Who Controls the Stream?
Governance, Business Models, and Artist Adoption in Music Streaming

Kasper Skattebøl Karlsen

Dissertation written under the supervision of Professor René Bohnsack and Cláudia Antunes Marante

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Abstract

Music streaming platforms have shaped the way we consume music and is a key driver for the music industry revenue. Platform governance, business model design, internationalization and artist adoption are rarely addressed together in previous research. This thesis explores how centralized and decentralized governance configurations shape business models, internationalization strategies, and how they affect artists.

The study uses a mixed methods exploratory research design with 15 industry expert interviews and an online survey of 27 active musicians. Findings indicate that centralized DSPs offers strong value delivery through algorithms, recommendations and curated playlists, supporting user retention and artist reach, making them a default base layer for artists. Still, decentralized DSPs are perceived to offer better value capture through transparency and fairness in payouts.

Centralized DSPs appear to internationalize through structured expansion through localization, licensing, and editorial activity, while decentralized DSPs borderless narrative is restricted by institutional barriers such as copyright, taxation, legal uncertainty around blockchain tokens, and scepticism among users, making it hard to scale and adopt users globally. Decentralized DSPs show that they offer more transparency and control to the artists, they are also described as too technical, time consuming, and associated with uncertainty around payouts and limited familiarity among artists and listeners, leading to lower adoption.

The thesis demonstrates that governance configurations shape the DSPs business model and internationalization strategy: centralized governance allows for cross-border expansion through licensing, local partnerships and market specific adaption. Decentralized governance offers transparency and control but is constrained by adoption frictions and institutional barriers.

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Author: Kasper Skattebøl Karlsen

Resumo

As plataformas de streaming de música moldaram o consumo musical e constituem um motor de receita crucial da indústria. Contudo, a governação das plataformas, modelos de negócio, internacionalização e adoção pelos artistas raramente são analisados de forma integrada. Esta tese examina como configurações de governação centralizadas e descentralizadas influenciam os modelos de negócio das plataformas de streaming digital (DSPs), estratégias de internacionalização e impacto percecionado nos artistas.

O estudo adota métodos mistos exploratórios, combinando 15 entrevistas a especialistas com inquérito a 27 músicos ativos. Os resultados mostram que DSPs centralizadas oferecem forte proposta de valor na entrega através de algoritmos, sistemas de recomendação e curadoria de playlists, promovendo retenção de utilizadores e alcance dos artistas, posicionando-se como camada base dominante. Contrastivamente, DSPs descentralizadas são percecionadas como oferecendo melhor captura de valor, com maior transparência e equidade nos pagamentos.

Na internacionalização, DSPs centralizadas seguem estratégias estruturadas baseadas em licenciamento, localização e parcerias editoriais, enquanto DSPs descentralizadas enfrentam constrangimentos institucionais, direitos de autor, regimes fiscais, incerteza legal em relação à blockchain e ceticismo dos utilizadores, o que dificulta a escalabilidade global. Embora ofereçam maior controlo e transparência, DSPs descentralizadas são tecnicamente complexas, consumidoras de tempo e associadas à incerteza nos pagamentos, o que resulta em baixa adoção.

Esta tese demonstra que configurações de governação desempenham um papel central na definição dos modelos de negócio e estratégias de internacionalização das DSPs.

Título: Quem Controla o Streaming? Governação, Modelos de Negócios e Adoção por Artistas no Streaming de Música

Palavras-chave: governação, internacionalização, modelos de negócio de plataformas, streaming de música, efeitos de rede dos dados, retenção de utilizadores

Autor: Kasper Skattebøl Karlsen

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List of Abbreviations

BM	Business Model(s)
DIY	Do It Yourself
DPF	Digital Platform-based Firm
DSP	Digital Service Provider
EU	European Union
FSA	Firm-Specific Advantage
GDPR	General Data Protection Regulation
LLM	Large Language Model
NE	Network Effect(s)
P2P	Peer-to-Peer
PRO	Performance Rights Organization(s)
US	United States

1. Introduction

Music streaming has changed the way we consume music, from ownership to access by connecting artists, fans, and intermediaries on the same platform (Guo, 2023). In 2024, 69% of the global music revenues came from streaming, indicating that most of the value creation, capture, and delivery happens through music streaming platforms, digital service providers (DSP) (IFPI, 2025). The shift from ownership of cassettes, CDs and LP´s to access to millions of songs at any time and context has reconfigured how artists and musicians reach new audiences and generate income. DSPs shape market access through catalogues, algorithmic recommendations, and curated playlists, making platform design choices important to who becomes visible and how reach and revenue are distributed across the platform ecosystem (Zhao et al., 2020; Täuscher & Laudien, 2018; Costabile, 2024).

Centralized DSPs offer listeners easy access to large catalogues through subscription and ad-based tiers, while artists benefit from global distribution. However, this thesis emphasizes that centralized DSPs have brought concerns regarding governance, limited transparency, and dissatisfaction with revenue distribution.

In response, Web3-focused decentralized DSPs have emerged, claiming to address these issues through blockchain-based infrastructure that enables distributed control and transparent value exchanges (Santalo & Filatotchev, 2025; Martino et al., 2025; Chen et al., 2021; Šilenskytė et al., 2024). However, these platforms face technical barriers, reach uncertainty, and concerns about institutional fit and legitimacy.

Research streams on platform governance, platform business model (BM), platform internationalization, and artists adoption are extensive, but rarely examined together in the context of music streaming. Previous research on governance defines how platforms distribute control through ownership, decision rights, and architecture (Costabile, 2024; Tiwana et al., 2010). Platform BM research emphasizes the structure of value creation, capture, and delivery, and how governance shapes these (Zhao et al., 2020; Morris et al., 2005; Täuscher & Laudien, 2018). Internationalization theories have developed to partly explain how digital platform - based firms (DPFs) scale and navigate formal and informal institutions (Stallkamp & Schotter, 2021; Li et al., 2025; Meyer et al., 2023). Lastly, research on music streaming has focused on gatekeeping, artists' perception of fairness, and industry concentration, but has rarely compared centralized and decentralized platforms and how the different governance structures affect BM, internationalization, and artist adoption.

This thesis addresses this gap by asking: how does platform governance structure influence business models and internationalization strategies, and what are the implications for artist adoption?

To answer this research question a mixed methods exploratory research design combining industry expert interviews and a supporting survey on artists' platform behaviour is employed to answer a set of three research sub-questions: (1) "*What are the business model differences between centralized and decentralized music platforms?*" (2) "*How does the platform governance structure influence their internationalization strategies?*", (3) "*How do business models and internationalization strategies influence artist adoption?"*.

The qualitative part consists of fifteen semi-structured expert interviews with professionals in the music industry. The respondents represent different parts of the music industry, such as licensing, royalties, labels, publishing, and consulting. Their answers are analyzed using the Gioia methodology (Magnani & Gioia, 2023), moving from informant-based codes to researcher-based themes that help explain how governance structures in DSPs are linked to BM configuration and internationalization. The quantitative part consists of an online survey (n=27) targeted at musicians who actively release music digitally. The survey was built in Qualtrics and included 24 questions organized in seven blocks. Given the small sample and volunteer sampling method, the survey findings are interpreted as indicative patterns among digitally active artists rather than statistically generalizable results. The survey provides exploratory patterns on platform usage that complement the expert interviews.

The findings indicate that centralized DSPs offer strong value delivery through algorithms, recommendations and curated playlists that support user retention and artist reach, while decentralized DSPs are perceived to offer better value capture through transparency and fairness in payouts. Centralized DSPs appear to internationalize through structured expansion through localization, licensing, and editorial activity, while decentralized DSPs borderless narrative is restricted by institutional barriers such as copyright, taxation, legal uncertainty around blockchain tokens, and scepticism among users, making it hard to scale and adopt users globally. While findings on decentralized DSPs show that they offer more transparency and control to the artists, they are also described as too technical, time consuming, and associated with uncertainty around payouts and limited familiarity among artists and listeners, leading to lower adoption.

Theoretically, the thesis addresses fragmented insight into how governance mechanisms shape platform BM, internationalization strategies in a music streaming context. Empirically, it provides a comparative analysis based on expert insights and artist behaviour, providing a deeper understanding of how governance structures might result in variations in value creation, capture, and delivery.

2. Theoretical Foundation

The following chapter reviews four streams of literature: platform governance, platform BMs, internationalization theory, and the current state of the music industry. The review synthesizes insights from the literature that serve as a foundation for the study. It clarifies concepts such as governance mechanisms, value creation, delivery, capture and internationalization strategies in traditional and DPFs. Lastly, it draws on research on artists and music streaming to bridge DSP design choices to artist adoption.

Taken together, these four literature streams provide the conceptual lens through which this thesis examines how governance models in DSPs shape their BM, internationalization strategies, and, ultimately, artists' adoption decisions.

2.1.1 Platform Governance

2.1.2 What are digital platforms?

A DPF, often called a multisided platform, is a digital ecosystem that enables interaction and value exchanges between multiple connected user groups (Zhao et al., 2020; Stallkamp & Schotter, 2021; Surana et al., 2024; Meyer et al., 2023; Sanner et al., 2025). Unlike traditional "pipeline" BMs, where resources are utilized to offer a product or a service, in a platform ecosystem, value is created by enabling interactions (Zhao et al., 2020).

DPFs are usually characterized by network externalities (NE) (Gawer & Cusumano, 2014). Scholars divide NE into two categories: direct NE and indirect NE (McIntyre & Srinivasan, 2016; Stallkamp & Schotter, 2021; Banalieva & Dhanaraj, 2019). Direct NE occur when an increase in one user type leads to an increase in the same user type (Stallkamp & Schotter, 2021). Indirect NE occur when an increase in one user type attracts another user type, or a complementor (McIntyre & Srinivasan, 2016). Data NE arise when platforms collect and analyze user data to provide personalized experiences (Gregory et al., 2021).

2.1.3 Centralized platforms

In a centralized DPF, the overall control of the platform and fundamental decisions, such as access, pricing models, and distribution of value, is allocated to the platform's owner (Santalo & Filatochev, 2025). Centralized governance gives the owner the central role in directing the value capture and creation for the platform's ecosystem (Bendig & Charlet, 2025). According to Martino et al. (2025), (p. 1767), a centralized platform is "characterized by clear hierarchies and decision-making concentrated in a leader or a group". Chen et al. (2021) argue that concentrated power leads to rapid decision-making and critical actions, leading to more effective outcomes.

The most used DSPs are centralized platforms such as Spotify, Apple Music, and YouTube Music and Amazon Music. Owners own and control the technological infrastructure, the algorithms, and processed data that connect the complementors of the platform (artists, listeners, advertisers) (Spotify, n.d.; Apple, n.d.; Google, n.d.). Centralized governance allows the owner to dictate how value is created and captured within the ecosystem, including how much artists are paid, content recommendation and visibility, and which regions the platform is available (Costabile, 2024). By having exclusive control over these components, centralized platforms can easily expand while having control over data and monetization.

However, a centralized governance structure may create imbalances in user interests. For example, artists are dependent on the platform's payment structure, but they have limited influence on the governance (Martino et al., 2025). Such dependency can create tension and conflict between platform owners and complementors when value distribution is seen as unfair (Costabile, 2024). Not only does centralized DSPs let the owner set the rules of revenue-sharing, but it also determines how artists and songs are discovered (Spotify, n.d.).

