

Everyone Doesn't Do It

Technical Appendix to KPMG/SIIA Report on Internet Use



INTRODUCTION

METHODOLOGY	2
CLASSIFICATION OF INTERNET USERS	2
DEMOGRAPHICS OF THE CATEGORIES.....	14
PERCEPTUAL MAP FOR CONSUMER SEGMENTS	16
PERCEPTUAL MAP OF BUSINESS SEGMENTS.....	17

QUESTIONNAIRE & TOP-LINE RESPONSES -- CONSUMER VERSION

SOFTWARE.....	18
ATTITUDE QUESTIONS.....	19
DIGITAL CONTENT	20
FREE CONTENT	20
PAID CONTENT	22

QUESTIONNAIRE – BUSINESS VERSION

SOFTWARE.....	23
ATTITUDE QUESTIONS.....	25
DIGITAL CONTENT	26
FREE CONTENT	26
PAID CONTENT.....	26

DEMOGRAPHICS OF RESPONDENTS

Appendix

This technical appendix contains the detail attitude statements used to build the categorization schema used in the KPMG/SIIA report on code and content piracy on the Internet.

Characteristics and demographics of the groups are shown here, as well as a copy of the survey questionnaire given to 2,016 panel respondents. The panel is a group of randomly distributed users of the Internet who have agreed to be sampled by NFO Interactive for survey work. The characteristics of the panel are well known and are adjusted to match US Internet users demographics so that responses can be generalized to the population as a whole.

Methodology

This survey was conducted via the Internet. Respondents were sent an e-mail invitation to a secure Web site, which was accessed via an imbedded link within the e-mail. Once on the site, respondents entered a user name and password, and upon verification, were given the questionnaire to complete.

Both general consumers and business respondents were interviewed in an effort to distinguish differences in behaviors and beliefs in the home and work environments. Sample was drawn from the NFO Interactive Panel. The panel consists of 500,000+ representative on-line households, and is nationally balanced by age, income, size of household, market size, and household type. Respondents for this study had to be 18 years of age or older. For the consumer group, primary Internet access was at home, while the business group was drawn from among those working full-time and going on-line at work for at least 10 hours per week.

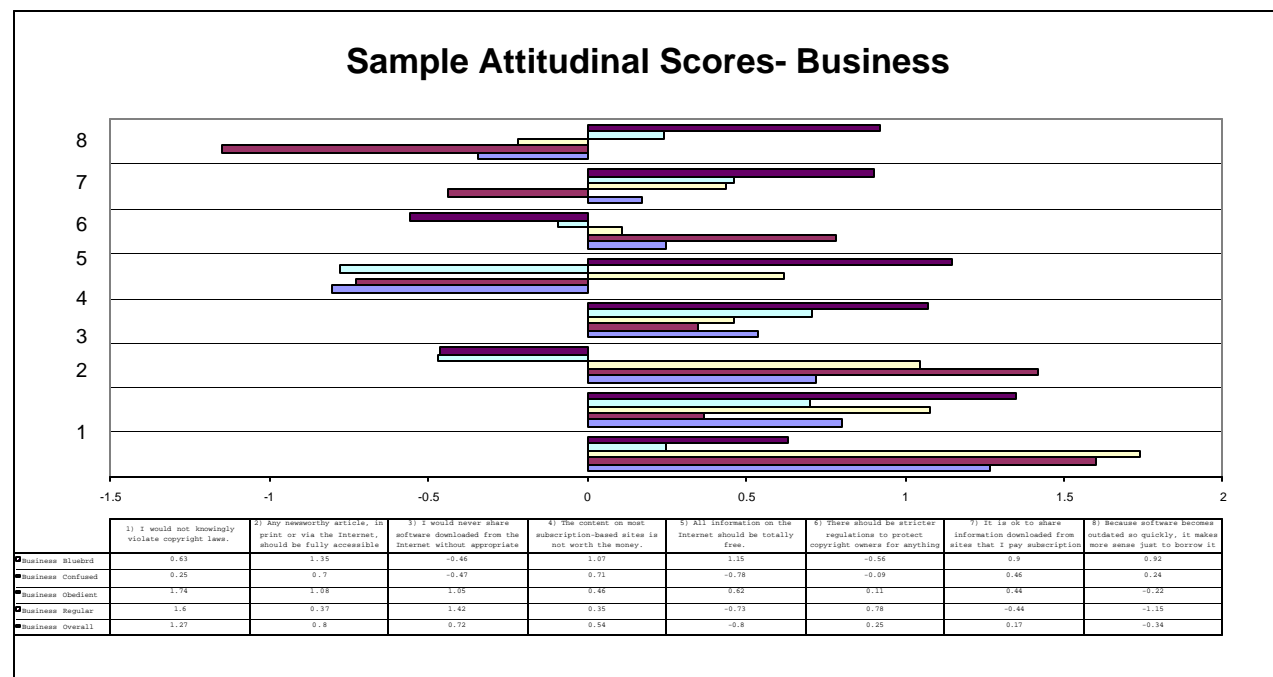
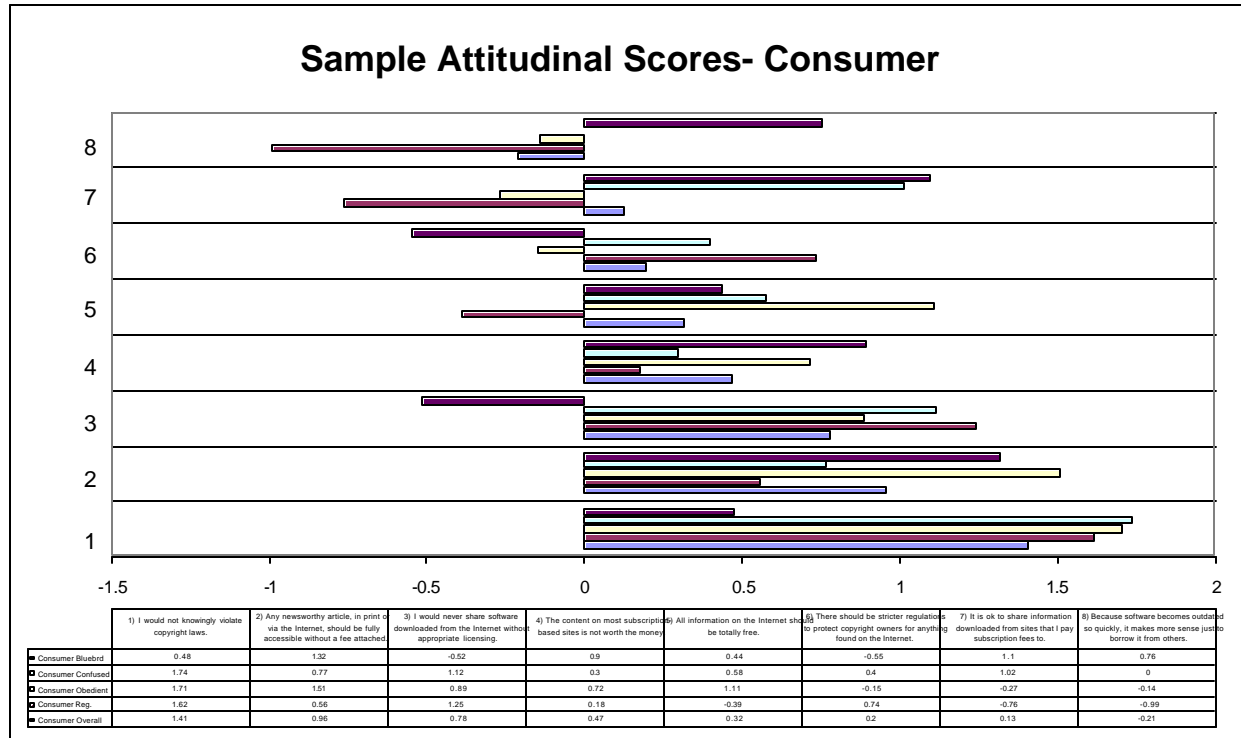
E-mails to both groups were sent on February 14, 2001. Fieldwork was cut-off on February 16, 2001 with quotas of 1000 filled for each group. For the personal group, 3,750 e-mails were sent and 1,012 returned by cut-off, for a net return rate of 27%. The same number of e-mails was sent to the business group. A total of 1004 were returned for a 26.8% response rate.

Classification of Internet Users

A custom attitudinal battery was created to measure key factors relative to Internet piracy. In addition to the information provided by each statement, this battery also allowed for the creation of attitudinal segments of the Internet users.

