs, but there is one respondent who thinks that vinyls are better. That person did not give any specific reason why vinyls are better, but I assume maybe because vinyls are classy and traditional, and they have become a collector's item.

3.10 Reasons for using P2P networks

For the last question of the questionnaire, I asked the respondents if they could think of any other grounds to use P2P networks aside from the reasons given in the previous questions. From the answers collected, there are several categories of reasons for this questions, which are:

- Practical

The majority of the respondents stated that the practicality of using P2P networks is one reason that makes the users keep downloading or sharing music files. They said that it is fast and easy to use P2P networks. The networks can be accessed anytime they want and anywhere in the world as long as they have an Internet access. Plus, there is a huge variety of music of different genres that they can choose from. While it is very unlikely for people to return CDs or legal music files to get a refund if they do not like the music, people who download from P2P networks can easily try and delete any file they want without losing money. Another advantage of using P2P networks is, in some of them, the users can check each others' music folders. So they can conveniently find users with similar taste of music and download from them.

- Free

Downloading through P2P networks is basically free and this seems to be a major reason for people to use it to get the music they want. Moreover, one respondent mentioned that sometimes people do not like all the songs in a CD album. Therefore, instead of spending money on buying a CD, they usually prefer to download only the songs that they like from that album.

– Knowledge

One interesting finding that I obtained from the questionnaire is that some people commented that an advantage of using P2P networks is to gain more knowledge and broaden their view on music. The networks can be used to learn more about music from different parts of the world, as a part of learning different culture, and they believe that music should be equally accessible for everyone. Also, one respondent said that for the purpose of education, some research related to music can be done through using P2P networks. Then, another opinion says that obtaining music through P2P networks is a way for the new generations to gain knowledge about technology. I believe that young people need to be aware about the technology and what is available in it so they can take an advantage of it. However, they should also know the limitation of what they are allowed and not allowed to do. They need to be educated about which online actions are legal and illegal.

– Discover

I have mentioned this issue in one of the questions but some respondents emphasized again that P2P networks is a useful tool to find and discover new artists and bands, and to know new songs. One way to discover new musicians from P2P networks is by browsing other peers' folders. Usually, some users already know which peers have similar music taste to them so they can access the folders to find out if there are new songs which might be of their interest that they have not heard yet. Furthermore, beside using the networks

to discover, some musicians use it to be discovered by people. One respondent knew someone who has a band that makes their songs available on P2P networks. According to the band, it is an easy and free approach to gain attention, especially if they are still new on the market. With P2P networks, it is possible for new artists to gain popularity by making their songs available for everyone to download and listen to.

– Rare music

This is also another topic that I mentioned in one of the survey questions, but some respondents explained more on this issue. P2P networks are an effective tool for many of their users to find rare music, which is usually very hard to find on regular music stores. Sometimes, the album is not available in someone's home country and ordering an imported one might be out of budget. Therefore, P2P networks seem to be an easy way out to get the music they want. Besides that, some music listeners find it hard to find songs which were available several decades ago and might not be in print anymore. So they feel the necessity to conserve and revive those songs by downloading and sharing them on P2P networks.

– Philosophy

Some people share and download songs from P2P networks because of its practicality. It is easy to use and free to download. Aside from that, according to some answers, some people use P2P networks based on their philosophical beliefs. One respondent has an opinion that the current copyright law is based on the music business model which is already out-of-date. They feel that the music business is not interested in following the new technology. Therefore, for them it is a part of their protest to the music industry by doing things that according to the law is illegal, sharing music on P2P networks.

Apart from that, there is another philosophical reason that I found interesting. One respondent said that he or she supports the use of P2P networks because in the future, music would be a form of art without the artists' intention to make profit. Music would become cheaper and cheaper until one point when musicians can no longer make any profit. This respondent tries to speed up the process by using P2P networks in order to get the 'real' art of music. I think this is an interesting opinion. Music does become cheaper with the availability of legal music files on the Internet. However, that is not the only source of income for the artists because they earn a huge profit from concerts and merchandise sales. People might become more selective in choosing which concerts they would like to attend. Music files from many different musicians might be downloaded in order to increase their popularity, but they might not get the same number of people attending their concerts. Music will always be a form of art. A musician has to know how to use it in order to make good music. It is the same like a painter. If you know how to make good paintings, people will buy them.