Furthermore, centralized governance raises concerns regarding trust and transparency. Key decisions regarding discovery algorithms, payment to complementors, and regional availability are made by the owners (Martino et al., 2025). When governance decisions put some groups in favour of others, it can decrease the legitimacy of the platform (Costabile, 2024), as seen with the case of SoundCloud which started as a platform for independent musicians to share and promote music, but as it grew in popularity, the owners changed its algorithms and terms in favour of major music labels (Santalo & Filatotchev, 2025). Centralized governance uses hierarchy to preserve stability and efficiency, but at the expense of inclusiveness and distributed

control (Santalo & Filatotchev, 2025). These tensions and the rise of new technology have driven an increase in interest in alternative governance models such as decentralized governance models.

2.1.4 Decentralized platforms

Decentralized platforms distribute the control and decision rights among their users (Santalo & Filatotchev, 2025). These platforms aim to reduce centralized power by enabling shared governance, where platform members hold voting rights or tokens that grant them influence over platform policies, feature development, and revenue distribution mechanisms (Martino et al., 2025; Chen et al., 2021). Chen et al. (2021) emphasize how DPFs are more likely to meet the overall interests of the platform members through decentralized governance due to each member's participation in goal setting and decision making. The platforms often use blockchain technology that allows distributed control and transparent rule enforcement through smart contracts (Santalo & Filatotchev, 2025; Šilenskytė et al., 2024). Blockchain enables decentralized decision-making by integrating code-based rules that every participant can verify (Šilenskytė et al., 2024).

A fully autonomous decentralized platform uses blockchain to set pre-defined rules. Platform participants get tokens that act as voting rights and serve as a control over the platform's operations. Members discuss and collaborate online, and changes are executed automatically through smart contracts. By distributing governance throughout the community rather than under the control of a single entity, the platform gives users the direct ability to influence the platform's development.

This technological architecture allows platforms to replace central, hierarchical power with community-based governing, increasing transparency and trust (Santalo & Filatotchev, 2025). In the music streaming industry, platforms like Audius enable direct connections between artists and fans, and direct compensation for content without the need for intermediaries like record labels and distributors (Coinbase, n.d.). Audius uses a decentralized file system and blockchain technology to stream music via a global network of content nodes. These nodes enable distribution and discovery while rewarding artists and node operators (Santalo & Filatotchev, 2025). Decentralized platform like Audius is not without problems. According to Santalo and Filatotchev (2025, p.7), "Audius faces significant scalability issues due to the complexity involved in setting up and maintaining its decentralized nodes. Expanding the network to handle increased user traffic is difficult because running these nodes requires

specialized technical expertise". Additionally, the use of blockchain may lead to other barriers, such as overcoming technological distrust and illiteracy among their target group (Virani, 2024) and dealing with different regulations regarding the use of cryptocurrencies (Rahman et al., 2025). These issues are discussed in more detail in section 2.3.3.

As mentioned above, decentralized platforms may face problems with scaling, user trust, technical complexity and regulatory barriers. Since 2018, Audius has gained approximately 2.7 million active monthly users as of November 2025 (Audius, n.d.). These numbers show some traction but are relatively small compared to the 818 million streaming subscribers in the world (Statista, 2025). This limited user growth raises the question of whether decentralized DSPs are only beneficial to a small number of tech-savvy artists and fans. Moreover, platforms that use blockchain risk attaining mostly technically skilled users. The requirement of token wallets and the use of a new currency may be seen as a burden to artists and listeners who primarily seek convenient ways of sharing and listening to music (Bendig & Charlet, 2025). Finally, the environmental impact of blockchain technologies has drawn criticism (Zhuk, 2025). Some blockchain networks use a lot of computing power for their operations, but some alternatives are more energy-efficient, such as the Proof of Stake algorithms that Audius runs on. These designs reduce the energy consumption compared to the more traditional Proof of Work systems, mitigating environmental concerns (Zhuk, 2025; Audius, 2023).

2.1.5 Key differences between governance models

The choice of governance model influences the balance between control, trust, transparency, efficiency and flexibility. Table 1 summarizes the key differences in centralized and decentralized governance.

Table 1: Governance model comparison

Dimension	Centralized Governance	Decentralized governance	Key references
Control Mechanisms	Concentrated to platform owner	Decision rights distributed among users	Santalo & Filatochev, 2025; Bendig & Charlet, 2025; Martino et al., 2025
Trust	Relies on reputation and compliance with authority	Trust gained through transparency and shared decision-making	Martino et al., 2025; Santalo & Filatochev, 2025
Transparency	Limited visibility into algorithms, data use and value distribution	High transparency of transactions, rules and ownership	Martino et al., 2025; Santalo & Filatochev, 2025
Efficiency	High decision speed and operational coordination	Slower processes due to distributed decision-making	Chen et al. 2021;
User Experience	Limited collaborative control for users	May face usability issues from complex interfaces	Costabile, 2024; Santalo & Filatochev, 2025

These governance trade-offs are not merely structural; they translate directly into how platforms design their BMs and organize value creation, delivery, and capture, which is the focus of the next section.

2.2.Platform business models

2.2.1. What are business models?

The governance model of the platform shapes its BM by dictating how value is created, delivered, and captured. While there is a large pool of research in the field of BMs, researchers and academics do not have a universal definition of what a BM is (Zott et al., 2011). Put simply by Teece (2010) (p.174), the BM of a firm lays out the "logic required to earn profit". According to Magretta (2002, p.4), a BM should answer the questions "Who is the customer? And what does the customer value?". It makes presumptions about customers, the patterns of revenue and costs, the evolving nature of human requirements, and anticipated competitor reactions (Teece, 2010). The BM should explain what value the firm creates for the customer, how the firm delivers the value, and how it will capture a share of that value (Teece, 2010).

Morris and colleagues (2005) propose a framework that centres around three phases: Value creation, value capture, and value delivery. The BM should indicate what the customer wants (value creation), how the customer wants it, and what they will pay (value delivery), and how the firm can meet the demand from the customers while earning revenue from it (value capture) (Teece, 2010).

For DSPs, these phases of value creation, delivery, and capture are particularly salient, as governance choices determine who is allowed to create value on the platform, how the value is delivered to different user groups, and how revenues and data flows are captured and redistributed among complementors.

2.2.2. Value creation, capture and delivery

Value creation covers the firm's decisions regarding the nature of the product or service and how it's made available to customers (Morris et al., 2005). In a DPF, the value creation is enabled by the interactions between the different sides on the platform. Consequently, DPFs must perform activities that attract and retain users on each side, enable value-creating exchanges, while setting and maintaining the rules and standards (Zhao et al., 2020).

Value delivery communicates how the created value reaches customers, and can be made clear by addressing Morris and colleagues' question: "For whom will the firm create value?" (p.729). This phase of the BM involves deciding "the nature and scope of the market in which the firm competes", and includes geographic scope, type of customer, and the firm's resource requirements (Morris et al., 2005, p.729).

The value capture explains how the firm monetizes the created and delivered value (Täuscher & Laudien, 2018). In the context of platform businesses, value capture mechanisms can include subscription fees, advertising revenues, commissions, data monetization, or token-based incentives, depending on the platform's governance model.

2.2.3. How centralized platforms approach business models

Centralized platforms create value by facilitating exchanges between the multiple sides of the platforms, such as artists, labels, listeners, and advertisers in the context of DSPs (Zhao et al., 2020). The platform uses technology, algorithms, and data analytics to enable value transactions between the different sides (Täuscher & Laudien, 2018). Music curation and recommendation algorithms enhance convenience and discovery, which creates a larger perceived value for the users. The firm captures a part of that value by deciding how revenues are generated and further distributed across the ecosystem (Costabile, 2024).

Record labels, distributors, and performance rights organizations (PROs) serve as crucial complements to centralized DSPs. Labels assist with production and negotiate licensing agreements as primary rights holders. Distributors handle content delivery, metadata, and revenue collection. PROs oversee composer and songwriter rights (UNESCO, 2022).

Centralized DSPs commonly use the pro-rata revenue model (Bender et al., 2021), which favours artists with larger fan bases and creates significant payout variation ($3.00 to $8.80 per 1,000 streams) (Statista, 2025). Platforms offer subscription and ad-supported tiers, capturing revenue and data. Value delivery occurs through cloud-based infrastructure and distribution channels, while owners control geographic availability and compliance with regional licensing (Meyer et al., 2023). This infrastructure collects behavioural data that informs recommendation algorithms, generating data NE (Gregory et al., 2021).

2.2.4. How decentralized platforms approach business models

On decentralized platforms, value is created by platform participation and exchanges on the blockchain. The platform's infrastructure enables complementors to co-create value and build trust through blockchain technology (Šilenskytė et al., 2024). Value is captured within the architecture itself, through crypto-tokens or royalties. Tokenization functions as a new economic layer where users can earn from engaging on the platform. An example of this is Audius´ $AUDIO, which is used for purchasing songs, tipping artists, and unlocking themes (Audius, n.d.). Audius also lets $AUDIO token holders participate in decision-making and governance of the platform (Santalo & Filatotchev, 2025). In a decentralized DSP, value is delivered through the open-source infrastructure and integration across networks (Šilenskytė et al., 2024). The delivery mechanisms allow music listeners to support artists directly or stream through community-operated nodes, rather than centralized servers (Santalo & Filatotchev, 2025).

Smart contracts enable automatic execution of revenue distribution based on fulfilment of predefined terms. On Audius, the artist publishes a song and sets the price. The song is released to the listener as soon as the payment is received. The process is instant and transparent for everyone on the platform. When the music is sold, the artist earns 90% of the set price, while 10% is shared with the Audius Network to help support network maintenance, improvements, and community projects (Audius, n.d.).

2.2.5. Business model differences in centralized and decentralized platforms

Centralized platforms create value by facilitating the ecosystem where music can be shared and streamed, delivering value through playlist curation and personalization, and capturing value through subscriptions and ad-supported tiers. On the other hand, decentralized platforms create value by providing the architecture for community participation with blockchain-enabled trust mechanisms. They deliver value through shared infrastructure and enable value

capture through tokenization and on-chain royalty payments. Table 2 summarizes the key differences in BM configuration between centralized and decentralized DSPs.

Table 2: Business model components of centralized and decentralized platforms

Business model dimension	Centralized platforms	Decentralized platforms
Value creation	Ecosystem participation Network Infrastructure	Community participation Blockchain enabled trust mechanisms
Value Delivery	Owned infrastructure (curation, algorithms) Personalization	Shared infrastructure (peer-to-peer sharing)
Value capture	Subscription based Ad-supported tiers Shared revenue models	Token Royalties

These contrasting BM logics are also reflected in how centralized and decentralized platforms approach international expansion, as the scalability and portability of their revenue structures, data strategies and token-based incentives shape their internationalization, as discussed in the next section.

2.3.Internationalization strategies

A shift from traditional firms' asset-based expansion to DPFs' international scaling of data, users, and algorithms marks a pivotal change in how firms grow and compete across borders (Meyer et al., 2023). Unlike traditional firms, DPFs take advantage of non-physical and scalable assets such as NE and advanced algorithms to expand rapidly across borders (Autio et al., 2021). This change goes against existing ideas of internationalization and calls for new theoretical frameworks to explain how DPFs grow across borders (Li et al., 2025; Surana et al., 2024; Meyer et al., 2023).

2.3.1. Internationalization theories

Established internationalization theories, largely focused on pipeline businesses, present limited explanatory power for internationalization among DPFs (Li et al., 2025). The Uppsala model emphasizes that businesses internationalize step by step, starting with geographically closer countries, and the need for a physical presence to establish lasting, trustworthy relationships in a new market (Johanson & Vahlne, 1977; Surana et al., 2024). At the same

time, technology enables some DPFs (e.g, Facebook, Tinder, Airbnb) to coordinate international spread without a physical presence (Autio et al., 2021; Meyer et al., 2023).