The attributes were put through rigorous statistical testing to determine the best solution (i.e., the appropriate number of segments) based upon the response patterns and the level of discrimination between the segments. For both the personal and business sides, four segments emerged. Three were consistent between personal and business; one was unique to each. The appendix contains a more detailed breakdown of discriminators of these segments.

A sample of several attitudinal mean (average) agreement scores are listed below. Attitudinal scores are ranked from 1 to 5 (strongly disagree to strongly agree), with 3 being neutral. The scores listed below were re-calibrated with 3 being zero, such that 'disagree' is shown as negative, and 'agree' as positive.



The chart below shows the mean agreement score for the individual attitudes, ranked in order of Consumer users' agreement levels, from "agree with most" to "disagree with most." Rank order between consumer and business users is similar, but the level of acceptance may differ. Differences between consumer and business users in terms of magnitude of agreement are highlighted in red. Generally, business users are more in agreement that information is a commodity, while consumer users believe information should be free. On the other hand, consumer users also are more likely to have a higher level of agreement on sharing of software (though they still disagree with the concept in general). Scores above 3.00 represent "agreement" while those below 3.00 represent "disagreement".

	Consumer	Business
I would not knowingly violate copyright laws.	4.41	4.27
It is ok to share information from printed materials to which I subscribe.	4.09	4.03
Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.	3.96	3.80
I would not like information I provide shared with others via the Internet.	3.82	3.76
I would never share software downloaded from the Internet without appropriate licensing.	3.78	3.72
Paying for content on the Web is no different than paying for a newspaper or magazine subscription.	3.56	3.66
The content on most subscription-based sites is not worth the money.	3.47	3.54
Information on the Internet should be copyrighted as property of the author/source.	3.37	3.51
All information on the Internet should be totally free.	3.32	2.92
Everybody who uses the Internet violates copyright laws at some point in time.	3.21	3.31
There should be stricter regulations to protect copyright owners for anything found on the Internet.	3.20	3.25
It is ok to share information downloaded from sites that I pay subscription fees to.	3.13	3.17
I would temporarily borrow software from someone else if I only had a short-term need for it.	3.09	3.21
Information is as much a product to sell as are appliances, clothing items, or cars.	3.08	3.25
It is ok for a person to make a single copy of a CD that he/she borrows from a friend or family member.	2.97	2.84
Because software becomes outdated so quickly, it makes more sense just to borrow it from others.	2.79	2.66
Because software is expensive, it's better to just share with others.	2.60	2.41
Copyright laws should not be applied to anything on the Internet.	2.53	2.38
Copying and sharing copyrighted information off of the Internet is ok if I only share it with a small group of friends, family, or colleagues.	2.42	2.41
Although it may be against the rules, no one really gets hurt when software is shared.	2.17	2.12
It is ok to change the date on one's computer to continue using a product with an expired license.	1.98	2.04

Among **Regulators**, the rank order of agreement with attributes is again similar between consumer and business users. This segment holds firm beliefs in following copyright rules for all Internet software and information. Sharing without proper permission or licensing is inappropriate, though there is some agreement that information purchased through subscription, though not worth its price, can be shared.

Business users hold a tighter line on copying and sharing software, and are more likely to agree that information is a commodity.

	Consumer Regulators	Business Regulators
I would not knowingly violate copyright laws.	4.62	4.60
I would never share software downloaded from the Internet without appropriate licensing.	4.25	4.42
I would not like information I provide shared with others via the Internet.	4.24	4.02
Paying for content on the Web is no different than paying for a newspaper or magazine subscription.	3.89	3.95
Information on the Internet should be copyrighted as property of the author/source.	3.86	3.96
There should be stricter regulations to protect copyright owners for anything found on the Internet.	3.74	3.78
It is ok to share information from printed materials to which I subscribe.	3.71	3.63
Information is as much a product to sell as are appliances, clothing items, or cars.	3.70	3.89
Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.	3.56	3.37
The content on most subscription-based sites is not worth the money.	3.18	3.35
Everybody who uses the Internet violates copyright laws at some point in time.	3.15	3.15
All information on the Internet should be totally free.	2.61	2.27
I would temporarily borrow software from someone else if I only had a short-term need for it.	2.42	2.59
It is ok to share information downloaded from sites that I pay subscription fees to.	2.24	2.56
It is ok for a person to make a single copy of a CD that he/she borrows from a friend or family member.	2.15	2.00
Because software becomes outdated so quickly, it makes more sense just to borrow it from others.	2.01	1.85
Copying and sharing copyrighted information off of the Internet is ok if I only share it with a small group of friends, family, or colleagues.	1.86	1.86
Copyright laws should not be applied to anything on the Internet.	1.85	1.77
Because software is expensive, it's better to just share with others.	1.73	1.57
It is ok to change the date on one's computer to continue using a product with an expired license.	1.66	1.67
Although it may be against the rules, no one really gets hurt when software is shared.	1.52	1.41

Confused Pirates on the consumer side really have no comparative group on the business side. This is the group that loves to use the Internet, but is not really sure of the rules. While they would not knowingly violate copyright laws, they feel it is ok to share information and to borrow software or copy CDs. They are less likely to believe that everyone who uses the Internet eventually violates copyright laws, yet other beliefs and behaviors belie this statement.

	Consumer Confused Pirates
I would not knowingly violate copyright laws.	4.74
It is ok to share information from printed materials to which I subscribe.	4.33
I would never share software downloaded from the Internet without appropriate licensing.	4.12
It is ok to share information downloaded from sites that I pay subscription fees to.	4.02
Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.	3.77
Information on the Internet should be copyrighted as property of the author/source.	3.68
Paying for content on the Web is no different than paying for a newspaper or magazine subscription.	3.59
All information on the Internet should be totally free.	3.58
There should be stricter regulations to protect copyright owners for anything found on the Internet.	3.40
I would not like information I provide shared with others via the Internet.	3.33
The content on most subscription-based sites is not worth the money.	3.30
It is ok for a person to make a single copy of a CD that he/she borrows from a friend or family member.	3.24
Information is as much a product to sell as are appliances, clothing items, or cars.	3.18
I would temporarily borrow software from someone else if I only had a short-term need for it.	3.17
Because software becomes outdated so quickly, it makes more sense just to borrow it from others.	3.00
Because software is expensive, it's better to just share with others.	2.97
Everybody who uses the Internet violates copyright laws at some point in time.	2.86
Copying and sharing copyrighted information off of the Internet is ok if I only share it with a small group of friends, family, or colleagues.	2.39
Copyright laws should not be applied to anything on the Internet.	2.31
Although it may be against the rules, no one really gets hurt when software is shared.	2.23
It is ok to change the date on one's computer to continue using a product with an expired license.	1.69

Self-Justified Pirates -- This is perhaps the most dangerous of all of the segments. While there is acceptance of the need for copyright laws as applied to Internet content, behaviorally this group rivals the Anarchists in violation of those rules. However, there is always a “rational” explanation for these violations. Note the lower level of agreement (yet unlike the Anarchists, still in agreement) with the statement “*I would not knowingly violate copyright laws*”. In essence, this group is the opposite of the Obedient Under Protest group, who disagrees with the rules, but follows them anyway.

	Business Self- Justified Pirates
It is ok to share information from printed materials to which I subscribe.	4.28
I would temporarily borrow software from someone else if I only had a short-term need for it.	3.91
Paying for content on the Web is no different than paying for a newspaper or magazine subscription.	3.87
Everybody who uses the Internet violates copyright laws at some point in time.	3.83
The content on most subscription-based sites is not worth the money.	3.71
Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.	3.70
Information on the Internet should be copyrighted as property of the author/source.	3.54
I would not like information I provide shared with others via the Internet.	3.54
It is ok for a person to make a single copy of a CD that he/she borrows from a friend or family member.	3.49
It is ok to share information downloaded from sites that I pay subscription fees to.	3.46
Information is as much a product to sell as are appliances, clothing items, or cars.	3.40
I would not knowingly violate copyright laws.	3.25
Because software becomes outdated so quickly, it makes more sense just to borrow it from others.	3.24
Copying and sharing copyrighted information off of the Internet is ok if I only share it with a small group of friends, family, or colleagues.	3.08
There should be stricter regulations to protect copyright owners for anything found on the Internet.	2.91
Because software is expensive, it's better to just share with others.	2.91
It is ok to change the date on one's computer to continue using a product with an expired license.	2.61
Although it may be against the rules, no one really gets hurt when software is shared.	2.55
I would never share software downloaded from the Internet without appropriate licensing.	2.53
Copyright laws should not be applied to anything on the Internet.	2.31
All information on the Internet should be totally free.	2.22

Obedient Under Protest users differ slightly between consumer and business use. Business users are more likely to agree for some need for copyrighting and fees, while at the same time have fewer problems sharing information. In general, this group does not like the rules, but follows them. Italicized numbers below show differences in agreement, not just in magnitude.