Then, another point of view on P2P networks is that it is an instrument to proclaim different culture and ideas. Maybe there are some ideas which for some reason are not published or cannot be published in the regular market. In consequence, people spread those ideas through one channel which they know would be accepted by many people, through P2P networks.

4. Conclusion

This chapter consists of three parts. The first one is the summary of major findings, where I put together the main essence of the data that I collected from the questionnaire analysis. After that, I proposed some conclusion and ideas on how my result could be implied and used for further research in the future.

4.1 Summary of major findings

From the questionnaire and the analysis of the responses, I was able to collect some points of the respondents' opinions in relation to file sharing on P2P networks, which are:

- Convenience of using P2P networks
- Promoting musicians
- Popularity of online streaming
- Environmental aspects
- Computer safety
- Interaction in P2P networks
- CDs are still favorable on some level
- Law: nothing to worry about

Below I listed the main points of my research analysis:

- Convenience

There are various reasons why people share music files on the Internet, especially through P2P networks. Nevertheless, price and time as the basis of downloading illegally are still used by many Internet users. Music is one form of entertainment which is enjoyed by many people everyday. Music trend changes rapidly and some people, especially the young ones, like to follow the trend. However, people who do not have stable incomes, usually students, feel that it is expensive to buy CDs or legal music files, particularly if they want several albums every month. For that reason, they turn to P2P networks which offer many songs they want for free, and all they have to do is to install the software and search the music.

Beside the price, time is also a factor which drives some Internet users to download illegal music files. Many of them know that the right thing to do is to go to a music store and buy the album there. However, sometimes they want to save their time by conveniently sitting at home while waiting for their music download instead of going outside. Buying music online seems convenient and easy. Plus, it is legal. In fact, buying online might not be as easy as it looks. Before buying something, people usually need to sign up and fill in the customer information like name, address, phone number, etc. In many cases, they have to give their credit card number too, which makes some customers hesitant to buy online. Just like one of my survey respondents said, Amazon, and maybe some other online music shops, only receive credit cards with the billing address in a

specific country, and that might be an obstacle for some users. Of course, once someone is signed up, the process should be fast and easy, but not everyone wants to go through the beginning phase.

- Promoting musicians

Many people believe that using P2P networks help musicians, for example new and independent artists and bands, to promote themselves. The P2P network users download songs in order to test the music and to decide whether they like the artist and album or not. This process might result in the listeners to buy the legal record. Other people choose to support the musician in other ways like going to their concert, buying their merchandise, or promoting them to friends and family. One respondent of my survey mentioned that s/he does not support the use of P2P networks because file sharing might cause the rise of concert prices. I do not know whether this is a fact or not, but there is a possibility of this opinion to be valid if the recording company feels they need to cover the loss of CD sales by increasing the prices of concerts and merchandise.

Apart from following the current music trend, some people want to search 'old' music from a few decades ago. Many of them might not be produced anymore, which makes it hard to find, or if found, they can be very expensive. That is why people use P2P networks to increase the possibility to find those songs. Another type of songs that are usually hard to find is international music. Some stores have them, but very limited. For example, if there is someone from Nigeria who goes to Finland to study, it would be difficult for that student to find music from his country. For this reason, many people try to search international music from P2P networks, which then might lead them to promote the songs to their friends abroad.

- Popularity of online sources

One thing that I learned from analyzing my survey result is the popularity of online resources to get music. Although there are many people who use P2P networks to download music they want and to get to know new musicians, some of them use Youtube, Myspace, Spotify, and other similar platforms to sample music. From there, they have a huge selection of music, they can get to know new musicians as well we promoting them. They do not conduct copyright infringement from this activity because they do not save uncopyrighted copy of the songs in the computer and share them. The downside of this activity is they always have to be on the Internet every time they want to listen to the songs they want. They usually need to have a fast and steady Internet connection too, or otherwise they have to wait for a long time to load the songs.