The OLI framework presented by John H. Dunning in 1980 gave businesses a set of determinants that would help them decide whether to internationalize or not (Dunning, 1980). These determinants include ownership-specific advantages (O), location-specific advantages (L), and internalization-specific advantages (I) (Surana et al., 2024). However, Surana and colleagues argue that the OLI framework (Dunning, 1980) does not fully apply in today's business world, because it does not explain factors related to resource-constrained firms like DPFs, which often rely on external resources (Surana et al., 2024). They also argue that technology and data have enabled firms to focus more on innovation and speed than cost and distance (Surana et al., 2024).

Research on 'born globals' indicates that some firms internationalize rapidly from launch rather than gradually (Cavusgil & Knight, 2015). These young, resource-constrained firms maintain international orientation from inception, with expansion supported by innovation and network relationships. Digital infrastructure reduces risks and costs of international expansion (Nambisan et al., 2019), enabling small firms to access global users from the start and facilitating the emergence of born-global DPFs.

DPFs internationalize based on mechanisms distinctive to their architecture. One of the most significant mechanisms for the DPFs' internationalization process is the presence of NE (Stallkamp & Schotter, 2021). Cross-border NE can make firms choose a direct entry to new markets because the firms use their global user base to attract new users. On the contrary, location-bound NE lead to firms collaborating with local firms through alliances and acquisitions (Li et al., 2025). Data NE have emerged from the latest advances in artificial intelligence and the rise of data availability. DPFs use advanced algorithms to learn from user data and predict their behaviour. This leads to a new dimension of personalization, where the platforms can offer a more personalized experience to their users and deliver more value to the user (Gregory et al., 2021). This personalization increases the perceived value of the platform and leads to platform stickiness, the tendency for users to come back to the platform due to a high level of personalization (Liu et al., 2025). This dynamic illustrates how DPFs leverage algorithmic learning to create feedback loops that simultaneously strengthen user loyalty, refine value creation, and sustain competitive advantage across markets.

Internationalization is also shaped by institutional environments. According to Meyer and colleagues (2023), the way firms approach international expansion is affected by a dual institutional framework. *Informal institutions* are characterized as generally unwritten yet socially acknowledged rules and limits that shape expectations of social behaviour. Informal institutions do not necessarily have a big impact on DPFs because global firms are affected by institutional pressure from multiple countries at the same time. Yet firms might have to adapt to countries' cultural elements, such as appropriate marketing (Meyer et al., 2023). *Formal institutions* refer to national (or regional, such as EU) laws and regulations that affect the business (Meyer et al., 2023). These regulations include employment laws, consumer protection regulations, taxation, data privacy, and intellectual property rights. For DPFs, formal institutional concerns are especially important when internationalizing, because they are affected differently from nation to nation. For example, disparities in data protection regulations, such as the EU's General Data Protection Regulation (GDPR) compared to more permissive laws in other regions, directly affect how platforms handle user data and structure their BMs (Meyer et al., 2023).

2.3.2. How centralized platforms internationalize

The expansion of centralized music platforms is limited by varying music licensing regulations across different nations. Centralized DSPs negotiate with right holders such as labels and publishers in each jurisdiction to get the necessary permissions to stream songs. In practice, licensing regulations shape the internationalization speed. When Spotify launched in India, 2019, it took approximately 11 months to sign a licensing deal with global publishing company Warner Chappell Music (Deahl, 2019; Ingham, 2020), showing that different intermediaries with different rights and negotiation interests can delay and complicate a market entry. This licensing challenge creates what Stallkamp and Schotter (2021, p. 64) point out as "within-country NE," where NE are limited to one specific nation due to regulatory and legal frameworks that differ across borders. Unlike platforms with cross-country NE that can leverage the complementor base for internationalization, centralized DSPs like Spotify, Apple Music, and YouTube Music face location-bound FSAs (Stallkamp & Schotter, 2021).

Platforms with within-country NE often face the "chicken-and-egg" problem: the platform must attract enough users from one side of the market for it to be attractive for the other side of the market to join the platform (Stallkamp & Schotter, 2021). A possible way to get over this problem is to acquire or partner with an established firm. For example, Tidal is continuously partnering with telecommunications companies to bundle subscriptions with mobile plans,

accelerating user acquisitions (Jones, 2018). Other collaborations include financial payment institutions to help overcome complex payment environments, such as Spotify´s collaboration with Nordea to help overcome tax challenges in Turkey and repatriation from Indonesia to Sweden (Nordea, 2025), and local marketing partners such as Deezer's collaboration with Azerion for audio and video advertisement in Brazil (Deezer, 2025).

Compliance with data privacy, competition law, and intellectual property rights is important to centralized platforms´ internationalization. Formal institutional barriers regarding data and content regulation require adaptation (Meyer et al., 2023). Privacy laws differ across nations and regions. For example, a company that is physically based in the US must comply with the EU´s GDPR when offering its digital platform in the EU (Meyer et al., 2023).

To successfully enter a new market, platforms must tailor their service to not only meet the formal institutions but also meet the needs of their users. Music platforms address local teams of researchers, engineers, and local tastemakers to adjust their content libraries with locally curated playlists, offer different languages, and match their subscription fees to local purchasing power (Spotify, 2019).

The expansion of centralized platforms is constrained by continuous local adaptation and disrupting formal institutions, which limits the speed of growth across borders. In contrast, decentralized platforms overcome these limitations by leveraging open and global infrastructure that enables borderless value exchanges.

2.3.3. How decentralized platforms internationalize

Decentralized platforms´ open and borderless infrastructure allows users to exchange value without geographical and centralized intermediaries (Šilenskytė et al., 2024). They are theoretically international from the start, as any user, artist, or other complementor can contribute to the ecosystem through the Internet (Šilenskytė et al., 2024). In contrast to centralized platforms that navigate licensing and jurisdictional compliance when expanding their operations across countries, decentralized platforms expand through code and community building (Santalo & Filatotchev, 2025). Blockchain lets decentralized platforms run value exchanges and decision-making, without geographical boundaries (Šilenskytė et al., 2024).

Despite this borderless narrative, several regulatory frameworks constrain internationalization in practice (Rahman et al., 2025). Across the globe, nations and regions vary in their classification and regulation of blockchain technology, enforcement of Know-

Your-Customer (KYC) and Anti-Money-Laundering (AML) regulations, and crypto assets (Rahman et al., 2025). Rahman and colleagues (2025) describe the jurisdictional environment as significantly diverse, ranging from standardized EU regulations through MiCA, a complicated and fragmented regulatory approach in the US, to restrictive approaches in parts of Asia. These differences create legal friction that restricts the borderless operation that blockchain theoretically provides.

Beyond regulations, decentralized platforms face localized adoption challenges. Bendig and Charlet (2025) note that blockchain architecture requires a certain level of technical capability, which may lead to difficulty in attaining new users. Users can be intimidated by blockchain-based platforms due to a complicated interface, unfamiliar and technical vocabulary, and complex approaches to using the platform (Virani, 2024). This issue is intensified in regions with low digital literacy and limited technological infrastructure, where such barriers increase adoption challenges (Alrehaili et al., 2024). Therefore, the idea that decentralized platforms are simply "born global" is weakened by the fact that the promise of instant international reach is mediated by regulations, skills, technological infrastructure and trust.

For artists, these regulatory and adoption constraints mean that the theoretical promise of frictionless international exposure on decentralized platforms is tempered by uncertainty about legal compliance, technical demands and stability of token-based income streams, all of which influence their willingness to use such platforms as part of their international strategy.

2.4.The Music Industry Context

2.4.1. Overview

Building on the preceding discussion of governance models, BMs and internationalization, this section situates these concepts within the historical evolution of the recorded music industry.

Mp3 sound compression marked the beginning of the digitalization of the music industry in 1993. In the following years until today, the music industry has gone through a series of waves of digitalization, from the emergence of peer-to-peer (P2P) filesharing on services like Napster and LimeWire in 1998, the rise of MP3 players in the early 2000s, to the launch of Spotify in 2008 (Geurts & Cepa, 2023). The emergence of digital music stores, such as iTunes, made music downloading monetizable, but the later rise of DSPs shifted the industry (Geurts

& Cepa, 2023). Music streaming altered music consumption from ownership to access by connecting artists, fans, and right holders in the same ecosystem (Guo, 2023).

2.4.2. Artist in platform success

The competitiveness and success of DSPs are strongly influenced by the number of artists on the platform. Through NE, the platform becomes more valuable to listeners as more artists stream their music (Bender et al., 2021). Platforms like Spotify and Apple Music compensate the artists through a sharing rule where the artists' earnings depend on the number of streams compared to other artists' streams. Bender and colleagues (2021) show that popular artists ask for higher royalty rates from platforms, which may lead to platforms excluding these artists. At the same time, a high level of artist diversity is considered valuable for the platform because it enhances consumer value and strengthens the NE that is central for the platform's expansion (Bender et al., 2021).

2.4.3. Artist adoption

Artists must balance international reach and control of their music when choosing to stream their music through music platforms. The rise of DSPs has made it possible for artists to easily reach a global audience, but the revenue structures of the major DSPs may hinder sustainable income (Guo, 2023). While large record labels still account for most of the music industry revenue, independent and DIY artists have had a significant growth in the recorded music market thanks to the digitalization of music and low-cost production tools (Frenneaux, 2023).

Geurts and Cepa (2023) identify "translating" actors such as labels, distributors and PROs who function as intermediaries between platforms and artists by managing licenses and turning produced content into mastered and streaming-ready products. These intermediaries lower the technical barriers for artists to reach a global audience but make them dependent on the platform infrastructure. At the same time, new gatekeepers such as playlist curators, algorithms, and online music marketing influence which artists gain visibility (Frenneaux, 2023). Ferraro and colleagues (2021) mention that some artists see DSPs as opaque and biased, referring to fragmented catalogue presentation, challenges in reaching fans through algorithmic recommendations, and popularity biases that choose established acts over up-and-coming or niche musicians. From the artists' view, platform adoption decisions are not solely about reach, but also the perceived fairness of exposure and compensation (Ferraro et al., 2021). Bender and colleagues (2021) add that artists need to make a strategic choice to join DSPs based on their current digital sales and expected revenue from streaming.

The interplay between artists and DSPs shows that artist adoption is influenced by a mix of economic trade-offs, trust, fairness and reach. Thus, structural power imbalances and switching costs from sales to streaming define the relationship between artists and DSPs. This lays the ground for a broader examination of the current landscape of the music industry.

2.4.4. Current landscape

In 2024, 69% of global music revenues came from streaming (IFPI, 2025), which makes it clear that DSPs play a central role in the music landscape with their algorithmic discovery and data-driven personalization (Guo, 2023). Discovery mechanisms that improve artist discovery and listener experience. Blockchain technology is being used in decentralized platforms with distributed control and enhanced transparency (Santalo & Filatotchev, 2025). DSPs appear to have taken a leading position in the music business and reshaped the traditional power relations with the record labels, making them complementors to the platform rather than primary gatekeepers (Geurts & Cepa, 2023). This restructuring raises questions on governance, fairness, and sustainability of centralized DSPs (Music Ally, 2023).

Taken together, these developments illustrate how governance arrangements and BM choices in DSPs now structure access, visibility, and revenue distribution in the industry. They also underscore the relevance of comparing centralized with decentralized architectures, as their different approaches to control, transparency, and value sharing have direct implications for artists' adoption decisions. These tensions motivate the integrated framework developed in the next section.