	Consumer Obedient Under Protest	Business Obedient Under Protest
I would not knowingly violate copyright laws.	4.71	4.74
Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.	4.51	4.08
I would not like information I provide shared with others via the Internet.	4.15	3.87
All information on the Internet should be totally free.	4.11	3.62
It is ok to share information from printed materials to which I subscribe.	4.10	4.27
I would never share software downloaded from the Internet without appropriate licensing.	3.89	4.05
The content on most subscription-based sites is not worth the money.	3.72	3.46
Copyright laws should not be applied to anything on the Internet.	3.27	2.75
Everybody who uses the Internet violates copyright laws at some point in time.	3.17	2.96
I would temporarily borrow software from someone else if I only had a short-term need for it.	3.12	3.23
Paying for content on the Web is no different than paying for a newspaper or magazine subscription.	3.08	3.49
It is ok for a person to make a single copy of a CD that he/she borrows from a friend or family member.	2.96	3.06
Information on the Internet should be copyrighted as property of the author/source.	2.87	3.25
Because software becomes outdated so quickly, it makes more sense just to borrow it from others.	2.86	2.78
There should be stricter regulations to protect copyright owners for anything found on the Internet.	2.85	3.11
It is ok to share information downloaded from sites that I pay subscription fees to.	2.73	3.44
Because software is expensive, it's better to just share with others.	2.56	2.60
Copying and sharing copyrighted information off of the Internet is ok if I only share it with a small group of friends, family, or colleagues.	2.36	2.34
Information is as much a product to sell as are appliances, clothing items, or cars.	2.24	2.66
Although it may be against the rules, no one really gets hurt when software is shared.	2.21	2.23
It is ok to change the date on one's computer to continue using a product with an expired license.	1.90	1.84

Anarchists will break the rules and have no guilt about it. Their behavior follows their beliefs—they are more likely to violate licensing rules without remorse. Business Anarchists are a little less strident in their views and behaviors, perhaps due to fear of reprisals, but will share information and software nonetheless. There is a low level of agreement with the need for copyrights and stricter regulations, and a strong willingness to share software. This is the group that believes no one gets hurt when software is shared, even though it may be against the rules.

	Consumer Anarchists	Business Anarchists
It is ok to share information from printed materials to which I subscribe.	4.48	4.33
Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.	4.32	4.35
It is ok to share information downloaded from sites that I pay subscription fees to.	4.10	3.90
I would temporarily borrow software from someone else if I only had a short-term need for it.	4.08	4.04
It is ok for a person to make a single copy of a CD that he/she borrows from a friend or family member.	4.03	3.86
The content on most subscription-based sites is not worth the money.	3.90	4.07
Because software becomes outdated so quickly, it makes more sense just to borrow it from others.	3.76	3.92
Everybody who uses the Internet violates copyright laws at some point in time.	3.70	3.93
Because software is expensive, it's better to just share with others.	3.67	3.73
I would not knowingly violate copyright laws.	3.48	3.63
Paying for content on the Web is no different than paying for a newspaper or magazine subscription.	3.48	2.96
All information on the Internet should be totally free.	3.44	4.15
Copying and sharing copyrighted information off of the Internet is ok if I only share it with a small group of friends, family, or colleagues.	3.36	3.26
I would not like information I provide shared with others via the Internet.	3.34	3.07
Copyright laws should not be applied to anything on the Internet.	3.11	3.38
Although it may be against the rules, no one really gets hurt when software is shared.	3.06	3.32
It is ok to change the date on one's computer to continue using a product with an expired license.	2.84	2.78
Information is as much a product to sell as are appliances, clothing items, or cars.	2.81	2.50
Information on the Internet should be copyrighted as property of the author/source.	2.78	2.70
I would never share software downloaded from the Internet without appropriate licensing.	2.48	2.54
There should be stricter regulations to protect copyright owners for anything found on the Internet.	2.45	2.44

The charts on the following pages present definitions of the segments of Internet users with regard to their attitudes on piracy issues. The numbers shown on these charts are statistical coefficients derived for the clustering algorithm used. The higher the positive number, closer the positive association that attribute has with that segment.

Respondents believe this attribute to be true, and the attribute is a defining factor. Conversely, higher levels of negative numbers relate to stronger negative association defining that attribute with the segment. Numbers that fall near zero may actually have

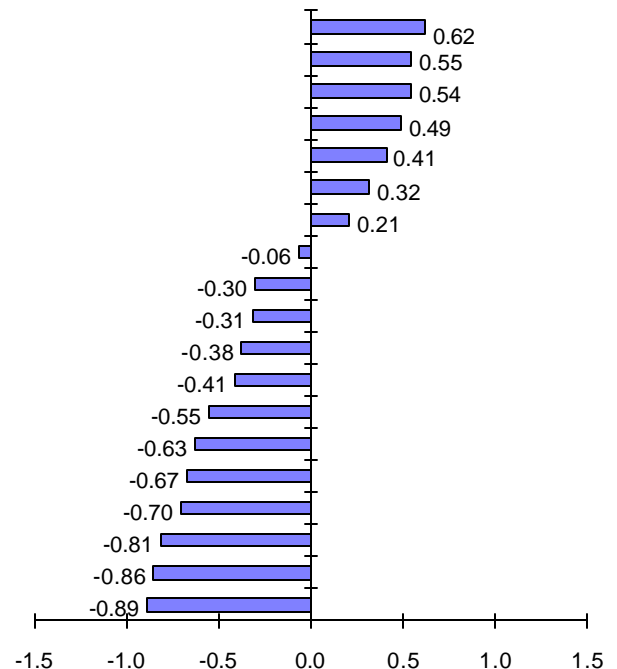
strong levels of overall agreement among members of the segment. However, *that attribute does not differentiate that group of users from others.*

Regulators

Personal Regulators, Sample Size 355

ATTRIBUTE

Information is as much a product to sell as are appliances, clothes
 There should be stricter regulations to protect copyright owner
 I would never share software downloaded from the Internet without license
 Information on the Internet should be copyrighted as property of author/source
 I would not like information I provide shared with others via the net
 Paying for content on the Web is no different than paying for a newspaper/magazine
 I would not knowingly violate copyright laws
 Everybody who uses the Internet violates copyright laws at some point
 qThe content on most subscription-based sites is not worth the money
 It is OK to change the date on one's computer to continue using expired software
 It is ok to share information from printed materials I subscribe to
 Any newsworthy article, in print or via the Internet, should be accessible & free
 Copying and sharing copyrighted information off the Internet is with a small group
 Although it may be against the rules, no one really gets hurt when software is shared
 Copyright laws should not be applied to anything on the Internet
 All information provided on the Internet should be totally free
 It is OK for a person to make a single copy of a CD that he/she borrows
 Because software is expensive, it's better just to share with others
 It is ok to share information downloaded from sites that I pay subscriptions to

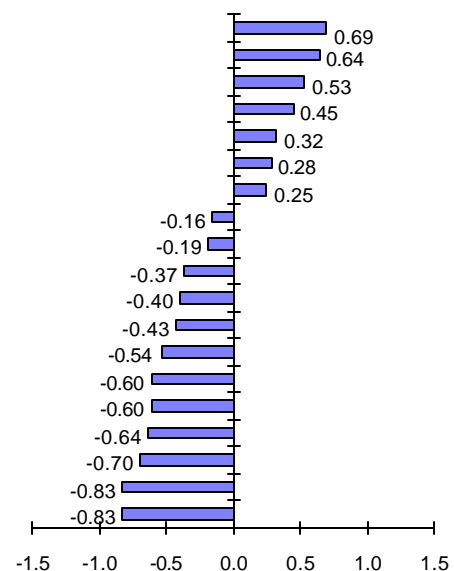


Regulators

Business Regulators: Sample Size 383

ATTRIBUTE

I would never share software downloaded from the Internet without appropriate licenses
 Information is as much a product to sell as are appliances, clothes
 There should be stricter regulations to protect copyright owner
 Information on the Internet should be copyrighted as property of author/source
 I would not knowingly violate copyright laws
 Paying for content on the Web is no different than paying for a newspaper/magazine
 I would not like information I provide shared with others via the 'net
 Everybody who uses the Internet violates copyright laws at some
 The content on most subscription-based sites is not worth the money
 It is OK to change the date on one's computer to continue using expired software
 It is ok to share information from printed materials subscriptions
 Any newsworthy article, in print or via the Internet, should be accessible and free
 Copying and sharing copyrighted information off the Internet is ok if to a small group
 It is ok to share information downloaded from sites that I pay subscription to
 Copyright laws should not be applied to anything on the Internet
 All information provided on the Internet should be totally free
 Although it may be against the rules, no one really gets hurt when software is shared
 It is OK for a person to make a single copy of a CD that he or she borrows
 Because software is expensive, it's better just to share with others