I think it is a good idea to use online resources to obtain music because it is free and legal. Websites like Spotify and Yahoo Radio are paid by advertisements, and the users can pay a certain fee to have the ads removed. In many sites, people are also able to save their favorite songs and musicians, so they can easily listen to their saved songs every time they enter the site. In places like Spotify, the users can share their folder with others too, so they can listen to each other's favorite songs.

- Environmental aspects

Finland, like some other countries in Europe, is a country that promotes environment protection. Recycling, minimizing and separating waste are a few examples of actions which are actively done by many people living in Finland. Furthermore, the environment issue is also one reason that several opinions on my questionnaire revealed on why they support the use of P2P networks to share music files. It is not a usual topic to talk about when it comes to illegal file sharing, but it does affect people's choice on some level.

Because of the education on the environment, nowadays people are more concern about what they are buying and consuming.

Producing and distributing tangible records in CDs and DVDs use much of nature's resources and some people who are concerned about the environment think that it has become too much. The other alternative, digital music files, are thought to be more ecological because they do not use much of nature's resources. Also, since they are not distributed through land, they do not cause any pollution. Buying music files from legal online shops is a good solution for people who want to promote environmental awareness, but some people choose using P2P networks instead, for the convenience of price and time. Another great solution is by listening music through online sources where it is both free and legal.

- Computer safety

Downloading music through P2P networks is still popular among Internet users, but there is one factor that drives them from downloading illegal music files, which is the concern of their computer safety. There are many fake music files on P2P networks. Some of them are just empty files, but others might contain computer virus, which could be harmful for the computer. The possibility of getting virus makes some Internet users avoid downloading from P2P networks. Instead, they use online resources to listen to music or save money and buy the CDs they want. Some of them also buy legal music files as a safe choice for their computer and music player. However, not everyone is happy in doing so. A few testimonies from my survey respondents include their credit card was not accepted by the online store and the files cannot be played in their MP3 players. Also, one more computer problem like hard drive crash makes several users hesitant in spending money for buying music files. I hope in the near future, online shops would be more international friendly so people from around the world could purchase legal songs, which files could be played in any MP3 player. Even better if they come with some kind of a guarantee, in case there is a computer problem, so the customer can claim the files they have purchased.

– Interaction side of P2P networks

Many Internet users found sources or their download through social networks like friends and family. Usually, people discover P2P networks because their friends are using and promoting the platforms. Several P2P networks are used purely for downloading and sharing different files, but there are some that people use to interact with other users. According to a number of my survey respondents, the idea of using P2P networks to communicate about music and other topics with other users is interesting, but they do not normally do that. I do not personally know anyone who is using the chat rooms in P2P networks, but I have seen the chat rooms and I understand that many people around the world are using them to talk about various issues.

Although not everyone uses the communication tool in P2P networks, they do have some extend of interaction with other users. When they download files from the networks, they can usually see the source of the download and they can browse more files from that folder source. So P2P networks' users interact by looking at each other's folders in order to find the files they want, and if there is a certain user whom they know has a similar interest, they might follow that user for the next upload. Doing this activity on P2P networks might lead to illegal actions, but there is a legal version of sharing music folders. Spotify is one example where people can save their favorite songs and share their folders with their friends for free, unless they choose to become a Premium member. It is a great idea but to be a free member, an invitation is needed.

- CDs are still favorable

Although downloading music files on P2P networks is popular, owning CDs is still favorable by some music customers. Many of them, when they purchase something, they want to feel the existence of the product, and that is what CD gives. The tangibility of a CD gives more feeling of an ownership than music files. Aside from that, another element that music listeners feel very important is the design of the CD cover and booklet. They perceive the design of the CD as a whole as the art expression of the musician. Usually, people buy CDs if they really like the artist, usually because CDs price is considered pretty high.