2.5. Conceptual framework and Research questions

Previous research provides extensive but fragmented insights into platform governance, platform BMs, and the internationalization of DPFs. The configuration of ownership, decision rights, and architecture in centralized and decentralized platforms is the focus of governance studies; however, it is rare to see how the governance configuration results in certain BM logics and internationalization strategies. The literature on internationalization theories has little focus on the influence of governance models on internationalization strategies. In the music industry, previous studies have looked at gatekeeping, industry concentration, and artists' perception of income and fairness, but they have not compared centralized and decentralized platforms, and how they differ in terms of BMs, internationalization strategies, and how they influence artist adoption. This fragmentation leaves a gap at the intersection between governance models, BMs, internationalization, and artist adoption.

Yet, DPFs navigate different correlated challenges of governance structure, BM configuration, and internationalization strategies. Governance defines how the firm directs, controls, and structures its platform (Costabile, 2024; Tiwana et al., 2010). The specific governance mechanisms influence the platform's BM and set directions for creating, delivering, and capturing value (Zhao et al., 2020; Täuscher & Laudien, 2018), and shape how the platform faces formal and informal institutions when it internationalizes (Stallkamp & Schotter, 2021; Meyer et al., 2023).

Building on this field of research, Figure 1 conceptualizes the dynamic linkages between governance models and how they influence BMs and internationalization strategies. Ultimately, this conceptual framework extends to artist adoption as the governance model, BM configuration, and internationalization determine the level of control, transparency, and value-sharing that artists experience on DPFs, therefore influencing their willingness to join, engage, and stick to the platform.

In sum, the literature suggests that platform governance, BM design, and internationalization strategies are deeply intertwined, yet have rarely been examined together in the specific context of music streaming. This integrated perspective provides the foundation for the empirical research that follows and informs the choice of a mixed-method research design focusing on both industry experts and artists.

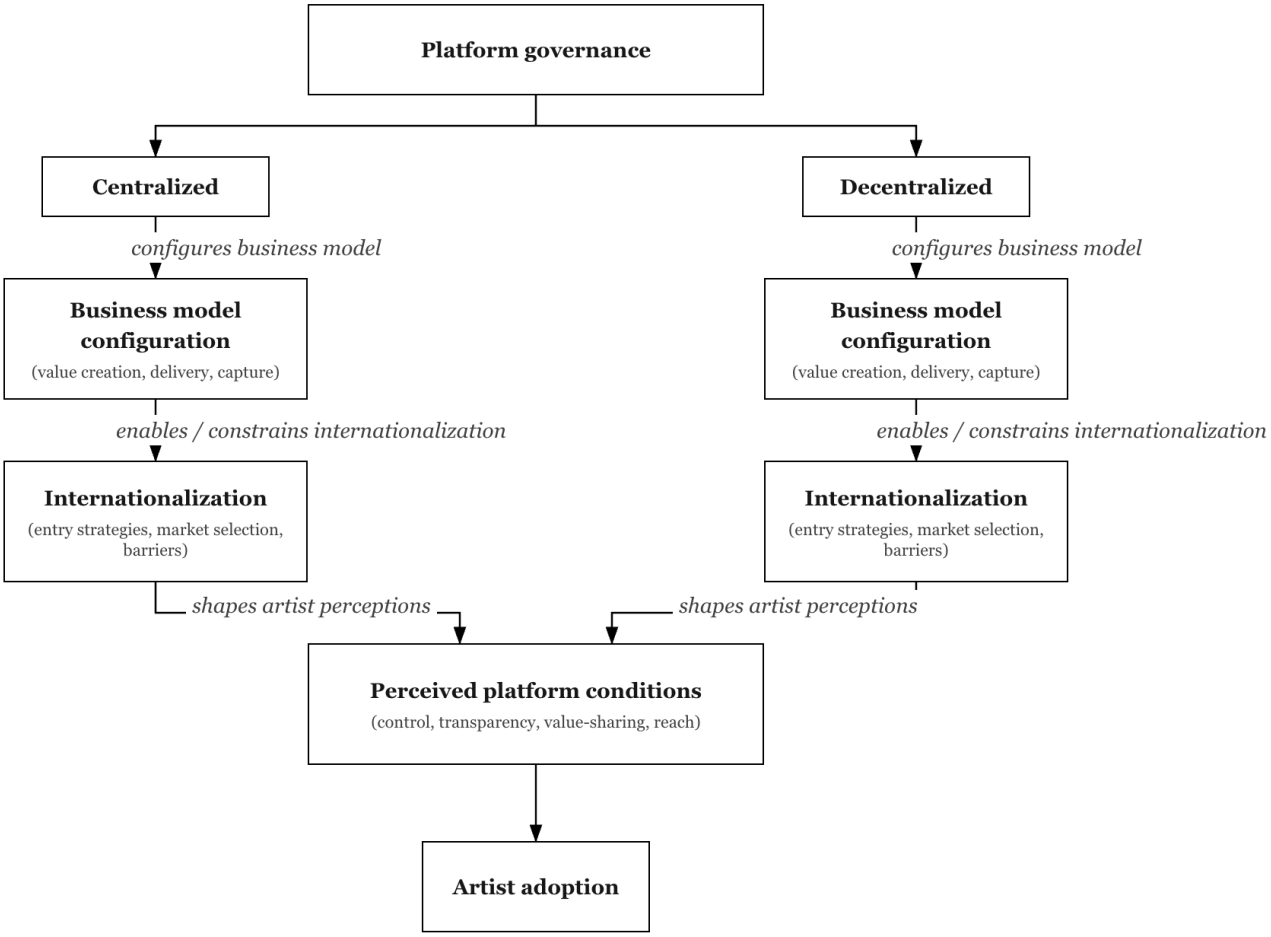


Figure 1: Conceptual Framework: Governance Logics in Digital Music Platforms

Based on the prior theories on platform evolution, this thesis asks how artists navigate a still-changing industry, in which governance structures, BM configuration, and internationalization strategies constantly reshape the opportunities for value exchange and participation. Understanding how these related factors influence artist motivation, trust, and perceived fairness is the basis of the following main research question:

How does platform governance structure influence business models and internationalization strategies, and what are the implications for artist adoption?

To fully address the above research question, three sub-research questions were identified:

RQ1: *What are the business model differences between centralized and decentralized music platforms?*

RQ2: *How does the platform governance structure influence their internationalization strategies?*

RQ3: *How do business models and internationalization strategies influence artist adoption?*

The first two research questions are primarily addressed through the expert interviews with music industry professionals, which shed light on how governance structures shape BMs and internationalization strategies in practice. The third research question is informed by both the interviews and the artist survey, with the latter capturing patterns in artists' platform choices, perceived fairness, and openness toward decentralized models.

3. Methodology

This study employs a mixed-methods exploratory research design combining expert interviews and an artist survey to examine how governance structure influences business models, internationalization strategies, and artist adoption. The qualitative part of the research follows the Gioia Methodology (Magnani & Gioia, 2023), using semi-structured expert interviews with music industry professionals. This method allows the researcher to identify and sort the mechanisms linking governance models to variations in value creation, delivery and capture, and internationalization strategies. According to Magnani and Gioia (2023), the analysis of the interviews should be built by structuring data which moves from informant-based codes to researcher-based themes – creating a model that connects all the elements into a methodological explanation. In practice, this research uses the interview transcripts to extract recurring patterns that help explain how centralized and decentralized music platforms differently shape BMs, internationalization strategies, as well as how artists adopt these platforms. These patterns are then organized into second-order themes following the Gioia Methodology (Magnani & Gioia, 2023). In particular, the qualitative analysis mainly addresses RQ1 and RQ2 by unpacking how governance structures give rise to different BM configurations and internationalization logics, while also generating mechanisms relevant for RQ3. The survey component complements this by focusing explicitly on RQ3, mapping artists' adoption decisions and attitudes toward centralized and decentralized platforms considering these governance and BM differences.

3.1. Sample and Data Collection

To answer the research questions and to better understand how governance mechanisms work in practice, 15 industry expert interviews were conducted. All interviewees have different backgrounds within the music industry, such as licensing, royalties, labels, music industry consulting, or publishing.

The 15 interviews were conducted online, using Microsoft Teams, with calls scheduled between November and December 2025. Each call lasted around 30-45 minutes and was audio-recorded and transcribed for analysis with the interviewees' consent. A semi-structured guide was used to ensure comparability between interviews was possible, while giving room for the interviewee to express their own perception on how platform governance, BMs, internationalization strategies, and artist adoption operate in practice. The sample was constructed through a combination of purposive sampling and snowball sampling to reach industry experts with valuable insights into centralized and decentralized DSPs, as well as deep knowledge of industry practices around licensing, contractual agreements, international expansion, and distribution of recorded music. While purposive sampling and snowball sampling are convenient when the parameters of the target population are unknown, they are vulnerable to selection bias and limited external validity as the participants and their network may over-represent certain profiles (Parker et al., 2019).

Table 3: Overview of interviewees and their professional background

Interviewee (Pseudonym)	Current role	Organization type	Primary platform focus	Region of operation	Area of expertise
A	Independent music distribution consultant (former role at DistroKid)	Independent digital music distribution	Centralized + some exposure to decentralized	Most experience with US-based artists. Consults worldwide	Distribution, metadata & royalties, fraud streaming
B	Music tech innovator/ Artist manager	Music tech/distribution/publishing	Centralized platforms + early use of decentralized	UK & Africa (esp. Nigeria)	Artist promotion, producing, African music markets
C	Independent label & publisher	Independent label/music publisher/digital distribution	Centralized platforms	Portugal and other small European markets	Label and publishing rights, digital distribution, metadata, export from small markets
D	Producer/music tech entrepreneur	Music tech/independent music production	Centralized platforms	Global	Music production, sample creation, AI-enabled music technology
E	A&R, producer, label manager	Independent artist management/music production	Centralized and decentralized platforms	Norway	Artist development, A&R, music production and engineering, management
F	Producer	Independent artist	Centralized platforms	Portugal	Music production, sampling
G	Producer, A&R, music pitching,	Independent artist, music tech company	Centralized platforms	Germany	Label, pitching, music production, music tech
H	Senior product manager focus on monetization and artist tools	Large, centralized music streaming platform	Centralized platforms	Global	Product management, metadata, music catalogue
I	Business development lead	Music tech company	Centralized and decentralized platforms	Europe	Data analytics, Web2, Web3, Digital strategy
J	Head of Digital	Independent label	Centralized platforms	Europe	Release planning, performance data analytics, royalty reporting, strategy
K	Artist manger	Independent manger	Centralized platforms	Portugal	Release planning, negotiations w. labels and distributors, live show coordination, brand partnership
L	Partnership and community lead	Small Web3 music platform (music NFT´s and fan engagement)	Decentralized platforms	Europe	Artist onboarding, partnerships, community support, analysis
M	General Manger	Independent music publisher	Centralized platforms	Portugal	Talent scouting, contract negotiation, rights management
N	Senior rights and licensing manager	Music publisher affiliated with a major group	Centralized platforms	Portugal	Catalogue management, licensing negotiation, coordination with collecting societies
O	Talent manager, managing director, lecturer, Music rights consultant	Music management, Label, Music consultant firm, lecturer in rights, data strategy and industry operation in Music Business Management	Centralized platforms	Norway	Artist management, label management, music rights, data strategy, copyright, contract negotiation

As shown in table 3, the sample includes experts from different segments of the recorded music value chain, including labels, distributors, collecting societies, consultants, and platform representatives, as well as actors with experience from both centralized and emerging decentralized services. This diversity provides a broad view of how governance, BM

configuration, and internationalization are interpreted and implemented in practice, thereby strengthening the validity of the mechanisms identified in relation to the research questions.