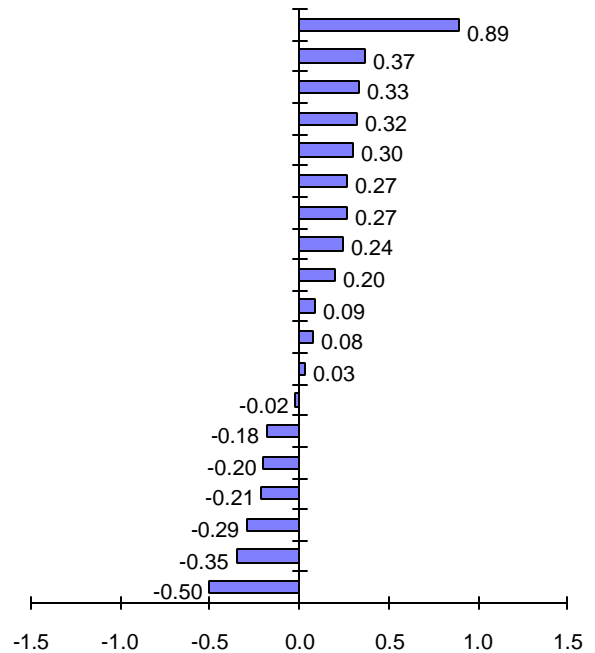


Confused Pirates and Self-Justified Pirates

Confused Pirates (Personal), Sample Size 213

ATTRIBUTE

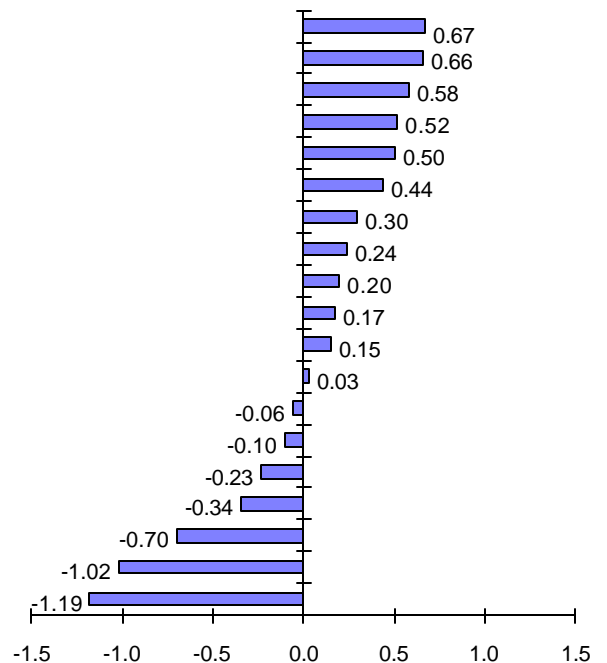
It is ok to share information downloaded from sites that I pay for
 Because software is expensive, it's better just to share with others
 I would never share software downloaded from the Internet without license
 I would not knowingly violate copyright laws
 Information on the Internet should be copyrighted as property of author/source
 It is OK for a person to make a single copy of a CD that he/she borrows
 All information provided on the Internet should be totally free
 It is ok to share information from printed materials I subscribe to
 There should be stricter regulations to protect copyright owner
 Information is as much a product to sell as are appliances, clothes
 Although it may be against the rules, no one really gets hurt when software is shared
 Paying for content on the Web is no different than paying for a newspaper/magazine
 Copying and sharing copyrighted information off the Internet is ok with a small group
 The content on most subscription-based sites is not worth the money
 Any newsworthy article, in print or via the Internet, should be accessible/free
 Copyright laws should not be applied to anything on the Internet
 It is OK to change the date on one's computer to continue using expired software
 Everybody who uses the Internet violates copyright laws at some point
 I would not like information I provide shared with others via the 'net



Self Justified Pirates (Business), Sample Size 181

ATTRIBUTE

Copying and sharing copyrighted information off the Internet is ok with a small group
 It is OK for a person to make a single copy of a CD that he/she borrowed
 It is OK to change the date on one's computer to continue using expired software
 Everybody who uses the Internet violates copyright laws at some point
 Because software is expensive, it's better just to share with others
 Although it may be against the rules, no one really gets hurt when software is shared
 It is ok to share information downloaded from sites that I pay subscriptions to
 It is ok to share information from printed materials subscribed to
 Paying for content on the Web is no different than paying for a newspaper/magazine
 The content on most subscription-based sites is not worth the money
 Information is as much a product to sell as are appliances, clothes
 Information on the Internet should be copyrighted as property of author/source
 Copyright laws should not be applied to anything on the Internet
 Any newsworthy article, in print or via the Internet, should be accessible & free
 I would not like information I provide shared with others via the 'net
 There should be stricter regulations to protect copyright owner
 All information provided on the Internet should be totally free
 I would not knowingly violate copyright laws
 I would never share software downloaded from the Internet without license

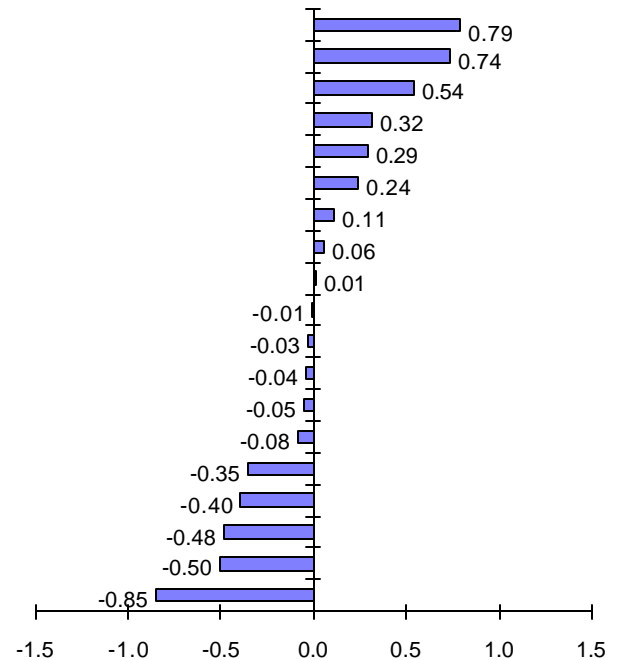


Obedient Under Protest

Obedient Under Protest (Personal), Sample Size 211

ATTRIBUTE

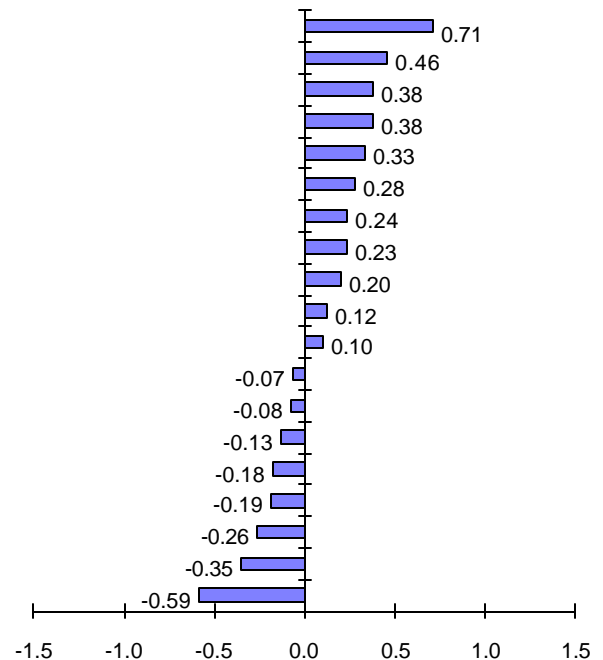
All information provided on the Internet should be totally free
 Copyright laws should not be applied to anything on the Internet
 Any newsworthy article, in print or via the Internet, should be accessible/free
 I would not like information I provide shared with others via the 'net
 I would not knowingly violate copyright laws
 The content on most subscription-based sites is not worth the money
 I would never share software downloaded from the Internet without license
 Although it may be against the rules, no one really gets hurt when software is shared
 It is ok to share information from printed materials I subscribe to
 It is OK for a person to make a single copy of a CD that he/she borrows
 Because software is expensive, it's better just to share with others
 Copying and sharing copyrighted information off the Internet is ok with a small group
 Everybody who uses the Internet violates copyright laws at some point
 It is OK to change the date on one's computer to continue using expired software
 There should be stricter regulations to protect copyright owner
 It is ok to share information downloaded from sites that I pay for
 Paying for content on the Web is no different than paying for a newspaper/magazine
 Information on the Internet should be copyrighted as property of author/source
 Information is as much a product to sell as are appliances, clothes