Moreover, the sound quality of CDs is also one element which attracts music listeners to want to own a CD. Although some people do not feel the difference between CDs and MP3 files sound quality, others feel the compressed music files do not fulfill their entertainment need.

- Law

According to the respondents of my questionnaire, the result between people who think that illegal file sharers should be worried and people who think this activity is relatively safe is almost balanced. A little bit more than half of the respondents feel that P2P users do not have to be concerned about the legal consequences of sharing files on the Internet. However, they stated that the users can feel safe within a certain number of downloading, and if they download and share a large number of files, like hundreds of albums a month, then they should be worried.

I am sure that many people are aware that sharing copyrighted files is illegal but since the punishment rarely happens, sharing files seems to be safe. Recently, I read in BBC News 16 March 2010 that in the UK, there is a new law that anyone caught with Internet piracy will get their Internet connection cut off. This new regulation might be effective to reduce online piracy. However, it will not be fair if there are other people who do not conduct any illegal activities, but got their Internet disconnected because another person who uses the same Internet connection is sharing files illegally.

4.2 Implications

There seems to be a 'war' between the customers, music producers and the authorities. Actions were taken in order to reduce illegal distribution of music files but many Internet users are still sharing files illegally, mainly through P2P networks. The new technology makes it easier for Internet users to share and find files from around the world. The music listeners nowadays have the mentality as such; if they want something, they want it right now, and that is what P2P networks provide, easy access to many choices of music.

The music industry has the right to protect what they own and they are entitled to make profit from what they have produced. However, they also need to cope with the

technology and most importantly, with what customers want. From my research, if I had to conclude three things that music listeners want, they would be songs which are low cost (or free), easy and quick to get.

Promoting the use of online streaming

According to some responses from my questionnaire, there is actually a way that answers their need, which is through online music resources. Websites like Youtube, Myspace, Purevolume, etc are used to sample songs, especially the new ones or music from new musicians. It is a free, simple and legal way to do it, because sometimes streaming music is faster than downloading. Beside that, Yahoo Music and Spotify are also used to sample songs. Since they are paid by the advertisements, the service is free, unless the users choose to pay in order to skip the ads. These online resources act as a promotional channel for many musicians, especially if their songs are in the shared folders used by the music listeners/subscribers of the music platform. Seeing from this trend, I think the music industry should take an advantage from it by utilizing the online sources as a marketing tool. They can put more songs in them and inform the Internet users the benefits of using online music platforms instead of downloading illegally on P2P networks.

Improving the convenience of online music shopping

Although there are positive sides of using online platforms, it will not stop people from downloading illegally, at least not in the near future. One reason is because sometimes they want to enjoy music while they are offline or they might want to transfer some music files to their MP3 players. For a price, Spotify offers an Offline Mode which can be used by the users to listen to their music folder on their computer without being

online. If they want to transfer the songs to their players, they must download the music files. Buying music files are generally cheaper than buying CDs, but like a respondent said, not all companies accept international credit cards. This obstacle should be tackled in the near future because it might actually prevent many people from buying legally and trigger them to turn to P2P networks. About the complicated signing up process, the public needs to be informed about the purpose of registering, for example it is used for security reason in order to protect the customers. They need to know and understand the aim of registration requirements, or otherwise they might think it is a useless thing to do and might not even start with it.

Boosting the merchandise and ticketing sales through Internet

According to many survey respondents, they use either P2P networks or online resources to sample new songs, which might lead them to go to the concerts and buy the merchandise. Since music sampling seems to be a good way to promote musicians, the music producers might need to put more effort on merchandising the ticketing, instead of promoting CDs, although CD sales will also be a part of the marketing. If the videos are available online, they can put information about concerts and ways to buy merchandise in the music clip.

CD design as a marketing strategy

Concerning the CD sales, since the price is much higher than MP3 files, many people buy them only if they really like the musician. The producers can build a strategy to make CDs to become a collectible item. Some respondents of my questionnaire mentioned that they like CDs because of the design of the cover and booklet. Several people like to show their music collection to their guests too. So this is one thing that really has to be kept in

mind in order to boost CD sales as well as to fulfill the music listeners' and the fans' demand.