Saturation was reached at 15 interviews, after the last three interviews gave no significant new first-order code.

To complement this study, an online survey targeting recording artists and producers who share work digitally on DSPs was conducted. The survey consisted of 24 questions organized in seven blocks covering: background information, platform usage, revenue and compensation, platform choice drivers, international reach, platform experience and future orientation, and open feedback. Questions primarily used multiple-choice and Likert-type scales, supplemented by open-ended responses.

The survey relied on volunteer sampling through personal networks, social media groups for artists, and contacts provided by interviewees, and respondents were asked to share the survey further.

While this strategy was appropriate for reaching practising artists within the time and resource constraints of the project, it likely over-represents digitally active musicians who participate in online communities and have a stronger interest in platform issues. The survey, therefore, functions as an exploratory complement to the expert interviews, providing illustrative patterns of artist platform behaviour rather than statistically representative findings.

3.2. Data Analysis

The interviews were transcribed verbatim and anonymized. The data from the interviews were then analyzed using the inductive research methodology proposed by Gioia et al. (2013). The two studies, (Gioia & Magnani, 2023; Gioia et al., 2013) were uploaded to ChatGPT to align the coding logic and output structure with the Gioia methodology before the coding started. ChatGPT was used as the primary coding tool, and the interview transcripts were uploaded together with the two methodological papers on the Gioia methodology. ChatGPT produced a first coding output based on the interviews. The output included excerpts from the interviews, first-order codes based on the excerpts, second-order themes, and aggregated dimensions. This approach generated 81 first-order codes.

After, I manually reviewed and cleaned each part of the output. This involved the elimination of irrelevant and duplicate codes and ensured that the codes and theoretical dimensions maintained their original meaning in context and were supported by the original

interview quotes. Unclear fit between quotes and themes was checked with the corresponding transcript to confirm the LLM´s interpretation. I then selected which dimensions and themes best help me answer the research questions.

Second-order themes that emerged from the output of coding were first sorted and ensured they matched the first-order codes. I compared the second-order themes with existing literature to ensure they were theoretically reasoned. For example, first-order-codes about "…complexity…", "technical understanding", and "how to convert from local currency…" were grouped into the theme "Technical and cognitive barriers to participating in Web3", which aligns with literature on adoption challenges in decentralized platforms.

Finally, I checked the aggregated dimensions from the output and made sure they connect governance structures to BM configurations, internationalization strategies, and artist adoption strategies.

Throughout the process, I discussed findings with my supervisor to validate the interpretations and assess the analytical reasoning. Additionally, I kept analytical diaries that explained the reasoning for coding choices, the development of codes, themes, and theoretical dimensions. The final analytical process from first-order codes to aggregated dimensions is presented in the data structure (see Figure 2).

The survey data was analyzed using descriptive statistics (see Table 4) to identify how artists use platforms, their perception of fair revenue and platform adoption drivers. Quantitative responses are descriptively summarized, and the Gioia methodology is used for the open-ended responses. The survey findings work as a complementary validation of the findings from the interviews.

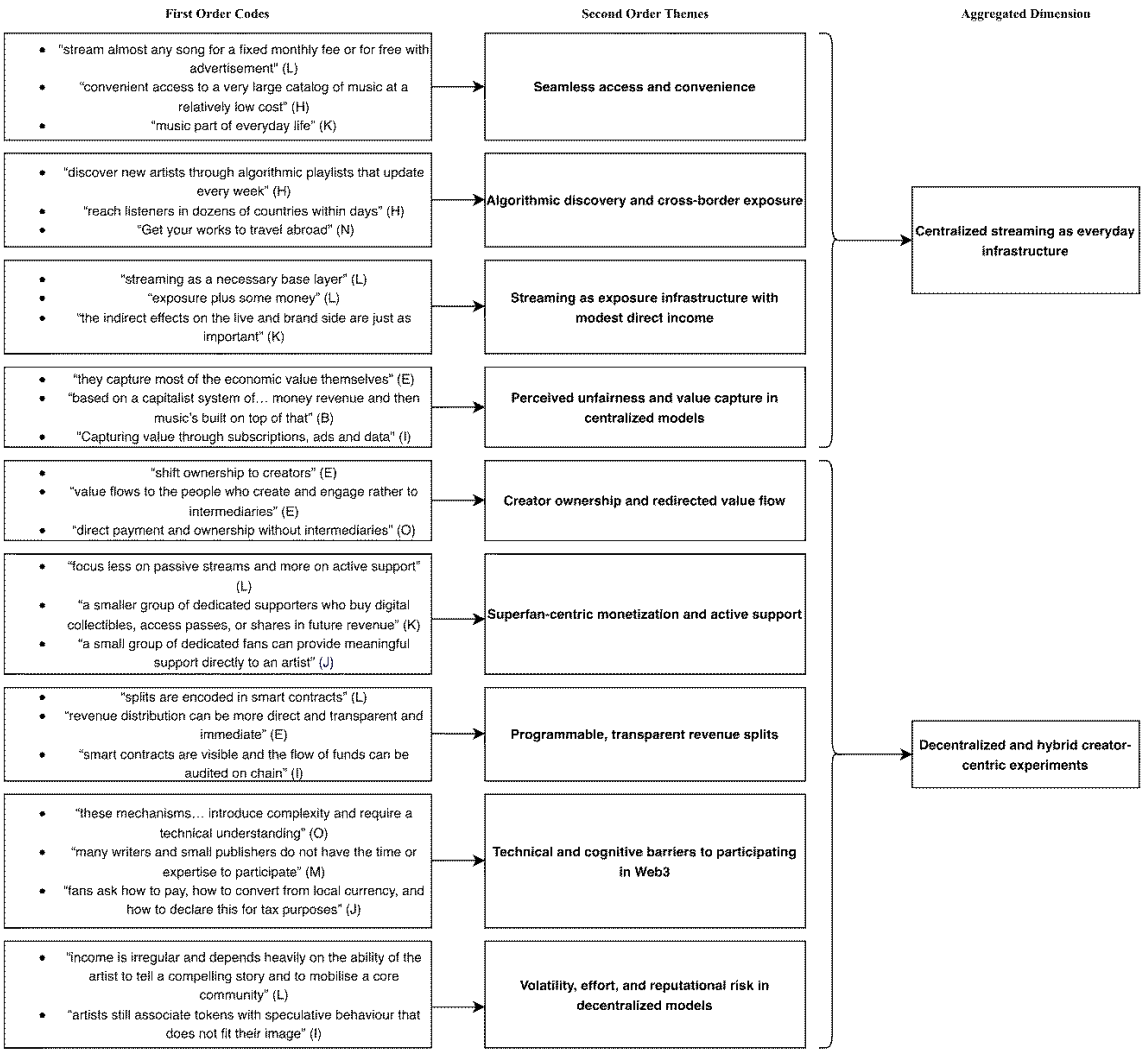
Table 4: Survey Respondents Demographics

Demographic variable	Category	Frequency	Percentage
Primary role	Independent Artist	13	48,1%
	Producer	7	25,9%
	Singer-songwriter	1	3,7%
	Other	6	22,2%
Years releasing	More than 10 years	7	25,9%
	5-10 years	4	14,8%
	3-5 years	3	11,1%
	1-3 years	6	22,2%
	Less than 1 year	7	25,9%
Primary genre	Electronic/dance	6	22,2%
	Pop	5	18,5%
	Indie	5	18,5%
	Other	5	18,5%
	Hip-hop/rap	4	14.8%
	R&B/Soul	1	3,7%
	Classical	1	3,7%
Country	Portugal	7	25,9%
	Norway	6	22,2%
	USA	2	7,4%
	United Arab Emirates	1	3,7%
	Canada	1	3,7%
	Other	10	37%

4. Results

The analysis of the interviews and open-ended survey questions follows the reasoning of the Gioia methodology presented in the previous chapter.

This section first introduces an overview of the empirical findings, and the resulting data structure is provided. Then the qualitative findings from the interviews are presented along with the aggregated dimensions, second-order themes, and the first-order codes emerging from the analysis. The results from the artist survey are presented, and a summary of the main qualitative patterns is provided in the end.


First Order Codes
Second Order Themes
Aggregated Dimension
"stream almost any song for a fixed monthly fee or for free with advertisement" (L)
"convenient access to a very large catalog of music at a relatively low cost" (H)
"music part of everyday life" (K)
Seamless access and convenience
"discover new artists through algorithmic playlists that update every week" (H)
"reach listeners in dozens of countries within days" (H)
"Get your works to travel abroad" (N)
Algorithmic discovery and cross-border exposure
"streaming as a necessary base layer" (L)
"exposure plus some money" (L)
"the indirect effects on the live and brand side are just as important" (K)
Streaming as exposure infrastructure with modest direct income
"they capture most of the economic value themselves" (E)
"based on a capitalist system of… money revenue and then music's built on top of that" (B)
"Capturing value through subscriptions, ads and data" (I)
Perceived unfairness and value capture in centralized models
Centralized streaming as everyday infrastructure
"shift ownership to creators" (E)
"value flows to the people who create and engage rather to intermediaries" (E)
"direct payment and ownership without intermediaries" (O)
Creator ownership and redirected value flow
"focus less on passive streams and more on active support" (L)
"a smaller group of dedicated supporters who buy digital collectibles, access passes, or shares in future revenue" (K)
"a small group of dedicated fans can provide meaningful support directly to an artist" (J)
Superfan-centric monetization and active support
"splits are encoded in smart contracts" (L)
"revenue distribution can be more direct and transparent and immediate" (E)
"smart contracts are visible and the flow of funds can be audited on chain" (I)
Programmable, transparent revenue splits
"these mechanisms… introduce complexity and require a technical understanding" (O)
"many writers and small publishers do not have the time or expertise to participate" (M)
"fans ask how to pay, how to convert from local currency, and how to declare this for tax purposes" (J)
Technical and cognitive barriers to participating in Web3
"income is irregular and depends heavily on the ability of the artist to tell a compelling story and to mobilise a core community" (L)
"artists still associate tokens with speculative behaviour that does not fit their image" (I)
Volatility, effort, and reputational risk in decentralized models
Decentralized and hybrid creator-centric experiments