Obedient Under Protest (Business), Sample Size 305

ATTRIBUTE

All information provided on the Internet should be totally free
 I would not knowingly violate copyright laws
 Any newsworthy article, in print or via the Internet, should be accesible/free
 Copyright laws should not be applied to anything on the Internet
 I would never share software downloaded from the Internet without license
 It is ok to share information downloaded from sites that I pay subscription to
 It is ok to share information from printed materials subscribed to
 It is OK for a person to make a single copy of a CD that he/she borrows
 Because software is expensive, it's better just to share with others
 Although it may be against the rules, no one really gets hurt when software is shared
 I would not like information I provide shared with others via the 'net
 Copying and sharing copyrighted information off the Internet is ok with small groups
 The content on most subscription-based sites is not worth the money
 There should be stricter regulations to protect copyright owner
 Paying for content on the Web is no different than paying for a newspaper/magazine
 It is OK to change the date on one's computer to continue using expired software
 Information on the Internet should be copyrighted as property of author/source
 Everybody who uses the Internet violates copyright laws at some point
 Information is as much a product to sell as are appliances, clothes

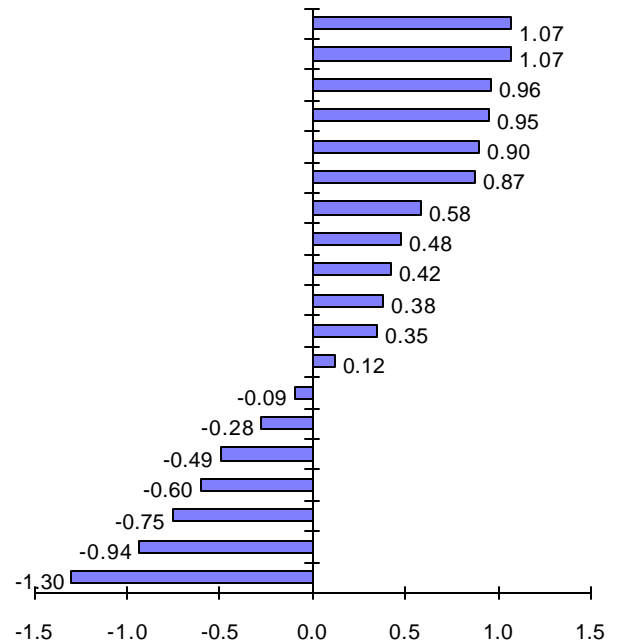


Anarchists

Bluebeards (Personal), Sample Size 218

ATTRIBUTE

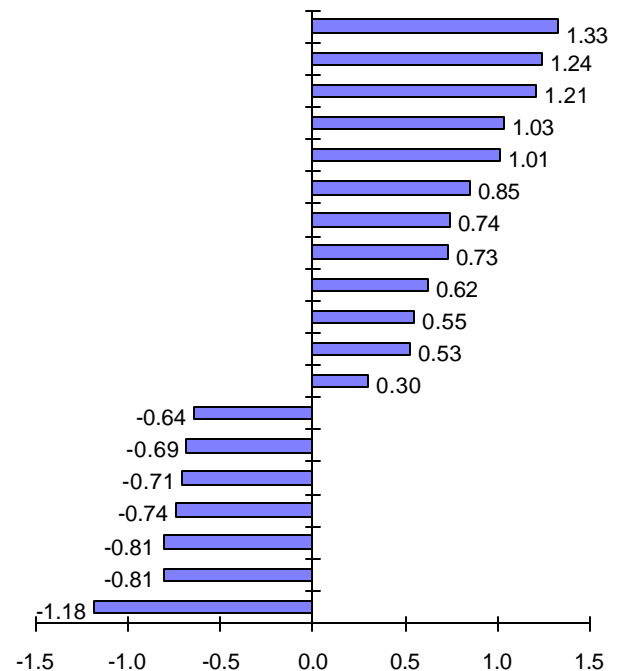
Because software is expensive, it's better just to share with others
 It is OK for a person to make a single copy of a CD that he/she borrows
 It is ok to share information downloaded from sites that I pay for
 Copying and sharing copyrighted information off the Internet is ok with a small group
 Although it may be against the rules, no one really gets hurt when software is shared
 It is OK to change the date on one's computer to continue using expired software
 Copyright laws should not be applied to anything on the Internet
 Everybody who uses the Internet violates copyright laws at some point
 The content on most subscription-based sites is not worth the money
 It is ok to share information from printed materials I subscribe to
 Any newsworthy article, in print or via the Internet, should be accessible/free
 All information provided on the Internet should be totally free
 Paying for content on the Web is no different than paying for a newspaper/magazine
 Information is as much a product to sell as are appliances, clothes
 I would not like information I provide shared with others via the 'net
 Information on the Internet should be copyrighted as property of author/source
 There should be stricter regulations to protect copyright owner
 I would not knowingly violate copyright laws
 I would never share software downloaded from the Internet without license



Bluebeards (Business), Sample Size 125

ATTRIBUTE

Because software is expensive, it's better just to share with others
 All information provided on the Internet should be totally free
 Although it may be against the rules, no one really gets hurt when software is shared
 It is OK for a person to make a single copy of a CD that he/she borrows
 Copyright laws should not be applied to anything on the Internet
 Copying and sharing copyrighted information off the Internet is ok with small groups
 It is OK to change the date on one's computer to continue using expired software
 It is ok to share information downloaded from sites that I pay subscriptions
 Everybody who uses the Internet violates copyright laws at some point
 Any newsworthy article, in print or via the Internet, should be accessible and free
 The content on most subscription-based sites is not worth the money
 It is ok to share information from printed materials I subscribe to
 I would not knowingly violate copyright laws
 I would not like information I provide shared with others via the 'net
 12=Paying for content on the Web is no different than paying for a newspaper/magazine
 Information is as much a product to sell as are appliances, clothes
 There should be stricter regulations to protect copyright owner
 Information on the Internet should be copyrighted as property of author/source
 I would never share software downloaded from the Internet without licensing



Demographics of the Categories

Demographics of Respondents – Distribution of Category Types by Sex

	Business		Consumer	
	Males	Females	Males	Females
Regulator	45%	32%	39%	33%
Justified	22	15	18	23
Obedient	21	38	19	22
Anarchists	11	13	24	20
	100%	100%	100%	100%

In both the business and consumer environments, males are more likely than females to fall into the Regulator segment.

Females, on the other hand, are more likely to be Obedient Under Protest, particularly in the business arena. Females make up more than half of the respondents—nearly 55% of business and 60% consumer. Education, age, and income may be factors here in addition to gender. Age is a key discriminator in attitudes about piracy. Those in the 18-to-34 age group are far more likely to be Anarchists in both consumer and business settings, and are far less likely to be Regulators or Obedient Under Protest. On the business side, this younger group also has a significantly higher incidence of Self-justified Pirates than older age groups.

The two older age classifications are similar in nature, particularly in the consumer environment. With regard to business, the over 50 age group has a higher incidence of Regulators and lower incidence of Anarchists, which is not unexpected. As this younger generation has largely grown up with the Internet, it will be interesting to see if their attitudes (and behaviors) change as they grow older.

Consumer Category Demographics – Age Distribution

	18- 34	35 – 49	50 and over
Regulator	24%	38%	37%
Confused	23	19	22
Obedient	18	21	22
Anarchists	34	20	18

Business Category Demographics – Age Distribution

	18- 34	35 - 49	50 and over
Regulator	27%	41%	48%
Justified	28	15	10
Obedient	26	31	36
Anarchists	17	12	6

On the consumer front, the influence of rising incomes appear to be a more conservative attitude, as the incidence of Regulators increases and that of Anarchists (generally) decreases.

The impact is less clear in the business setting. The proportion of Regulators is consistent across income levels, while Anarchists are in fact more concentrated toward the upper end.

Consumer Category Demographics – Income

	Under \$20,000	\$20,000- \$34,999	\$35,000- \$54,999	\$55,000- \$84,999	\$85,000+
Regulator	28%	31%	30%	39%	44%
Confused	20	24	26	19	15
Obedient	26	23	20	23	15
Anarchists	25	20	22	17	26

Business Category Demographics – Income

	Under \$20,000	\$20,000- \$34,999	\$35,000- \$54,999	\$55,000- \$84,999	\$85,000+
Regulator	39%	28%	42%	33%	43%
Justified	15	11	19	23	16
Obedient	46	47	26	30	29
Anarchists	0	14	11	15	12

Education seems to exert a similar conservative influence as Income among both Consumer and Business respondents. As a demographic sector, those with a high school education or less are more likely to fall into Obedient Under Protest than other segments. In general, it appears that Obedient Under Protest have lower levels of education than the other segments.

