

# **Preventing Music Piracy through Nudge Effect**

**By the IMI Economics Team**

Supervised by  
**Dema Therese Maria**

**Indian Music Industry**

**APRIL 2022**

## **Introduction**

Music piracy as a way to consume free music has been around for a long time in India and its rampancy has only increased through the years. Per the IFPI Music Consumer Study 2021, the music piracy rate was 68% in 2021 - much higher than the global average of 30%. It is estimated that visits to illegitimate websites and apps for listening to and downloading music led to revenue losses of INR 217 cr. to INR 300 cr. annually to the recorded music industry<sup>1</sup>. This is approximately 23% of the recorded music industry revenues<sup>2</sup> as of 2021. This makes it imperative to address the problem through different lenses to understand what solutions work best.

There are multiple routes through which the problem of piracy can be addressed. To give some examples, the administrative route, the legal route and the focus of this policy brief - the digital civics route.

The digital civics route involves addressing the problem of music piracy from the demand side, i.e., redirecting the consumers towards the legal path of consuming music through education about the many consequences of pirating music. Our research shows that **27% of the surveyed respondents did not know the meaning of piracy** and **32% did not know the consequences of pirating music**. This article discusses the digital civics approach through the application of behavioral science; particularly, nudging through web page message pop-ups on infringing websites.

So, what is nudge theory aka the nudge effect and how can nudges through web page pop ups help in reducing piracy?

Nudge theory is a concept in behavioral science that uses different ways to encourage a certain behavior or decision through indirect suggestions and we believe that the

---

<sup>1</sup> <https://indianmi.org/wp-content/uploads/2021/05/IMI-Economic-Report-Final.pdf>

<sup>2</sup> INR 1332 cr (Global Music Report, 2021)

application of framing techniques from behavioral science<sup>3</sup> can play a beneficial role in nudging music consumers away from illegal ways of consuming music in the digital space.

### **Data and methodology:**

This research was conducted with participants across India<sup>4</sup> to explore how behavioral science can help in redirecting consumers of pirated music towards legitimate websites for music consumption. The data was collected via online surveys and circulated among Indian citizens aged 10 and above. Our sample represented the population of India in four key demographic segments: age, gender, income groups and geographical areas to ensure enough variation in the data collected to make fair conclusions.

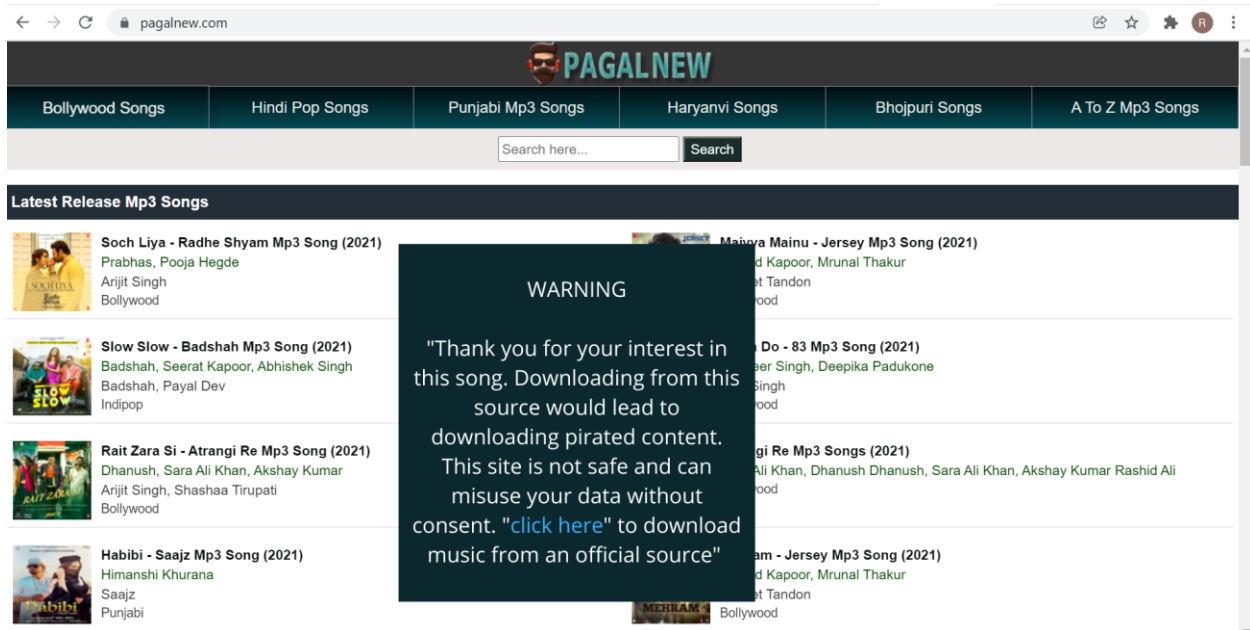
We were specifically interested in understanding whether different message framing techniques posed as web page pop-ups on illegitimate websites will redirect consumers towards legitimate websites to stream or download music across age groups, income groups, genders and geographical areas.