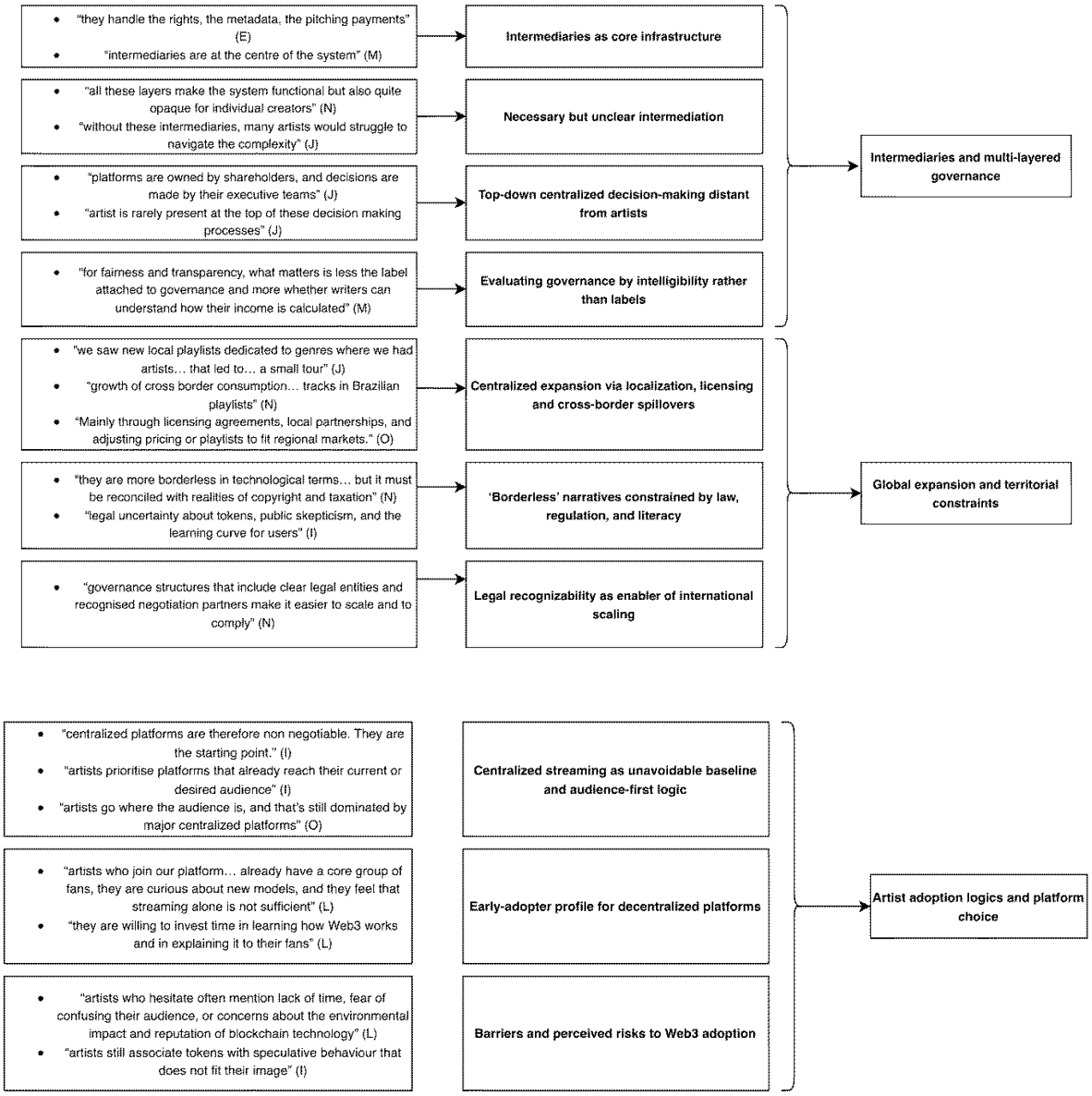


Figure 2: Data Structure[1]

4.1. Overview of qualitative material and data structure

The analysis of the 15 industry expert interviews provides the qualitative dataset with perspectives on how centralized and decentralized DSPs create, deliver and capture value, how they differ in internationalization, and how artists adopt and combine DSPs when they grow their career.

[1] Representative first-order codes shown for each theme. Full coding is available upon request.

The analysis follows the Gioia methodology's three steps proceeding first-order concepts from interviews to second-order themes, and lastly the themes were grouped into five aggregated dimensions.

The resulting data structure consists of the following five aggregated dimensions:

Centralized streaming as everyday infrastructure includes insights on centralized DSPs as an everyday infrastructure and *"necessary base layer"* (Interviewee L) for artists. They create value by providing seamless listener access and use important discovery functions that enable rapid international reach for artists, but use BMs that concentrate economic value and front debates around fairness and transparency because of low per-stream payouts.

Intermediaries and multi-layered governance reflect how labels, distributors and publishers act as infrastructural glue of the streaming ecosystem. These intermediaries manage rights, metadata, playlist pitching, and payments, sitting *"at the centre of the system"* (Interviewee M), and making it work at scale. They also incorporate governance into contracts and institutional arrangements where platforms are owned by shareholders and artists are typically excluded from top-level decision-making.

Decentralized and hybrid creator-centric experiments encompass creator-focused experiments aimed at rearranging ownership, governance and artist compensation. With smart contracts automating splits and enabling more direct and transparent revenue flows, these decentralized models try to *"shift ownership to creators"* (Interviewee E), deliver value directly to those who create and engage, and build BMs around *"scarcity, community and programmable money"* (Interviewee M), but at the cost of increased complexity, irregular income and reputational and regulatory uncertainty.

Global expansion and territorial constraints capture how centralized and decentralized governance models shape internationalization. Centralized platforms expand through localized playlists adoption, partnerships, and operations that boost artist visibility, while decentralized projects´ borderless narrative is constrained by laws, regulations and literacy.

Artist adoption logics and platform choices focus on how artists and their teams react to the different governance structures. Centralized platforms have a broader reach to listeners and therefore continues to be non-negotiable starting points. Web3 solutions are mostly utilized by artists who have a large core fan base, are curious about new platforms, and are willing to invest time to learn and encourage their fans to explore Web3 solutions. Web 3 and decentralized

platforms are resisted by those who lack the time, are worried about confusing their fans, sceptical of tokenomics, or concerned about environmental and image implications.

4.2. Centralized streaming as everyday infrastructure

Interviewees characterized centralized streaming as a default, everyday option for music distribution and consumption. All interviewees describe centralized DSPs as an enabler for reach and discovery, while the firm concentrates value capture and restricts creators' control over payouts and decision-making.

Centralized platforms are described throughout the interviews as ecosystems creating value by offering easy access to a vast catalogue of music, at a low cost. Interviewees frequently portray the BM as near-limitless options bundled into a flat-fee subscription, or ad ad-supported freemium model. Interviewee L describes that *"For listeners, the value is the ability to stream almost any song for a fixed monthly fee or for free with advertisement."*. Another interviewee supports this by emphasizing that centralized DSPs *"…offer convenient access to a very large catalogue of music at a relatively low cost."* (Interview H). The convenience of centralized DSPs shapes listening behaviour and supports the infrastructural nature of streaming, which integrates music into everyday routines. According to one interviewee, DSPs make *"…music part of everyday life. People listen on the way to work, at the gym, at parties…"* (Interview K). Together, these quotes portray centralized streaming as a standardized service that is easily accessed and functioning as a default service for everyday listening. This description is found in 13 of 15 interviews, indicating a shared perception of centralized platforms' influence on listener behaviour.

A second theme concerns discovery and rapid international reach. Listeners *"discover new artists through algorithmic playlists that update every week"* (Interview H), which can enable international exposure for artists. The interviewee mentions that *"An emerging artist can upload a track and potentially reach listeners in dozens of countries within days"* (Interview H). This theme is further supported by other interviewees who highlight how artists can leverage the international reach for planning shows. *"Streaming has increased the amount of music consumption and has made it easier for Portuguese workers to travel abroad"* (Interview N). These findings show that centralized DSPs´ discovery tools help artists generate a global audience without the need for local presence.

While centralized platforms offer artists discovery and international reach, interviewees stress that streaming is not alone a sufficient revenue source. Interviewee L notes that artists

see centralized platforms as *"a necessary base layer"* that helps them build an audience through editorial playlists and algorithms. *"They often describe it as "exposure and some money""* (Interview L). For artists, the value of releasing on centralized streaming is more than just revenue. Interviewee K explains that *"The actual money from streaming is important, but in many cases the indirect effects on the live and brand side are just as important."* This theme presents centralized DSPs as an enabling infrastructure that allows future monetization on touring, sponsorships, and brand partnerships.

The fourth theme addresses dissatisfaction with value capture and distribution in centralized models. Interviewees argue that *"...centralized platforms...capture most of the economic value themselves..."* (Interview E), while interviewee B reflects a critique of the way music is positioned within the platform economy by framing the centralized system as *"based on capitalist system of...generating revenue and then music is built on top of that"*. Across 14 interviews, this theme reflects the conflict between centralized DSP as a necessary infrastructure for artists and challenges with fairness, transparency, and the distribution of revenue.

4.3. Decentralized and hybrid creator-centric experiments

This dimension presents findings on decentralized platforms and hybrid Web3 initiatives as experiments in alternative governance and revenue streams. It is formed by five themes: (1) creator ownership and redirected value flows, (2) superfan-centric monetization and active support, (3) programmable, transparent revenue splits, (4) technical and cognitive barriers, and (5) volatility, effort, and reputational risk.

One of the main ideas with decentralized DSPs is to shift ownership and control to the users of the platform. Interviewee E describes notes that *"Decentralized platforms...shift ownership to creators..."* and *"The idea is that value flows to the people who create and engage, rather to intermediaries"*. As a response to centralized platforms' concentration of value capture and intermediary control, this theme captures a different way of allocating value and decision-making control.

Interviewee L states that decentralized platforms *"focus less on passive streams and more on active support."*. Another interviewee adds to this by noting that rather than needing millions of plays, *"...an artist could generate meaningful income from a smaller group of dedicated supporters who buy digital collectibles, access passes, or shares in future revenue."* (Interview K). This second theme frames decentralized monetization as focused on active

supporters rather than passive listeners and is supported by a third interviewee: *"A small group of dedicated fans can provide meaningful support directly to an artist."* (Interview J).

The third theme highlights the direct and verifiable allocation of revenues to decentralized DSPs. One interviewee notes that *"...splits are encoded in smart contracts."* (Interview M), highlighting that smart contracts enable predetermined and visible rules to enforce payouts to artists. This may lead to faster and clearer payouts: *"The revenue distribution can be more direct, transparent and immediate..."* (Interview E).

Despite the promising results above, interviewees note participation barriers across artists, intermediaries, and fans. Tokens and smart contracts, for example, *"...introduce complexity and require a technical understanding that most artists don´t yet have."* (Interview O). Interviewee M also notes that *"many writers and small publishers do not have the time or expertise to participate."*, and according to another interviewee, listeners face practical difficulties with the interface of the platforms: *"Fans ask how to pay, how to convert from local currency, and how to declare this for tax purposes."* (Interview J). Together, these quotes demonstrate that socio-technical and mechanical adoption barriers.

The fifth theme captures interviewees' insights on how decentralized platforms are uncertain and challenging to use as an artist. Interviewee L explains that *"income is irregular and depends heavily on the ability of the artist to tell a compelling story and to mobilise a core community."* Interviewee I gives their perspective on challenges artists face by noting that some artists think reputational concerns are a barrier to using decentralized platforms: *"Some artists still associate tokens with speculative behaviour that does not fit their image."*

These findings reveal a key tension in decentralized platform governance: while blockchain architecture theoretically enables transparent, programmable value distribution, practical adoption depends on reducing technical complexity and building institutional legitimacy. Interview evidence suggests that decentralized DSPs currently function more as supplementary monetization tools for artists with existing fan bases rather than viable alternatives to centralized infrastructure. This indicates that the governance-adoption relationship is mediated by both technical accessibility and NE, decentralized platforms cannot overcome limited reach through governance innovation alone.

4.4. Intermediaries and multi-layered governance

This dimension is aggregated from four emerging themes: (1) intermediaries as core infrastructure, (2) necessary but opaque intermediation, (3) centralized decision-making distant from artists, and (4) evaluating governance by intelligibility rather than labels.

The first theme places intermediaries, such as record labels, distributors, publishers and royalty collecting societies, as crucial for the operation of music streaming services. Interviewee E notes that *"They handle rights, the metadata, the pitching, and the payments…"*. Another respondent summarized the role of intermediaries with *"Intermediaries are at the centre of the system."* (Interview M). Intermediaries are defined across the interviews (13/15) as foundational contributors that manage access, administration, and operational coordination around the platform.