Consumer Segment Demographics – Education

	High School or Less	Some College	College Grad	Post Graduate
Regulator	28%	31%	39%	41%
Confused	20	22	22	18
Obedient	32	22	16	15
Anarchists	17	23	21	25

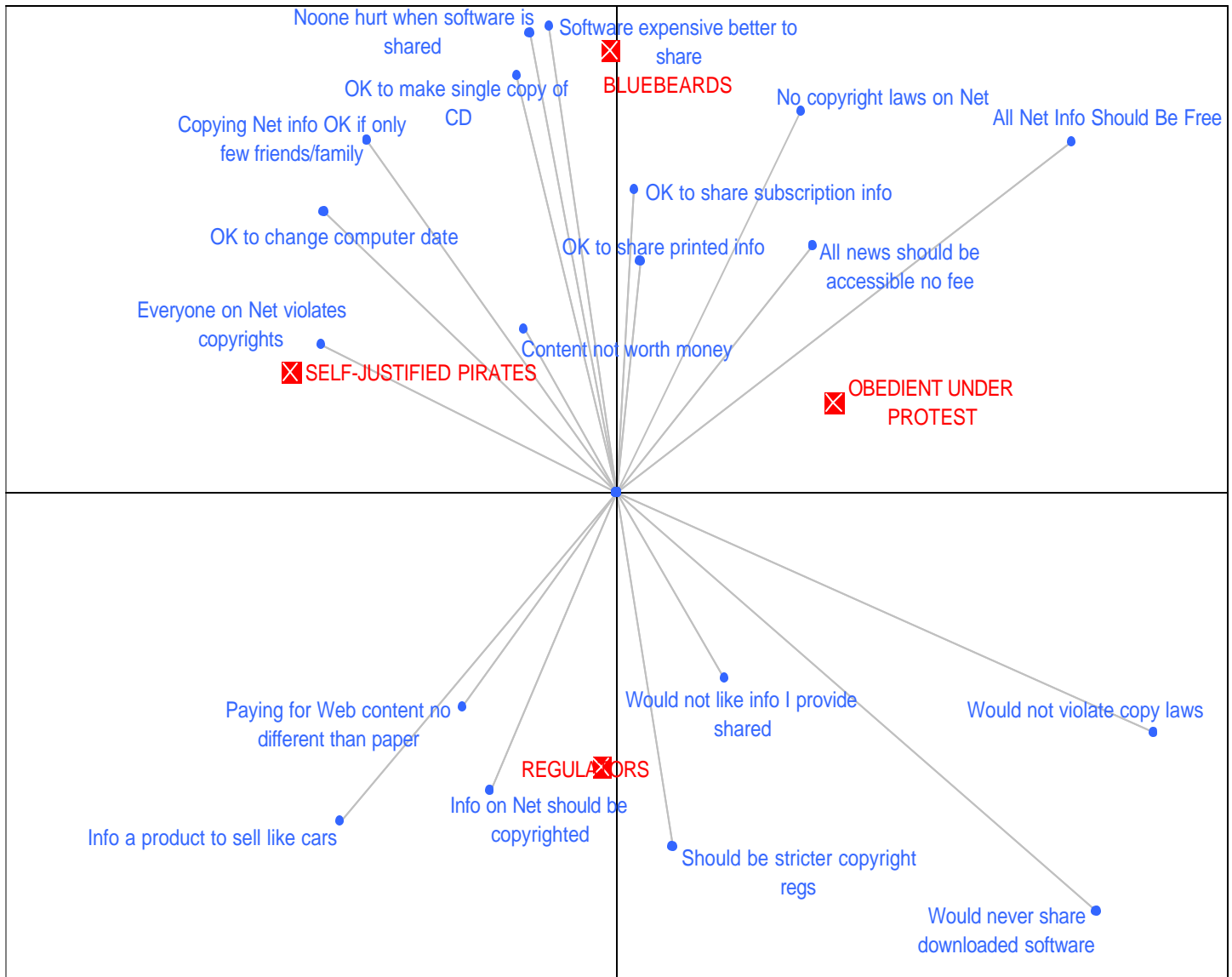
Business Segment Demographics -- Education

	High School or Less	Some College	College Grad	Post Graduate
Regulator	19%	35%	39%	46%
Justified	16	13	19	21
Obedient	44	37	30	21
Anarchists	19	13	12	11

Perceptual Map for Consumer Segments



Perceptual Map of Business Segments



Questionnaire & Top-line Responses

Consumer Version

Software

The first part of this survey concerns the electronic acquisition of software. By software, we mean, application software, designed to run on consumer computers (including Apple computers), and which is publicly available for purchase via a license agreement specifying its terms of use. This would include: all kinds of software, from anti-virus to games to office suites to the most complex enterprise systems.

1. Use of the Internet

Do you use the Internet to acquire (e-quire) computer software?

“e-quire” means the electronic download (including an e-mailed copy) of a functioning application onto a computer.

YES 71%

NO 29%

2. Where are you most likely to e-quire software?

Home 97% **Business 2.8%** **Other (library, school, internet café, etc.) 0.1%**

3. What type(s) of software have you e-quired? (Check all that apply.)

37.4% Business Applications (such as accounting, e-mail systems, office suites)

66.9% Game and Entertainment (such as PC games, simulations)

28.2% Home Education (such as children’s education, adult information and reference)

41.6% Personal Productivity (such as tax preparation, money management)

34.1% Utilities (anti-virus, system utilities, tools, etc.)

4. By what means have you e-quired software?

(Check all that apply.)

49.7% e-purchase (purchase of software license via the Internet) - continue

24.3% Limited-use license

75.2% Shareware/Freeware

5.1% Internet Relay Chat

34.8% FTP download

29.2% e-mail copy

5. From where did you e-purchase your software?

63.6% Direct from a software publisher,

20.4% Distributor/retailer

14.0% Application Service Provider

2.0% Online Auction site

6. How many software e-acquisitions have you made in the last 2 yrs.

8.6% None or One

56.3% More than 1, less than 5

31/0% Between 5-25

4.0% More than 25

7. When was your last e-acquisition?

21.3% Within the last 10 days?

21.2% More than 10 days ago, but within the last month?

51.8% More than one month ago, but within the last year?

5.8% More than one year ago, but within the last 2 years?

8. What is the primary use of e-quired software?
- 91.9%** Personal
 - 5.6%** Professional
 - 0.7%** File swapping/trading
 - 1.9%** Other, specify _____
9. Have you ever redistributed software you e-quired?
- 9.5%** Yes - continue
 - 90.5%** No – skip to Q.10
10. How many times have you redistributed software that you e-quired?
- 22.1%** Once – skip to q.10
 - 60.3%** More than 1, less than 5
 - 13.2%** Between 5-25
 - 4.4%** More than 25
11. When was the most recent occasion?
- 3.8%** Within the last 10 days?
 - 28.3%** More than 10 days ago, but within the last month?
 - 50.9%** More than one month ago, but within the last year?
 - 17.0%** More than one year ago, but within the last 2 years?
12. What is your primary means of redistribution?
- 52.9%** Download to disc or CD-ROM and send to recipient
 - 32.4%** e-mail copy
 - 1.5%** Internet Relay Chat
 - FTP download
 - 4.4%** beam through PDA
 - 2.9%** peer-to peer (e.g., Gnutella, Freenet, etc)
 - 1.5%** Post on website
 - 2.9%** Other

Attitude questions See pages 1 –6 for average responses

Please answer the following statements on whether or not you agree or disagree with them using the following scale:

- 1 = Strongly Agree
- 2 = Somewhat Agree
- 3 = Neither Agree not Disagree
- 4 = Somewhat Disagree
- 5 = Strongly Disagree

1. All information provided on the Internet should be totally free.
2. I would not knowingly violate copyright laws.
3. It is ok to share information downloaded from sites that I pay subscription fees to.
4. Information on the Internet should be copyrighted as property of the author/source.
5. It is ok to share information from printed materials (magazines, newspapers) to which I subscribe.
6. I would never share software downloaded from the Internet without appropriate licensing.
7. Because software is expensive, it's better just to share with others.
8. Because software becomes outdated quickly, it makes more sense just to borrow it from others.
9. Although it may be against the rules, no one really gets hurt when software is shared.
10. I would temporarily borrow software from someone else if I only had a short-term need for it.