The visual below is an example of one such message framing used in this research to test the efficacy of the techniques undertaken. Along with the warning message on the screen, the pop-up also includes a “click here” link which makes it easier for the consumer to choose redirection instead of looking for a legal source by themselves.

---

<sup>3</sup> Framing techniques in behavioral science refers to different ways in which information is presented; making it more or less attractive to the reader. In this case, the message of not to pirate music has been framed in 3 ways to test which one deters most users from using illegitimate websites to stream/download music.

<sup>4</sup> The sample consisted of 380 participants from Maharashtra, Uttar Pradesh, Madhya Pradesh, Haryana, Goa, Tamil Nadu, Delhi, Gujarat, Jharkhand, Himachal Pradesh, West Bengal and Karnataka.



Our participants were told to imagine receiving such pop-ups on their screens. This message was delivered in one of three forms:

1. Data Breach Framing:

"Thank you for your interest in this song. Downloading from this source would lead to downloading pirated content. This site is not safe and can misuse your data without consent. "click here" to download music from an official source."

2. Loss to Artist(s) , Authors Composers Framing

"Thank you for your interest in downloading this song. This source does not pay your favorite artist. "click here" to download music from an official source and help support your favorite artist and the overall music industry."

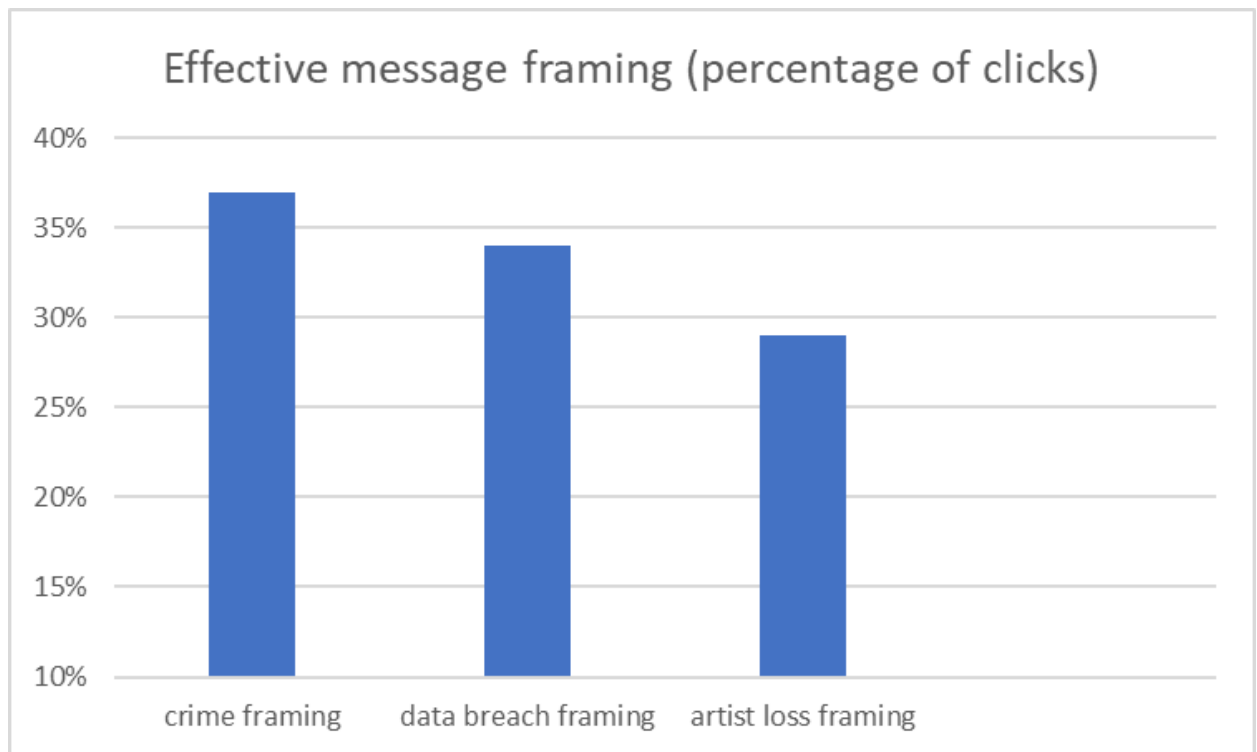
3. Crime Breach Framing

"Thank you for your interest in this song. Downloading from this source would lead to downloading pirated content- A Criminal Offence. "click here" to download music from an official source."

### **Significant findings from our research:**

The research revealed four insights that stakeholders can use to address the problem of piracy from the consumers side -

#### **1. There may be power in framing techniques, but not all of them alike.**



Our research shows that our sample was most likely to willingly redirect their search to legitimate websites when the nudge pop-up framed piracy as a criminal activity 37%, followed by 34% on the message framed in terms of threat of data breach and 29% clicks from surveyed sample on the message framed in terms of loss to their favorite artist. Reiterating on the statistic that 32% of the sample did not know the consequences of pirating music, simply stating the same deterred them from pirating music.