At the same time, interviewees describe intermediary elements as complex and opaque. Interviewee N emphasises that *"All these layers make the system functional but also quite opaque for individual creators."* Another interviewee explains artists dependency of intermediaries by stating that *"Without these intermediaries, many artists would struggle to navigate the complexity of metadata, release timing, pitching process and rights management"* (Interview J). 10 of the 15 interviews mentions that intermediaries reduce the complexity around releasing music, but they also add layers to the flow of money and information, which complicates the process and leaves artist with limited visibility into decision-making.

A related theme that emerged from 7 of the 15 interviews concerns the gap between artists and decision-making in centralized streaming models. Interviewees describe centralized streaming as primarily corporate firms: *"In the centralized context, platforms are owned by shareholders, and decisions are made by their executive teams"* (Interview J). Interviewee J continues: *"Each level has its own governance, and the artist is rarely present at the top of these decision-making processes:"*. This implies that important decisions affecting compensation and visibility are made at levels that artists have little access to and influence on. In practice, decisions are made across multiple layers, each with its own interest and negotiating power. As a result, artists perceive governance as top-down and distant.

Lastly, interviewees highlight that perceived fairness, and trust are shaped more by understanding the mechanisms leading to streaming revenue, than whether a platform is classified as "centralized" or "decentralized". According to interviewee M, *"For fairness and transparency, what matters is less the label attached to governance and more whether writers*

can understand how their income is calculated…". This theme connects governance to the everyday experience of transparency. Trust is built when streaming revenue is understandable, traceable, and possible to verify, regardless of the governance label.

4.5. Global expansion and territorial constraints

This section presents how internationalization strategies develop in centralized and decentralized streaming models, and how territorial institutions constrain affect expansion strategies. Three themes emerged from the interviews: (1) centralized expansion via localization, licensing, and cross-border spillovers, (2) "borderless" narratives constrained by law, regulation, and literacy, and (3) legal recognisability as enabler of international scaling

The findings show that centralized internationalization strategies are linked to localization, licensing, and editorial activity. Interviewee J explains that *"We saw new local playlists dedicated to genres where we had artists…that led to an increase in streams from that country and eventually to a small tour..."*. Interviewee O generalizes this perspective by arguing that internationalization occurs *"Mainly through licensing agreements, local partnerships, and adjusting pricing or playlists to fit regional markets"*. Another perspective is presented as: *"From the perspective of a publisher in Portugal, we experience international expansion mainly through the growth of cross-border consumption…tracks in Brazilian playlists."* (Interview N).

The second theme shows that the decentralized "borderless" narrative is constrained by law, regulation, and literacy. Interviewees emphasize the conflict between technological borderlessness and institutional barriers. Interviewee N presents decentralized DSPs as *"borderless in technological terms… However, rights and royalties are inherently linked to jurisdictions… the borderless narrative is attractive, but it must be reconciled with realities of copyright and taxation."* Additionally, interviewees highlight obstacles that slow global scaling, including *"…legal uncertainty about tokens, public scepticism, and the learning curve for users."* (Interview I). This theme shows that "borderless" infrastructure does not remove barriers connected to geographic regulations, taxation, licensing regulations and technological literacy among users.

Finally, the findings indicate that legal recognizability is a key enabler for international growth. Interviewee N explains this by stating *"Governance structures that include legal entities and recognized negotiation partners make it easier to scale and to comply with local regulations."*

4.6. Artist adoption logics and platform choice

This dimension consists of three themes that explain artists' decision to adopt, combine, or avoid DSPs: (1) centralized streaming as an unavoidable baseline, (2) early-adopter profile for decentralized platforms, and (3) barriers and perceived risks to Web3 adoption.

Results from the interviews show that platform choice among artists is often made with thought of where the audience is. One interviewee explains that *"... Artists prioritise platforms that already reach their current or desired audience. Centralized platforms are therefore non-negotiable. They are the starting point."* (Interview I). This is consistent with what interviewee O: *"Artists go where the audience is, and that´s still dominated by major centralized platforms."* The results show that even though there is some dissatisfaction with payouts and governance, as shown in 4.2 and 4.3, centralized platforms are viewed as necessary infrastructure for discovery and reach, and several interviewees (5/15).

The second theme captures decentralized platforms adopters as a specific subset of artists with specific characteristics. *"Artists who join our platform usually share a few characteristics. They already have a core group of fans, they are curious about new models, and they feel that streaming alone is not sufficient for their goals."* (Interview L). Decentralized adoption depends on putting in an effort: *"They are willing to invest time in learning how Web3 works and in explaining it to their fans."* (Interview L). These results indicate that Web3 and decentralized artist adoption depend on existing fan bases and willingness to build a community.

The results also indicate that there are adoption barriers shaped by perceived legitimacy and complexity. *"Artists who hesitate often mention lack of time, fear of confusing their audience, or concerns about the environmental impact and reputation of blockchain technology."* (Interview L). Artist reputation is mentioned by interviewee I as they state that *"Some artists still associate tokens with speculative behaviour that does not fit their image."*

4.7. Survey results

The qualitative themes that emerged from the interviews are directly supported by the survey results (n=27). Spotify is the most used centralized platform (85%), which confirms the claims from interviews that centralized DSPs have become the default infrastructure for reach and discovery. In contrast, the decentralized platform usage is small (3,7%), explained by barrier themes: complexity/lack of know-how (51,9%), limited available information (40,7%) and small audience/limited reach (33,3%). The adoption logic shown in interviews is partly

reflected in artists' stated requirements for joining decentralized platforms. Better revenue share (55,6%) and more transparency (37%) are noted as important for transparency, and a bigger audience/user base (48,1%) is another important adoption factor. The overall platform choice criterion shows that bigger audience size/reach ranks top-3 for 77,7% of respondents, which reinforces the interview findings that reach dominates for artist adoption.

4.8. Summary of findings

The findings presented show that centralized DSPs work as an essential, everyday infrastructure for artists, driven by algorithmic discovery, reach, and international exposure. Centralized platforms internationalize with partnerships, local curation, and market-specific playlists. On the other side, decentralized platforms´ "borderless" narrative is challenged by national regulation, copyright and tax laws, and frictions with user adoption.

Intermediaries, such as labels, distributors and publishers, are described as crucial enablers for operating the streaming ecosystem. While they handle rights, metadata, pitching, and payout management, they also add opacity and separate artists from governance aspects. Trust is related to the artist's ability to understand how their streams turn to revenue, rather than labelling a platform as "centralized" or "decentralized".

While decentralized and Web3 platforms are presented as creator-centric services that utilize blockchain mechanics and community support to enable direct and transparent payouts and control, the artist adoption of decentralized and Web3 models is limited by complexity, time requirement, income volatility, and reputational concerns. The audience is also the primary concern when choosing platforms. Therefore, the centralized platforms are necessary starting points as they offer the most audience reach, while decentralized platforms attract mainly devoted fan bases.

5. Discussion

This section interprets the empirical findings presented in the results chapter in relation to the main research question: "How does platform governance structure influence BMs and internationalization strategies, and what are the implications for artist adoption?" The section focuses on comparing the patterns presented in the previous chapter with existing theories presented in section two. I interpret what these patterns imply for DSP governance, BMs, internationalization strategies, and artist behaviour.

The discussion is structured around the three research sub-questions: (1) *"What are the business model differences between centralized and decentralized music platforms?"*, (2) *"How does the platform governance structure influence their internationalization strategies?"* and (3), *"How do business models and internationalization strategies influence artist adoption?"*, and each sub-question is answered using the five aggregated dimensions: (1) *Centralized streaming as everyday infrastructure,* (2) *Intermediaries and multi-layered governance,* (3) *Decentralized and hybrid creator centric experiments,* (4) *global expansion and territorial constraints,* and (5) *Artist adoption logics and platform choices.*

5.1. Business model differences

The first research sub-question addresses BMs differences in centralized and decentralized DSPs and is primarily explained by the dimensions "Centralized streaming as everyday infrastructure", "Intermediaries and multi-layered governance", and "Decentralized and hybrid creator-centric experiments".

Centralized platforms create value through network orchestration, facilitating exchanges that attract and retain multiple user groups (Zhao et al., 2020). The findings specify the mechanism: algorithmic personalization creates a feedback loop where user data improves recommendations, which increases engagement, generating more data. This data-NE (Gregory et al., 2021) transforms streaming from a product into infrastructure; artists use platforms not because they prefer them, but because listener presence makes them unavoidable. The governance-to-BM pathway operates through exclusive data control: centralized ownership of user data enables proprietary algorithms, which in turn enable scalable personalization that decentralized platforms cannot replicate.

Morris et al. (2005) stress that when it comes to value delivery, BMs define "for whom" value is produced as well as the size of the market in which the company competes. The findings show that centralized platforms deliver value through owned infrastructure (catalogue selection, curation, algorithms, and music access) while having control over geographic availability and local adaptation. The algorithms are especially important. Throughout the interviews, respondents emphasize reach as an important factor for artists when uploading music to centralized DSPs because the algorithms can push their music to listeners around the world, enabling their music to reach listeners that they never would have reached in the first place. The algorithms and recommendation mechanisms that the centralized platforms use, are based on user data (Gregory et al., 2021). In terms of value delivery, one of the central resources

of the centralized DSPs is data-NE, which scale personalization and drive both listener and artist retention (Gregory et al., 2021; Autio et al., 2021)

Intermediaries such as labels, distributors, publishers and PROs link artists to platforms and listeners (Geurts & Cepa, 2023). Interview results show these intermediaries are essential for rights management, metadata, and playlist-pitching, yet artists experience distance from governance and payout mechanisms.

While the centralized DSP itself serves as the visible product, value is delivered through this network of intermediaries with different incentives and access to information (Costabile, 2024). From a BM view, these intermediaries help the platforms scale delivery through their different mechanics, but they also increase information asymmetry for artists, as reported in the interviews. The findings show that artists raise concerns about unclear intermediary mechanisms creating less transparency, and question whether the rules regarding exposure and streaming revenue are fair. The empirical pattern supports (Costabile, 2024) concern that owners of a platform must balance the needs of every complementor to the platform to drive success.

On the other side, decentralized platforms aim to increase transparency by giving more control to the creator and participants of the platform through verifiable mechanisms for rule setting and value distribution (Santalo & Filatotchev, 2025; Šilenskytė et al., 2024). From a BM view, these mechanisms focus mostly on value capture by setting pre-defined rules regarding decision-making, revenue distribution, and revenue splits, into traceable systems instead of depending on complex mechanisms managed by labels, distributors, and PROs. In the findings, I find that decentralized DSPs are associated with clear payout logics, artists control and direct monetization of streams and sales. This aligns with literature from Santalo and Filatotchev (2025) stating that blockchain-based architecture allows platforms to replace dependency on middlemen and centralized authority, enabling transparency and trust.

However, decentralized platforms face critical value delivery constraints. The findings reveal three specific adoption barriers: (1) technical complexity, artists and fans struggle with wallet setup, token conversion, and blockchain terminology; (2) income uncertainty, smart contract-based payouts depend on unpredictable fan engagement rather than algorithmic discovery; and (3) legitimacy gaps, blockchain associations with speculation undermine perceived professionalism. These barriers suggest that decentralized governance cannot substitute for NE in generating artist reach. This extends Bendig and Charlet's (2025) work by

showing that blockchain's economic architecture creates adoption friction not just through inconvenience, but through fundamental misalignment with artist priorities: artists prioritize reach over control, yet decentralized platforms offer control without reach.