11. The content on most subscription-based sites is not worth the money.
12. Paying for content on the Web is no different than paying for a newspaper or magazine subscription.
13. I would not like information I provide shared with others via the Internet.
14. I have made a copy of a CD that I borrowed from a friend or family member.
15. There should be stricter regulations to protect copyrights for anything found on the Internet.
16. I have changed the date on my computer to continue using an expired license rather than paying for a license renewal.
17. Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.
18. Information is as much a product to sell as are appliances, clothing items, or cars.
19. Everybody who uses the Internet violates copyright laws at some point in time.
20. Copying and sharing copyrighted information off the Internet is OK if I only share with a small group of friends, family, or colleagues.
21. Copyright laws should not be applied to anything on the Internet.

Digital Content

The second part of the survey relates to electronic acquisition of digital content. In this case, digital content is defined specifically as business content; proprietary business information developed by content providers such as trade, industry, or financial institutions, general business or news services, publishers, aggregators, or independent enterprises. Examples, would include American Chemical Society, Wall Street Journal, BusinessWeek- Online, Reuters, West Law, Science, etc. Such information is provided and accessed via the Internet (although, may be similarly provided in print form).

Free Content

Many digital business content publishers provide “free” content in addition to the subscription portion of their publications. With respect only to the “free” portion, please answer the following questions.

1. Do you access content from ‘free’ web sites at home?
 - 89.7%** Yes
 - 10.3%** No If no, skip to PAID CONTENT section.
2. How often to you access “free” digital business content?
 - 20.2%** Multiple times daily
 - 16.9%** Once a day
 - 15.6%** Once a week
 - 47.4%** Infrequently, that is, less than once a week
3. How often, on average, do you redistribute/forward “free” content?
 - 3.2%** Multiple times daily
 - 2.8%** Once a day
 - 7.5%** Once a week
 - 52.6%** Infrequently, that is, less than once a week
4. To how many people, on average, do you redistribute/forward “free” content?
 - 31.2%** None or One
 - 58.2%** More than 1, less than 5
 - 9.8%** 5 or more, but less than 25
 - 0.8%** 25 or more

5. To whom do you primarily send content?
9.2% Business colleagues
90.1% Friends/Family
6. What form is the information you are redistributing?
57.4% Links to the content
28.6% Copy a portion of the content in an e-mail
9.4% Copy a substantial portion of the content in an e-mail
3.7% Post the entire article to a web site
0.9% Peer-to-Peer posting

PAID CONTENT

1. Are you currently a subscriber to any online digital content provider?
13.4% Yes
86.6% No
2. If yes, how many subscriptions do you have?
Mean = **2.8** Median = **1**
3. How often, on average, do you download digital content?
13.2% Multiple times daily
18.4% Once a day
19.9% Once a week
39.0% Infrequently, that is, less than once a week
4. Does the provider(s), in general, permit redistribution/forwarding of content to non-subscribers?
22.8% Yes
20.6% No
56.6% Don't Know
5. How often, on average, do you redistribute/forward content?
3.2% Multiple times daily
9.7% Once a day
19.4% Once a week
54.8% Infrequently (less than once a week)
12.9% Never
6. To how many people, on average, do you redistribute/forward content?
22.2% One
55.6% More than 1, less than 5
18.5% Between 5-25
3.7% More than 25
7. To whom do you primarily send content?
88.9% Friends/Family
7.4% Business colleagues
--- Other Subscribers
3.7% Other
8. What form is the information you are redistributing?
63.0% Links to the content
14.8% Copy of a substantial amount of the content in an e-mail
18.5% Copy of a small portion of content in an e-mail
3.7% Post the entire content to a web site

9. If your content provider does not permit redistribution, do you redistribute/forward proprietary content anyway?

14.0% Yes

86.0% No

10. If yes, how often, on average, do you redistribute/forward “unauthorized” content?

--- Multiple times daily

15.8% Once a day

--- Once a week

84.2% Infrequently, that is, less than once a week

11. To how many people, on average, do you redistribute/forward “unauthorized” content?

42.1% One

42.1% More than 1, less than 5

5.3% Between 5-25

10.5% More than 25

12. To whom do you primarily send “unauthorized” content?

68.4% Friends/Family

26.3% Business colleagues

--- Other Subscribers

13. What form is the information you are redistributing?

52.6% Links to the content

10.5% All or a substantial amount of the content

31.6% A small portion of the content

14. Do you receive digital content from others, that you have not otherwise paid subscription?

39.0% Yes

61.0% No –

15. If yes, on average, how often?

13.2% Multiple times daily

11.3% Once a day

22.6% Once a week

52.8% Infrequently (< once a week)

16. From how many people, on average, do you receive redistributed/forwarded content?

17.0% One

60.4% More than 1, less than 5

18.9% Between 5-25

3.8% More than 25

17. From whom do you receive content?

79.2% Friends/Family

13.2% Business colleagues

3.8% Other Subscribers

3.8% Other

18. What form is the information you are receiving:

52.8% Links to the content

17.0% All or a substantial amount of the content

24.5% A small portion of the content

19. When you receive content, how often do you do you think you would have subscribed to or obtained a copy of that content yourself if you had not received it from someone else.

1.9% Always (100% of the time)

5.7% 75% of the time or more

49.1% 50% of the time

13.2% 25% of the time or less

30.2% Never (0% of the time)

20. Do you review the license terms and conditions of software and/or content you obtain off the Internet?

28.3% Always (100% of the time)

7.5% 75% of the time or more

13.2% 50% of the time

34.0% 25% of the time or less

17.0% Never (0% of the time)

Questionnaire – Business Version

Software

The first part of this survey concerns the electronic acquisition of software. By software, we mean, application software, designed to run on personal computers (including Apple computers), and which is publicly available for purchase via a license agreement specifying its terms of use. This would include: all kinds of software, from anti-virus to games to office suites to the most complex enterprise systems.

1. Do you use the Internet to acquire (e-quire) computer software?

(“e-quire” means the electronic download (including an e-mailed copy) of a functioning application onto a computer.)

69.5% YES

30.5% NO

2. Where are you most likely to e-quire software?

Home **33.0%**

Business **66.8%**

Other (library, internet café, etc.) **0.3%**

3. What type(s) of software have you e-quired? (Check all that apply.)

61.2% Business Applications (such as accounting, e-mail systems, office suites)

54.4% Game and Entertainment (such as PC games, simulations)

20.5% Home Education (such as children’s education, adult information and reference)

42.1% Personal Productivity (such as tax preparation, money management)

9.8% Utilities (anti-virus, upgrades, other utilities)

4. By what means have you e-quired software? (Check all that apply.)

80.8% Shareware/Freeware

57.4% e-purchase (purchase of software license via the Internet)

55.0% Limited-use license

45.7% FTP download

26.5% e-mail copy

4.6% Internet Relay Chat

5. From where did you e-purchase your software?
- 71.6%** Direct from a software publisher,
 - 18.2%** Distributor/retailer, or
 - 10.2%** Application Service Provider
 - Online Auction site
6. How many software e-acquisitions have you made in the last 2 yrs.
- 3.2%** One
 - 50.6%** More than 1, less than 5
 - 40.3%** Between 5-25
 - 5.4%** More than 25
7. When was your last e-acquisition?
- 23.7%** Within the last 10 days?
 - 28.3%** More than 10 days ago, but within the last month?
 - 44.3%** More than one month ago, but within the last year?
 - 3.7%** More than one year ago, but within the last 2 years?
8. What is the primary use of e-acquired software?
- 52.7%** Personal
 - 45.3%** Professional
9. Have you ever redistributed software you e-acquired?
- 15.6%** Yes - continue
 - 84.4%** No – skip to Q.10
10. How many times have you redistributed software that you e-acquired?
- 9.2%** Once – skip to q.10
 - 63.3%** More than 1, less than 5
 - 20.2%** Between 5-25
 - 7.3%** More than 25
11. When was the most recent occasion?
- 15.2%** Within the last 10 days?
 - 18.2%** More than 10 days ago, but within the last month?
 - 56.6%** More than one month ago, but within the last year?
 - 10.1%** More than one year ago, but within the last 2 years?
12. What is your primary means of redistribution?
- 8.3%** FTP download
 - 32.1%** e-mail copy
 - 5.5%** peer-to peer (e.g., Gnutella, Freenet, etc)
 - 0.9%** Post on website
 - 41.3%** Download to disc or CD-ROM and send to recipient
 - 10.0%** Other (IRC, ICQ, LAN, etc)

Attitude questions see pages 1 – 6 for average responses

Please answer the following statements on whether or not you agree or disagree with them using the following scale:

