

A STUDY OF THE CONSUMER MOTIVE: WHY DO INDONESIAN CONSUMERS BUY PIRATED CD?

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ABSTRACT

The spreads of illegal music through internet received harsh criticism from musicians and record label companies. Piracy certainly has a devastating effect to the music industry; CD sales continue to decreasing globally and numerous recording companies are going bankrupt, leaving only a few big label companies. Since 2012 there are 3 major labels companies remain in the world which consists of Universal Music Group (UMG), Warner Music Group (WMG), and Sony Music Entertainment (SME), obviously it is a very small quantity compared to the past.

Music piracy has deeply rooted in Indonesia, leaving only 4.3 percent of legal music sales in the industry. Indonesian Songwriter and Singer Association (PAPRI) recorded in 2013 that piracy had caused loss of up to Rp4 trillion losses per year. Same thing happens in film industry where, based on Indonesian Film Producers Association (APROFI), piracy on a single film would cause around Rp4.3 billion of loss.

The objective of the research is to identify why people in Indonesia tend to buy pirated CD. In order to understand this, we conduct interview with 500 consumers of pirated CD live in Jakarta, Indonesia who are selected by purposive sampling method. To understand relation among variables, primary data analyzed by Path Analysis.

The research reaches a conclusion that Consumer motive has a significant role to form Consumer Purchase Intention; and consumer motive influenced by consumer moral judgment and consumer moral intensity but not consumer risk perception.

Keywords: *Purchase intention, Moral judgment, Consumer motive, Moral intensity, Risk perception*