The findings suggest that hybrid governance models could address centralized platforms' transparency deficits while preserving their network advantages. A hybrid model would retain centralized value delivery mechanisms (algorithmic discovery, curated playlists, frictionless onboarding) while incorporating decentralized value capture mechanisms (blockchain-based payout tracking, smart contract revenue splits, artist-controlled content licensing).

Concretely, this could involve: (1) maintaining centralized user-facing infrastructure (apps, recommendation systems) to preserve ease of use and scale, (2) implementing blockchain-based royalty ledgers to provide verifiable payout transparency without requiring users to interact with blockchain directly, and (3) enabling artist-controlled smart contracts for revenue splits while platforms handle fiat currency conversion and regulatory compliance.

Such a model would address the artist adoption paradox revealed in the findings: artists want transparency and control (decentralized strengths) but prioritize reach and discoverability (centralized strengths). By separating governance layers, centralizing user experience while decentralizing value accounting, hybrid models could reduce information asymmetry without sacrificing NE. This represents a design-oriented contribution: governance innovation should focus on backend transparency rather than frontend decentralization.

5.2. Internationalization strategies

The second research sub-question asks how governance structure influences internationalization strategies and is primarily explained by “Global expansion and territorial constraints” with support from “Centralized streaming as everyday infrastructure”.

The Uppsala model emphasizes step-by-step expansion (Johanson & Vahlne, 1977), and literature on DPFs indicates that digital infrastructure, NE, and data-driven personalization enable rapid international growth (Autio et al., 2021; Gregory et al., 2021; Stallkamp & Schotter, 2021). Stallkamp and Schotter (2021) and Meyer and colleagues (2023) note that DPFs scalability is restricted by formal and informal institutions and location-bound regulations.

Centralized platforms' internationalization follows a staged localization logic mediated by licensing complexity. The mechanism operates as follows: (1) platforms negotiate jurisdiction-

specific licensing with rights holders, (2) deploy local editorial teams to curate market-appropriate playlists, and (3) use localized data to refine algorithms for regional preferences. Governance structure enables this pathway, centralized ownership provides resources for licensing negotiations and editorial infrastructure, while proprietary data enables algorithmic adaptation. This extends Stallkamp and Schotter (2021) by showing that within-country NE in music streaming arise not from consumer preferences alone, but from formal institutional constraints (copyright law) that prevent borderless catalogue access.

The findings show that decentralized platforms face barriers to efficiently scale globally, despite their association with being "borderless". In theory, the decentralized architecture reduces the need for intermediaries and makes cross-border value exchanges frictionless through peer-to-peer connectivity on the blockchain (Šilenskytė et al., 2024). This assumption is proven too promising, as multiple interviewees report that the artist adoption of decentralized and Web3 models is limited by complexity, time requirement, income volatility and reputational concerns. These findings align more with the notion that blockchain architecture requires a level of technical capability and that users may find blockchain technology too complex to use (Bendig & Charlet, 2025; Virani, 2024). The findings undermine the assumption that decentralized platforms are "borderless". The decentralized architecture make exchange possible, but adoption constraints determine whether it expands into global markets.

5.3. Artist adoption

The third research sub-question addresses how artists react to the different BMs and internationalization strategies from centralized and decentralized governance and is primarily explained by "Artist adoption logics and platform choices" and complemented with artist survey results.

Bender and colleagues (2021) argue that a DSP increases perceived value among artists through NE. They argue that the more artists on the platform, the more valuable it is for listeners, and the more listeners increase the value for the artists. The result from the interviews strongly confirms this by describing centralized DSPs as a necessary starting point for an artist, because of the potential reach their music can get. The large user base and strong personalization algorithms these platforms use, means that an artist who just started their musical career can potentially reach a lot of people when putting their music on centralized platforms. These findings are also supported by the survey results, where 85% of the

respondents use Spotify as their primary centralized platform, while only 3.7% report using decentralized platforms.

The findings show that some artists see centralized platforms as unfair and feel excluded from decisions affecting their role. This supports previous work emphasizing that DSPs are perceived as opaque and biased (Ferraro et al., 2021). In literature, perceived fairness refers to skewed discovery algorithms, popularity bias that favours those with established fan bases, and lack of transparency in compensation (Ferraro et al., 2021). The findings extend this view by suggesting that artists view fairness as whether they can understand the revenue pay-outs and take part in important decision-making.

The decentralized DSPs aim to create more transparency and offer more control to the creators on the platforms (Santalo & Filatotchev, 2025; Šilenskytė et al., 2024). At the same time, the findings show that artists are split. The ones who join decentralized DSPs already have a core group of fans, they are willing to invest time to understand the decentralized mechanisms, and they are also willing to explain to their fans how the platforms work. The artists who are hesitant to join are afraid of confusing their fans, they are concerned about the environmental impact and reputation of blockchain technology, and don't find the time to use the platforms. This show that decentralized DSPs function more as an extra tool to monetize and boost fan connections, on top of centralized DSPs ability to reach masses of listeners.

6. Conclusions

This thesis examined how governance structure differences in DSPs influence BM design and internationalization strategies, and how these differences influence artists' adoption. Through industry expert interviews and an artist survey, the study finds that governance models influence how the platform creates, captures and deliver value, global expansion and how artists value the platform in terms of reach, control, transparency and legitimacy.

6.1. Business Model Configurations in Centralized and Decentralized Platforms

The study finds centralized DSPs as a baseline for distribution, discovery and audience-building for artists. Their BM relies on seamless access to a large catalogue of music, with algorithmic discovery and recommendation mechanisms that enable effective scaling and user retention. While these mechanisms enable value exchanges for each side of the platform, the value capture for centralized models comes through subscription and ad-based tiers. The research reveals that this BM is an important starting point for artists, even though they experience unfairness and a lack of transparency in revenue distribution and decision-making.

Decentralized platforms are perceived as more transparent with better revenue distribution through creator-control mechanisms, enabling traceable payouts and direct fan monetization. However, they have weaker listener bases, and artists and fans experience onboarding frictions. This makes platforms less attractive due to income uncertainty and limited discovery. Survey results confirm marginal usage (3.7%) with barriers relating to complexity, lack of information, and limited reach.

6.2. Governance Structure and Internationalization Pathways

Governance structure enables specific internationalization advantages and constraints, thereby influencing the internationalization process of the DSP. Results are consistent with Stallkamp and Schotter (2021) and Meyer and colleagues (2023) view on internationalization, showing that a centralized governance structure lets DSPs internationalize through the ability to handle territorial complexity, such as making specific licensing deals, partnerships, market-specific playlist-curation, and adapt to informal institutions. On the other hand, decentralized DSP´s borderless narrative is constrained by user adoption on each side of the platform due to complex infrastructure, income volatility and reputational concerns.

6.3. Artist Adoption Patterns and Platform Choice

The study provides insights into artists' adoption of DSPs by showing that artists' adoption is mainly driven by reach and discovery. Centralized DSPs are described as necessary infrastructure for being able to help artists reach a big audience through their algorithmic discovery mechanisms and big user base. The research shows that artists are motivated more by access to a large listener base and less by perceived fairness and transparency. Even when results show some dissatisfaction with payout transparency and decision-making power artists still choose centralized DSPs because of their value delivery benefits.

In contrast, decentralized DSPs are mostly used by artists who prioritize value capture and control. The results show that some artists value the decentralized platforms' offer of traceable payouts, programmable revenue splits, and direct fan connections. However, the adoption is limited by onboarding friction among artists and listeners and uncertainty regarding reach and stable income. The findings suggest that decentralized DSPs are more attractive for artists with an established fan base who wish to explore additional alternatives to monetize their work and connect with fans.

6.4. Theoretical Contributions

While prior research shows that governance shapes platform BMs through their value creation, delivery, and capture logics (Zhao et al., 2020; Täuscher & Laudien, 2018; Costabile, 2024), the study adds a governance-specific lens that differentiates between decentralized and centralized DSPs and tracks how these configurations lead to different BM logics and internationalization strategies. The study shows that centralized mechanisms regarding algorithms, control over decision rights, and closed infrastructure (catalogue access, curation and monetization rules) results in BM logics that offers frictionless value delivery and listener scale, while concentrating value capture and rule-setting at the platform core. Further on, centralized governance facilitates coordinated localization and regulatory responses such as local partnerships, licensing agreements, and market-specific editorial and price adaptation. This extends the literature on NE (McIntyre & Srinivasan, 2016; Stallkamp & Schotter, 2021; Banalieva & Dhanaraj, 2019; Gawer & Cusumano, 2014) by suggesting that the centralized DSP can only benefit from NE across borders when it is able to align licensing rights, local partnerships, and institutional requirements in the target market.

The thesis challenges the narrative of decentralized DSPs being a solution to transparency and trust (Santalo & Filatotchev, 2025) by showing that while decentralized governance may increase perceived transparency and trust, adoption of these platforms are constrained by technical complexity, uncertain and irregular pay-outs, and limited audience reach, which reduces the attractiveness to join for artists.

Finally, the thesis proposes a hybrid governance model that combines centralized value delivery and decentralized value capture, as a possible response to the creator-side transparency gap in centralized music streaming.

6.5. Managerial Contributions

The results have implications for DSPs and related ecosystem participants (labels, publishers, distributors, etc.) looking to expand across borders while attracting artist and user involvement. Managers should look at platform governance with the view of BM trade-offs, rather than a binary choice between centralized and decentralized. This assessment involves identifying which mechanisms are necessary for adoption on each side of the ecosystem (catalogue, algorithmic recommendations, localization, curation), and where intermediaries introduce complexity and distance artists from the DSP. To reduce distrust among artists, the platform should invest in more transparent payout calculations, accessible reporting, and

feedback channels. Centralized DSPs should focus on obtaining local licenses, forming local partnerships, and adapting to the markets' informal institutions by localizing editorial content, pricing, and language. Decentralized DSPs should prioritize simplifying onboarding frictions by creating user-friendly designs, integrating familiar payment options, and creating clearer tools that reduce adoption risks for artists and listeners.

6.6. Limitations and Future Research Directions

While this study expands the theoretical understanding of how platform governance configurations shape BM logics and internationalization of DSPs, several limitations guide future research. The 15 interviews were sampled through purposive and snowball sampling, which can over-represent some professional networks and lead to limited validity across the music industry value chain (Parker et al., 2019). The survey relied on volunteer sampling and descriptive analysis, meant to triangulate patterns with interview results rather than providing statistically representative estimates. Several findings are therefore best interpreted as analytically generalizable mechanisms, and future research could test the relationships described with a larger and more organized sample. Survey-based research could examine how the perception of governance mechanisms, such as transparency, control, decision rights and architecture, relates to artist discovery and reach.

Another limitation is that the study's results are drawn from experts perceived understanding of centralized and decentralized mechanics rather than gathering concrete data or observed behaviour, which limits the ability to conclude the impact of governance-specific mechanisms. Future research could combine qualitative data with industry data, royalty distribution, and contractual evidence to validate and quantify how governance structures translate to artist-related outcomes. While interviews identify plausible patterns (e.g., centralized localization/licensing; decentralized "borderless" narratives constrained by institutions), the study cannot validate how these logics translate into actual sequences of country entry, speed of expansion, or measurable success across markets.

Hybrid governance models should be further studied as a potential model that combines value creation and delivery mechanisms from centralized DSPs with value capture mechanisms from decentralized DSPs. Future research should investigate how such hybrid models are implemented in practice and what trade-offs emerge for the multiple sides of the platform.

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