



# **The Circulations of Culture. On Social Distribution of Content.**

Research report, September 2012.

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## **Introduction for global readers**

This report is a translation of a report published originally in Polish in January 2012, as a result of a survey study conducted in 2011. The publication took place at the height of the debate on ACTA and became an important element in public debates on copyright and regulation of online circulations of content.

After the introduction, parts two and three constitute the theoretical part of the report, in which we present a framework for understanding formal and informal circulations of content. Parts four to seven contain results of our empirical studies. They contain additionally comments on the report by three Polish scholars studying the interplay of culture, society and digital technologies.

At the end of the report we include three comments from foreign scholars and thinkers that have not been published in the original report.

We are making this report available in English as we believe that our study, while focused on the Polish society, addresses issues that are important globally. We hope that readers from other countries will be able to relate our report to conditions, events and debates in their own countries.

The Authors

PLN, respondents prefer the cheaper (free) option. When the price difference increases to 10 PLN, two times more respondents would choose the free download. At the same time, when the actual price of the good becomes more than 15 PLN for a DVD and 10 PLN for a downloaded file, the most popular option – chosen by one-third of respondents – becomes free, online access.

Based on the conjoint analysis we can state that respondents are willing to pay for better quality of content but at the same time are satisfied only with minimal prices. With the increase of prices, more respondents prefer informal, free sources. It is worth noting that the deciding price level of 20 PLN for a DVD is a price, for which almost none of the current movie offer can be purchased in Poland.

These results are consistent with the relatively small monthly expenditures on purchasing or renting movies or DVDs: 54% of surveyed Internet users didn't spend any money, 25% spent 25 PLN or less, while 21% spent more than 25 PLN. **It might be surprising that not only the younger age groups are unwilling to pay for content – the differences between individual age groups are statistically insignificant. The same is true for differences between genders, education levels, and places of residence.**

## **Piotr Toczyski: Active Internet users – a perspective on managing the experience**

*Piotr Toczyski: Initiator and co-author of the Polish edition of the World Internet Project, before that he contributed to the Portrait of an Internet User report, the Internet Diagnosis, and a series of reports prepared for the media industry, especially its Internet branch. Internet market analyst for Agora, member of the European Studies Unit at Institute of Philosophy and Sociology of the Polish Academy of Sciences.*

*(The text does not necessarily have to reflect the opinions held by the abovementioned institutions and initiatives.)*

How can we describe active Internet usage and why it might be good to expand our perspective by including the “managing of the Internet user’s experience”? How does the World Internet Project overlap with the Circulations of Culture and what new perspectives does the latter report open up?

Researching the circulation of cultural content with particular emphasis on the role of the Internet is a thankless task. The Internet is a part of a multi-tier system of content access. Content, which sometimes is only a symbol, a reference to “full content,” that flows through ad space, editorial space, and recently even transactional space. By superimposing a network of media types – starting with textual media, through audio, visual, audiovisual, up to unidirectional and interactive – we obtain a field that’s impossible to cover with a single research project. In consequence we end up with a lot more questions than answers, but on the other hand we’re ending up with new areas that are worth a closer look. In the context of this report, the legal aspect is shaping up to be a very important matter, but slightly detached from the real behaviors exhibited by Internet users. Legal conclusions formulated deductively surely don’t match the ones extracted via inductive reasoning from the observation of mass behaviors of Internet users. As a consequence of this discrepancy, we might go with an environmental analogy: if a group of people tramples a path through the middle of the lawn, it might be best to resolve the conflict or at least to keep all involved parties comfortable by making the trampled path an official walkway.