#### **2. Dissemination of the right information plays an important role in deterring listeners from consuming pirated music.**

Results from our regression analysis shows that listeners who claimed they knew the meaning and consequences of piracy were 2.48 times less likely to use pirated websites to stream or download illegal content than the ones who claimed they did not know or were not sure about the meaning and consequences of piracy ( $p < 0.05$ )<sup>5</sup>. This makes dissemination of the right information with respect to the two areas necessary among Indians through education curriculums and by leveraging social networks on the internet.

### **3. Younger age groups are more susceptible to piracy**

Results from the statistical analyses also show that the younger an individual in our sample, the more likely they were to use pirated methods. To quote statistics, younger groups from the sample were 1.04 times more likely to pirate than older age groups ( $p < 0.01$ )<sup>6</sup>. This insight is important in addressing the issue through information dissemination for taking a targeted approach and avoiding blanket solutions that in most cases turn out to be ineffective. For example, further research on how different ways of presenting a piece of information influence which age groups and through what channels may help in effective implementation of this route in tackling music piracy.

### **4. Demographic differences**

We find that education, income, geographical area and gender do not play a significant role in determining which sub-groups are more susceptible to pirating music.

---

<sup>5</sup> A p-value  $< 0.05$  means the results are statistically significant, i.e., there is only a less than 5% probability that the results are due to chance.

<sup>6</sup> A p-value  $< 0.01$  means the results are highly statistically significant, i.e., there is less than 1% probability that the results are due to chance.

## **About IMI**

The Indian Music Industry (IMI) is the apex body that represents the interest of the music companies a.k.a. Record labels on a pan-India basis. IMI is an IFPI affiliate which is the global body that represents the recorded music industry worldwide. All major music labels in India are part of this association. IMI is the leading force in India's fight against music piracy and establishing IP rights.