Promoting music files as a 'green' choice

Another strategy is to increase the MP3 file sales to reduce the number of illegal downloading. The cost production is MP3 files is lower than a CD, which makes the price rather inexpensive. It can be promoted as an environmentally friendly alternative to CDs, since more and more people nowadays are willing to do actions in protecting the environment. Furthermore, maybe they can also sell special recordings which are only sold on MP3 files and not available on CDs, in order to encourage the MP3 files sales.

Enlarging online music database

Moreover, enlarging music files database on MP3 shops and streaming sites might decrease piracy because there are songs which are difficult to find, even on P2P networks, such as songs that are no longer in print or are available in the international market. Many people want to taste other cultures by listening to world music, but usually they are hard to find. In many cases, they turn to P2P networks in order to find those songs. If they know that legal streaming sites have them, or the MP3 files have a lower price tag, they might not want to download the illegal files as much. In regards to older catalogs, it is one way to preserve those songs by making them available on online shops and streaming sites, as well as satisfying the consumers' demand.

More education on copyright issue

Music piracy through P2P networks will most likely not end in the near future, especially because people are not concerned about the consequences, particularly legal consequences. The education should not make people to be afraid, but to be aware that

there are consequences for conducting illegal file sharing. The public need to be educated more on the effects of music piracy, legally and economically, and how in the long term it would affect the producers, the musicians and finally the listeners.

Developing music file technology

The technology of MP3 files should be developed further too. For instance, some people who bought legal music files could not play the songs in their MP3 player, which makes them feel hesitant to purchase more. It needs to be improved so the music files can be universally played in any MP3 player. Furthermore, maybe in the near future the technology of music files would be more advanced so it would be very difficult for people to make illegal copies.

4.3 Further research

My research represent a result of opinions of piracy culture in a university community, which is considerably a small base. Despite of the size, I was lucky to be able to collect respondents from different nationalities because they portray voices from around the world. Although I am finally in the conclusion part of this thesis, it is not the end of the piracy culture research. On the contrary, it is only the beginning. In the future, larger base research should be done, maybe with more specific interviews with individuals who share files illegally, download files on P2P networks, and the ones who avoid piracy.

Furthermore, my research represent only one side of the wall, which is the Internet users and/or music listeners. It is important to know and understand music consumers' opinions. However, we also need to know the perspectives of the producers and

musicians, who create and produce music records and files. So I hope in the future there is a continuation of this research, which includes all parties involved.

Appendix

A. Questionnaire and result

The questionnaire was available online through http://www.kwiksurveys.com/online-survey.php?surveyID=MIMHO_26dcfbcd&UID=2748477007, which is now closed. [Here is the content of the survey and the quantitative result:](#)

Peer-to-Peer Music Culture Survey

This survey will take about 10-15 minutes. It deals with your opinions on P2P networks, which is a platform where Internet users can exchange digital files, and activities on music downloading. Your participation on this study is completely voluntary and you will not be asked to share your contact details. Some questions have a comment box, which is optional. At the end of the survey, there is also an additional box in case the box under the question is not enough, or if you have further thoughts about the survey. If you wish to put some comments in the additional box in reference to a certain question, please put the question number as well. Your responses will be used for research purposes only and will be strictly confidential. Thank you for your participation.

1. My gender is:

- _ Male (24=50%)
- _ Female (24=50%)

2. My age group is:

- _ <18 (0=0%)
- _ 18-25 (19=40%)
- _ 25-35 (27=56%)
- _ >35 (2=4%)

3. My nationality is: (it is discussed on part 3.1)

4. I am:

- _ a student and have a full-time job (5=10%)
- _ a student and have a part-time job (10=21%)
- _ a student with no stable income, or no income (27=56%)

- _ a full-time employee (4=8%)
- _ a part-time employee (0=0%)
- _ unemployed and not a student (2=4%)