Managing the experience of the Internet user. For partial answers to the dilemmas posed by the report I would start looking – as it often happens with the Internet – in the not-so-obvious place: the managing of the user’s experiences. It might be good to base the conversation about informal access to content on a research- or intuition-based emphatic understanding of the Internet users and the acceptance of his or her world. And that world is not all that obvious, it might be exhausting for the user to make one more click, one more page view, to wait for a website to refresh, to wait for something for just a few seconds more. To put it bluntly: people get accustomed to higher standards very quickly. Websites that offer content in streaming, thus not requiring the user to download and store files, are becoming that higher standard nowadays. They allow the user to save a few clicks, which is all an active user wants, to save a few flicks. From this point of view, the Internet is still imperfect, because not all its elements will rise up to meet the users’ high standards. But if it’s still operational that means that the informal circulation of content must meet those high standards. It meets them better than the official market does. From this point of view one doesn't

consider legal, economic, and systemic entanglements . The comfort of the end user of content or a service is all that matters.

There's no shortage of authors who criticize the users' drive towards comfort and minimizing their broadly defined "costs" in computer-mediated communications.<sup>60</sup> But because that drive already exists on a mass scale – as this report indicates – it is reinforced by some authors and publishers, who see this "immediacy" as their competitive advantage and something very attractive for the users, and rightly so. In line with this reasoning, a website that allows a user to stream new episodes of TV series free of charge, without the need to download a file, is more responsive to the user's needs than a store offering physical media or a website that requires registration and payment. But there are cases out there, where users were known to pay for content that was presented illegally, which might give us something to think about. Taking the Internet user's needs into account, including "invented" needs such as minute reducing the time between intent and factual consumption of content, is crucial for understanding the issues surrounding the informal circulation of content.

We might risk saying that optimization of user experience is a challenge for both professional online and offline publishers, whose content appears on the Internet often against their will. For example, publishers who use ads might consider optimizing their ad space. Going overboard with ads might end up being counterproductive. In the transactional model, the question of payment on the Internet might turn out to be a barrier that's at least equally significant from both the point of view of managing the experience, as well as the point of view of microsavings on the user's part. Paying is more difficult, and not necessarily in the financial sense. It simply requires the user to do more, especially if it's payment outside of the Internet, related with physically relocating oneself to the store. This area of research, related to quality as understood by the users, i.e. user experience, seems to be absolutely basic.

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60 R. Piłat Robert, Internet i ludzki umysł [Internet and the human mind], in: Publicystyczny komentarz socjologów. Analizy – polemiki – wywiady. Wybór tekstów z lat 1957-2006, [The public commentary of sociologists. Analyses – debates – interviews], ed. H. Domański, A. Ostrowska, Warszawa: IFiS PAN 2006.

Despite that fact, it is very often ignored. So it might be worth to mention it in Circulations of Culture.

The informal circulation of content according to *World Internet Project*. The Circulations of Culture report opens up new avenues for a discussion that's already been started, by basically the same group of authors, in the Polish edition of the WIP report.<sup>61</sup> In the present report, the *World Internet Project: Poland 2011* is quoted extensively and critically. This source of reflection on the Internet, very new for academic and business circles, draws upon more than ten years of international experience in collecting, analysis, and interpreting declarative questionnaire data on the social aspects of the Internet. In Poland, the research was carried out in the homes of the respondents, and was conducted on a representative albeit a quota sample of 2 000 Internet users and people who don't use the Internet, with the help of the computer-assisted personal interviewing method. Thus, it's a relatively high quality source. *World Internet Project* came to Poland through the efforts of business entities involved in the development of the Internet, especially its content (gazeta.pl group, a subsidiary of Agora) and physical layers (TP Group and Orange). The project staff invited multiple scholar to participate. The research of these prospective collaborators included projects focused on the „Polish Internet” – including “Polish mobile Internet,” but was primarily revolving around the development of new technologies in Poland and patterns of their use and application. The researchers, who by poring over the research results and by participating in discussions on *World Internet Project: Poland* have co-created the Polish edition of the report were mostly affiliated on one hand with academic research centers, mostly located in Warsaw, including Collegium Civitas, the Warsaw School of Social Sciences and Humanities, and Warsaw University, and on the other hand with NGOs and non-academic research centers, like the Digital Center Project: Poland and the Observatory of Media Freedom. The aforementioned facilities, and especially the researchers affiliated with them, often align themselves with a particular point of view, but it turned out that they were quite unanimous in a

