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A Study of Consumer's Willingness to Pay for Non-pirated Software in Indonesia

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ABSTRACT

Objective – This study is conducted to identify the factors that influence willingness to pay for non-pirated software. Consisting of in depth analysis on the factors that effects consumers willingness to pay based on mainly attitude and perceived risk, additional study on pricing also complemented the analysis of the research. Purpose of this research is to provide effective solutions towards the escalating piracy by understanding factors that would encourage consumer purchase decision to non-pirated softwares.

Method – An online survey using convenience sampling targeted to 218 respondents from all over Indonesia ranging from highschool, undergraduates, graduates and general consumer is conducted. The study requires respondents to have ever acquired a pirated version of Microsoft office or Windows. In regard to analyzing the data, the author utilized SPSS 21.0 for reliability and validity pre-test, Cross tabulation analysis, cluster analysis, one-way anova and 3 step multiple linear regression in order to thoroughly investigate the factors.

Results – Based on the influence, the most significant drivers of consumer willingness to pay is normative susceptibility, followed by value consciousness, novelty seeking and perceived performance risk. Perceived social and perceived prosecution risk did not prove significant. Price also was proven as a determinant factor at predicting behavior, Individuals with high willingness to pay indicated more favourable towards the variables. Gap of market price and willingness to pay of consumers indicated a rapid difference of more than 400%. Value conscious was indicated to be different among occupation groups and association was detected between software preference and future purchase intention and normative susceptibility.

Conclusion – This study proved positively that software piracy is a contribution between attitude, risk and price. Recommendations on further methods of combating piracy by all stake holders such as government, software companies, developers and consumers are illustrated in the study. Increase in creating awareness and perception value of softwares are required. Further exposure on the tangible damages towards the economy, privacy infringement, malware should be conducted.

Keywords –Normative Susceptibility, Value Consciousness, Novelty Seeking, Performance risk, Social Risk, Prosecution Risk, Willingness To Pay.