- 1 = Strongly Agree
- 2 = Somewhat Agree
- 3 = Neither Agree nor Disagree
- 4 = Somewhat Disagree
- 5 = Strongly Disagree

1. All information provided on the Internet should be totally free.
2. I would not knowingly violate copyright laws.
3. It is ok to share information downloaded from sites that I pay subscription fees to.
4. Information on the Internet should be copyrighted as property of the author/source.
5. It is ok to share information from printed materials (magazines, newspapers) to which I subscribe.
6. I would never share software downloaded from the Internet without appropriate licensing.
7. Because software is expensive, it's better just to share with others.
8. Because software becomes outdated quickly, it makes more sense just to borrow it from others.
9. Although it may be against the rules, no one really gets hurt when software is shared.
10. I would temporarily borrow software from someone else if I only had a short-term need for it.
11. The content on most subscription-based sites is not worth the money.
12. Paying for content on the Web is no different than paying for a newspaper or magazine subscription.
13. I would not like information I provide shared with others via the Internet.
14. I have made a copy of a CD that I borrowed from a friend or family member.
15. There should be stricter regulations to protect copyrights for anything found on the Internet.
16. I have changed the date on my computer to continue using an expired license rather than paying for a license renewal.
17. Any newsworthy article, in print or via the Internet, should be fully accessible without a fee attached.
18. Information is as much a product to sell as are appliances, clothing items, or cars.
19. Everybody who uses the Internet violates copyright laws at some point in time.
20. Copying and sharing copyrighted information off the Internet is OK if I only share with a small group of friends, family, or colleagues.
21. Copyright laws should not be applied to anything on the Internet.

Digital Content

The second part of the survey relates to electronic acquisition of digital content. In this case, digital content is defined specifically as business content; proprietary business information developed by content providers such as trade, industry, or financial institutions, general business or news services, publishers, aggregators, of independent enterprises. Examples, would include American Chemical Society, Wall Street Journal, BusinessWeek- Online, Reuters, West Law, Science, etc. Such information is provided and accessed via the Internet (although, may be similarly provided in print form).

Free Content

Many digital business content publishers provide “free” content in addition to the subscription portion of their publications. With respect only to the “free” portion, please answer the following questions.

1. Do you access content from ‘free’ web sites in your work?
89.2% Yes
10.8% No If no, skip to PAID CONTENT section.
2. How often to you access “free” digital business content?
42.0% Multiple times daily
18.0% Once a day
13.7% Once a week
26.3% Infrequently, that is, less than once a week
3. How often, on average, do you redistribute/forward “free” content?
6.9% Multiple times daily
7.3% Once a day
11.6% Once a week
56.3% Infrequently, that is, less than once a week
18.0% Never
4. To how many people, on average, do you redistribute/forward “free” content?
21.4% One
58.9% More than 1, less than 5
14.0% 5 or more, but less than 25
1.8% 25 or more
5. To whom do you primarily send content?
62.0% Business colleagues
37.0% Friends/Family
6. What form is the information you are redistributing?
61.6% Links to the content
29.0% A small portion of the content in an e-mail
7.8% All or a substantial amount of the content in an e-mail
1.3% Post the entire article on a web site

Paid Content

1. Do you currently have a paid subscription to any online digital content provider through your employer?
21.8% Yes
78.2% No

2. If yes, to how many subscriptions do you have access? **Mean = 8.8 Median = 2**
3. Do you ever allow 'unauthorized colleagues to use your passwords to access this content?
7.8% Yes
92.2% No
4. How often have you given out the password?
23.5% Once
64.7% 2-5 times
11.8% More than 5 times
5. Does the provider(s), in general, permit redistribution/forwarding of content to non-subscribers?
21.9% Yes
24.2% No
53.9% Don't know
6. Are redistribution/forwarding rights limited to,
41.7% Employer only
58.3% Unlimited, not specified
7. How often, on average, do you redistribute/forward content?
16.7% Multiple times daily
12.5% Once a day
18.8% Once a week
43.8% Infrequently, that is, less than once a week
8. To how many people, on average, do you redistribute/forward content?
13.6% One
50.0% More than 1, less than 5
27.3% Between 5-25
9.1% More than 25
9. To whom do you primarily redistribute/forward content?
63.8% Business colleagues (subscribers)
2.3% Other Subscribers
27.3% Business colleagues (non-subscribers)
--- Friends/Family
10. What form is the information you are redistributing?
36.4% Links to the content
13.6% All or a substantial amount of the content
47.7% A small portion of the content
11. Do you receive digital content from others, for which your employer has a paid subscription?
42.5% Yes **57.5%** No – skip to q.12
12. On average, how often do you receive content from others for which your employer has paid a subscription?
16.1% Multiple times daily
12.9% Once a day
23.7% Once a week
47.3% Infrequently, that is, less than once a week.
13. From how many people, on average, do you receive "authorized" content?
16.1% One
65.6% More than 1, less than 5
15.1% Between 5-25

3.2% More than 25

14. What form is the information you are receiving:

52.7% Links to the content

9.7% All or a substantial amount of the content

30.1% A small portion of the content.

5.4% Post the entire article to a web site

Unauthorized business content

15. Have you ever downloaded digital content to which your employer does not have a paid subscription?

20.7% Yes

79.3% No

16. How often, on average, do you download “unauthorized” digital content?

2.9% Multiple times daily

2.9% Once a day

3.8% Once a week

61.5% Infrequently, that is, less than once a week.

28.8% Never

17. How often, on average, do you redistribute/forward “unauthorized” content?

2.4% Multiple times daily

1.98% Once a day

2.4% Once a week

4.8% Infrequently, that is, less than once a week

49.5% Never

18. To how many people, on average, do you redistribute/forward “unauthorized” content?

24.8% One

64.8% More than 1, less than 5

2.9% Between 5-25

2.9% More than 25

19. What form is the information you are redistributing?

42.0% Links to the content

22.0% All or a substantial amount of the content

33.0% A small portion of the content

20. Do you receive digital content from others, to which your employer does not have a paid subscription?

19.4% Yes

80.6% No

21. How often, on average, do you receive digital content from others, to which your employer does not have a paid subscription?

4.6% Multiple times daily

11.3% Once a day

17.9% Once a week

66.2% Infrequently, that is, less than once a week

22. From how many people, on average, do you receive “unauthorized” content?

15.9% One

72.8% More than 1, less than 5

9.7% Between 5-25

1.5% More than 25

23. From whom do you primarily receive content?

- 45.6%** Business colleagues (non-subscribers)
- 12.8%** Other Subscribers
- 33.3%** Friends/Family
- 8.2%** Other

24. What form is the information you receive?

- 39.0%** Links to the content
- 19.5%** All or a substantial amount of the content
- 35.4%** A small portion of the content
- 4.6%** Post the entire article to a web site

25. Does your employer have a policy on the re-distribution of paid content?

- 32.1%** Yes
- 67.9%** No

26. If yes, please summarize policy : Major responses

- 20.5%** Not permitted
- 4.0%** Permission must be obtained
- 14.6%** Standard copyright policy
- 4.0%** Internal use only
- 9.9%** License is required

Demographics of Respondents

	PERSONAL USE		BUSINESS USE
GENDER			
Male	38.5%		46.5%
Female	61.5%		53.5%
AGE			
18-24	2.9%		3.2%
25-29	6.7%		10.7%
30-34	9.1%		16.4%
35-39	11.9%		19.7%
40-44	14.2%		15.7%
45-49	12.7%		13.5%
50-54	13.9%		11.5%
55-59	9.9%		5.6%
60-69	12.7%		3.5%
70+	5.9%		0.2%
INTERNET USAGE			
Light (<4 hrs/week)	3.7%		N/A
Medium (5-15 hrs)	25.0%		N/A
Heavy (over 16 hrs)	71.3%		N/A
MARKET SIZE			
Rural/small town	17.5%		8.0%
100,000-500,000	14.8%		11.6%
500,000-2 million	23.5%		19.7%
Over 2 million	44.2%		60.8%
HOUSEHOLD INCOME			
< \$20,000	9.3%		1.3%
\$20 - \$35,000	18.9%		8.6%
\$35 - \$55,000	26.4%		18.1%
\$55 - \$85,000	24.1%		31.4%
> \$85,000	21.3%		40.6%
RACE			
White	80.7%		80.5%
Black	1.6%		3.4%
Asian	1.4%		2..7%
Native American	0.4%		0.4%
N/A	15.9%		13.9%
EDUCATION			
HS or less	17.1%		5.7%
Some College	30.6%		20.9%
AA/BA	35.1%		47.5%
Post Graduate	14.3%		23.2%