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61 M. Filiciak, Nieformalny obieg kultury – skala i znaczenie [Informal circulation of culture – scale and significance], in: *World Internet Project: Poland 2011*, op. cit.



discussion that could easily lead to confrontation.<sup>62</sup> Thanks to this expanded perspective, the list of issues raised by the Polish edition of the *World Internet Project* included a long list of questions absent from the global questionnaire, the answers to which could reveal some fresh insights from the informal media economy: “Do you occasionally download from the Internet the following media: music; movies; Polish TV series; foreign TV series; television shows; books (e-books); games; press articles; other media (what are they?); I’ve done no such thing; I refuse to answer; it’s hard to say.” And later, in a similar vein: “There is a possibility of accessing the abovementioned content without paying. Do you occasionally download from the Internet...” And to deepen the inquiry: “Why do you download content without paying... – because I don’t have to pay, even though I have the means; because I can’t afford to buy it; because I want to try it out before I buy it; because I’m not able to get the content in any other way (can’t buy it even though I want to); I refuse to answer; I don’t know/it’s hard to say.”

The data elicited for the Polish edition of WIP is currently being analyzed by people preparing their own work at research facilities other than the ones mentioned above. It will also be presented with data collected by researchers from America (gathered by the Digital Center at the USC Annenberg School of Communication) and the UK (gathered by the Oxford Internet Institute at Oxford University) Although the informal circulation module made its first appearance during the Polish edition of WIP, the Polish deliberations on the informal circulation of content on the Internet are not detached and separate from deliberations of researchers in other countries. Starting in Oxford: “Bill Dutton gave the example of the use of the word »piracy«, comparing its use in terms of sharing of copyrighted material versus attacking and robbing ships

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62 D. Ćwiklak, P. Toczyski, Polscy internauci na tle świata: którędy i dokąd zmierza polski Internet? [Polish Internet users compared to the world: where and along what route is the Polish Internet moving to?], in: Materiały pokonferencyjne. Profesor William Dutton z Oxford Internet Institute dyskutuje z polskimi badaczami Internetu na premierze World Internet Project: Polska 2011, <http://badania.gazeta.pl/file/mediakit/364446/b5/profesor-william-dutton-z-oxford-Internet-institute-dyskutuje-z-polskimi-badaczami-Internetu-na-premierze-world-Internet-project-polska-2011>.

at sea. While the use of 'piracy' is a useful rhetorical device for proponents of copyright protection, it is misleading in terms of law enforcement and public policy," noted the authors of a report on cybercrime.<sup>63</sup>

**The issue of conceptualizing heavy Internet usage.** I'll come back to citing Professor William Dutton, in the meantime, however, we should make a note of his role as the head researcher of the British edition of *World Internet Project*. The premiere of the first Polish WIP report in 2010 was graced with the presence and lecture of the researcher who originated the WIP concept, Professor Jeffrey Cole. His lecture was called *The Ever-Changing New Media User*. While describing the 12 to 24 age group, he said that his experiences in the last ten years he spent in the field seem to indicate that only in 2005 did a tendency to pay for content form in that group. A tendency that wasn't there before. Regardless of that, users from the below 25 age group want to move content across platforms, "without any limitations."

A concept similar to that of the ever-changing new media user appeared during Professor William Dutton's lecture, which he gave at the premiere of the Polish report in 2011, just as he was finishing his decade-long tenure as director of the Oxford Internet Institute. The concept of next generation Internet users, proposed by OII and based on the data from the British edition of *World Internet Project* seems to be theoretically convergent with the division proposed after elaborate statistical operations by the authors of the *2009 Internet Diagnosis*, a report prepared under the eye of Krzysztof Krejtz that was already quoted in this report. According to the research and the publication that followed it, active Internet users captured in the sample tend to exhibit three motivational patterns when it comes to Internet usage: a creative one, a consumer one, and an observational one. The "observers" – although active – are the least involved with the Internet and are mostly distrustful. "Consumers" are focused on active use of Internet resources, while "creators" satisfy most of their needs online.<sup>64</sup> Are all of the respondents from that survey "next

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63 S. Fafinski, W. Dutton, H. Margetts, Mapping and measuring cybercrime, Oxford Internet Institute Forum Discussion Paper, No. 18, 2010.

