

Abstract

Piracy has been a great problem in Hong Kong and it is high time that we should do something about it. The present study focused on pirated musical compact discs (CDs) and conducted detailed market analysis and empirical research aimed at understanding why consumers buy pirated instead of genuine CDs. It is hypothesized that morality and false consensus effect plays a role in influencing the consumers' decisions. The results supported both the morality and false consensus effect hypotheses. A general false perception was found that consumers overestimated the percentage of consumers buying only pirated CDs and underestimated the percentage of those only buying genuine CDs. Significant education effects give hope to the government on the effectiveness of consumer education, but no income effect was found. Implications to both the government officials and musical industry people were discussed.