5. Music consumers should not reproduce and distribute music without a legal license.

- _ Strongly agree (2=4%)
- _ Agree (17=35%)
- _ Disagree (25=52%)
- _ Strongly disagree (4=8%)

6. Downloading music through P2P networks like LimeWire, SoulSeek, Bearshare, etc., is acceptable.

(P2P or Peer-to-Peer Network is a platform which is used by Internet users to exchange digital files)

- _ Strongly agree (9=19%)
- _ Agree (31=65%)
- _ Disagree (7=15%)
- _ Strongly disagree (1=2%)

7. Downloading music through P2P networks seems more convenient than paying for Cd's or legal music files.

- _ Strongly agree (13=27%)
- _ Agree (21=44%)
- _ Disagree (11=23%)
- _ Strongly disagree (3=6%)

8. Downloading music through P2P networks is one way to test music before buying the legal version.

- _ Strongly agree (17=35%)

- _ Agree (22=46%)
- _ Disagree (7=15%)
- _ Strongly disagree (2=4%)

9. Downloading music through P2P networks is one way to test music before deciding on going to the concert or not.

- _ Strongly agree (18=38%)
- _ Agree (21=44%)
- _ Disagree (6=13%)
- _ Strongly disagree (3=6%)

10. Downloading music through P2P networks is one way to test music before deciding whether the artist/band is worth following, listen to and/or buy their merchandise.

- _ Strongly agree (21=44%)
- _ Agree (19=40%)
- _ Disagree (8=17%)
- _ Strongly disagree (0=0%)

11. I prefer downloading legal music files through iTunes, Amazon, Napster or similar sites for a fee to downloading through P2P networks.

- _ Strongly agree (1=2%)
- _ Agree (12=25%)
- _ Disagree (24=50%)
- _ Strongly disagree (11=23%)

12. Downloading legal music through iTunes, Amazon, Napster or similar sites, is expensive.

- _ Strongly agree (7=15%)
- _ Agree (16=33%)

- _ Disagree (13=27%)
- _ Strongly disagree (1=2%)
- _ I do not know (11=23%)

13. P2P networks might be useful as a social platform to meet and make friends.

- _ Strongly agree (3=6%)
- _ Agree (16=33%)
- _ Disagree (24=50%)
- _ Strongly disagree (5=10%)

14. The chat rooms in P2P networks might be useful to exchange information on music.

- _ Strongly agree (6=13%)
- _ Agree (21=44%)
- _ Disagree (19=40%)
- _ Strongly disagree (2=4%)

15. It might be convenient to use the chat rooms in P2P networks to talk about various things other than music.

- _ Strongly agree (2=4%)
- _ Agree (19=40%)
- _ Disagree (20=42%)
- _ Strongly disagree (7=15%)

16. I feel the P2P networks users should not be worried about getting warned or even caught by authorities resulting from file sharing.

- _ Strongly agree (6=13%)
- _ Agree (17=35%)
- _ Disagree (15=31%)
- _ Strongly disagree (10=21%)

17. I download mainstream and popular songs for example like the ones on the Top 20 music chart.

_ Yes (13=27%)

_ No (35=73%)

If yes, mention which genres:

18. I download songs from artist/bands whom I have never heard before.

_ Yes (30=62%)

_ No (18=38%)

19. I download songs which are rare or not produced anymore.

_ Yes (37=77%)

_ No (11=23%)

20. I download songs which are not copyrighted.

_ Yes (31=65%)

_ No (17=35%)

Comment:

21. I found downloading resources through (you can choose more than one):

_ I do not download music (7=9%)

_ Friends or family (33=41%)

_ Search engines (21=26%)

_ Blogs (14=18%)

_ Other sources (5=6%)

If other sources, please mention:

22. The amount of hours I spend on the Internet per week is: ... hours.

23. The maximum price I am willing to pay for unlimited downloads would be:

€.../month

24. In my opinion, the reasons why Cd's are better than digital music files are:

25. Are there any other reasons for sharing music files through P2P networks you could think of?

26. Additional comments:

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