64 *Diagnoza Internetu 2009* [Internet Diagnosis 2009], op. cit.

generation users"? Could "Creators" be considered NGUs, while "Observers" not so much? The issue of conceptualizing the process of Internet immersion remains open and should not bypass the other side of the matter, meaning the further stages of digital exclusion increasingly inhabited by active Internet users.

**Directions for further exploration.** The need of a clear conceptualization of digitization processes and the need to abandon the conceptual chaos that plagues research focused on the Internet becomes more and more apparent. It's easy to imagine defining content consumption in not only legal and payment morality categories, but also in categories of digital exclusion, with the exclusion vector pointing in any possible direction. The "digitally excluded" descriptor might be conferred on both people who are unable to reach content that's potentially important for them, as well as people who use that content while staying in place developmentally. This review of theoretical proposals, along with some conceptual systematization seems to be a task that is still unfulfilled, thus leaving some of the terms open to ideological use.

Nevertheless, subsequent observations, made by the researchers in a quantitative scheme in this report, seem to confirm the involvement of Internet users in heavy consumption and sharing of cultural content – also outside of the Internet, and in the form of accessing paid content. Similarly, when Internet users' involvement in social and political spheres of life was analyzed, it also turned out that active users are more involved than others. Although the fact that heavy Internet use might lead to information fatigue and reveals the issues related to the superficiality and credibility of information<sup>65</sup>, it still is a designator of a group that quickly gains new competencies and exhibits a much greater interest in the world. However, in the interest of balance, we should bring up the so-called "Internet inequalities,"<sup>66</sup> which is a term for the

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65 A. Keen, *The Cult of the Amateur: How Today's Internet is Killing Our Culture*. New York: Doubleday/Currency 2007.

66 P. DiMaggio, E. Hargittai Eszter, *From the „digital divide” to „digital inequality”: Studying Internet use as penetration increases*. Princeton University Center for Arts and Cultural Policy Studies, Working Paper Series, 15, 2001.

differentiation of Internet users combined with subsequent degrees of digital exclusion: the second degree, related to competencies, and third degree, related to content.<sup>67</sup> It's probable that a section of active Internet users does not enrich the social capital with their Internet activities. It might also turn out that the informal circulation of cultural content, especially its Internet branch, favors the reinforcement of values or socially desirable forms of capital. These avenues haven't been explored in the report, but that of course is a result of the neutrality stance taken by the researchers who worked on it. Besides, it would not be feasible to investigate the described sphere with quantitative research, because the obtained results will be more superficial than the insights obtained via qualitative research. These revealed thanks to *World Internet Project* and either reinforced or narrowed down in this report, in respect to both formal and informal circulations, should be investigated further, while the results obtained in the past should be treated as an introduction to the world of the Internet user's perception. Some of the results are hard to interpret. One of the possible directions to choose would be recruiting respondents from the quantitative survey into a subsequent qualitative study, which would also serve to validate the data from the quantitative stage. In quantitative studies, we can never be certain that the respondents and researchers, the latter using either interviewers or the Internet – and, still, a computer in both cases – understand the same words in the same way.

The areas mentioned above, especially the user experience perspective, seem to be a good starting point for a process of looking for solutions in the informal content circulation sphere. The consequences of an end-user-centered approach might be beneficial for the sphere of cultural policy and administration, and further down the road, for the economy.

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67 K. Henne, *Zmierzamy ku trzeciemu już poziomowi cyfrowego podziału* [We are heading towards the third level of digital divide], [in:] *Portret Internauty* [Portrait of an Internet user], red. M. Wenzel, M. Feliksiak, P. Toczyski, Warszawa: Gazeta.pl i CBOS 2009.