Nudging the Digital Pirate: Behavioral Issues in the Piracy Context

Matthew J. Hashima, Ph.D. Candidate, Management Information Systems

Dissertation Committee:
Karthik Kannana, Jackie Reesa, Sandra Maximianoa, and Duane Wegenerb

aKrannert School of Management, Purdue University
bDepartment of Psychology, The Ohio State University

The typical approaches for mitigating digital piracy include: technology (e.g. DRM), legal (e.g. lawsuits), and education/nudging. We focus on behavioral issues of the nudging approach in two studies and develop actionable insights to mitigate digital piracy.

**Study (1):** Morals have been shown to be malleable in white lie contexts. We extend the well-known theory of planned behavior (TPB) and validate a new model that accounts for the malleability of morals under piracy. We implement the nudging approach using a morally-salient anti-piracy message and find that the impact of moral obligation on piracy intention may be mitigated through nudging.

**Study (2):** We explore the nudging approach by investigating the impact of feedback on consumers’ purchasing/pirating behavior in a laboratory experiment. We compare behavior amongst subjects in a multiple-threshold public goods game by developing a no feedback treatment, a random feedback treatment, and targeted (above / below the average contribution) feedback treatments. Random information mimics current strategies and performs worse than no information at all. In contrast, the ability to target information to specific consumer groups increases the ability for coordination to occur.