Research Journal in Business and Economics
ISSN: 3078-381X
DOI: https://doi.org/10.61424/rjbe.v4i2.861
Journal Homepage: https://bluemarkpublishers.com/index.php/RJBE

RJBE
BLUEMARK PUBLISHERS

| RESEARCH ARTICLE

Sustainable Monetization Models in Global Music Enterprises: Challenges, Innovations, and a Triadic Framework for Long-Term Resilience

Alla Egorova
Financial Strategist, Russia
Corresponding Author: Alla Egorova, **E-mail**: egoalla69@gmail.com

| ABSTRACT

In 2023, the global recorded music industry reached US$28.6 billion, with streaming generating 67.3% of revenues (US$19.3 billion) (IFPI, 2024). Even though recorded music revenue has seen a 10.2% growth and registered nine years of consecutive growth, the future of sustainability of the vast majority of enterprises is at risk due to extreme revenue concentration, falling royalties per stream, algorithmic suppression of independents, and inequality in value distribution. This article uses abductive reasoning and draws upon insights from 38 peer-reviewed studies, dissertations, industry reports, and policy papers that present empirical data and concrete examples. The research provides a novel concept called the Sustainable Music Monetization Triangle, which consists of economic diversification, technological transparency, and disintermediation, and socio-policy equity. Hybrid, blockchain, and other models prove to achieve resilience only with the strategic alignment of all three pillars in the Sustainable Music Monetization Triangle.

| KEYWORDS

Sustainable monetization, music industry business models, streaming platforms, blockchain disintermediation, platform economy, artist entrepreneurship, value chain equity, Sustainable Music Monetization Triangle

| ARTICLE INFORMATION

ACCEPTED: April 09, 2026 **PUBLISHED:** May 22, 2026 **DOI:** https://doi.org/10.61424/rjbe.v4i2.861

1. Introduction

Even though music industry revenue figures indicate growth due to streaming's rise and popularity, there is a profound sustainability crisis in music enterprises of all types and scales around the globe. According to IFPI (2024), global recorded music revenues in 2023 totalled US$28.6 billion, which represents a 10.2% increase compared to the previous year. This was the ninth consecutive year of recorded music growth with streaming accounting for 67.3% of total revenues (US$19.3 billion) and subscriptions growing 11.2%, and physical formats growing 13.4%. These figures show the successful democratization of music through digital platforms with growing numbers of users globally. Yet, there is another aspect that goes beyond these numbers – sustainability of global music enterprises. Indeed, despite all the growth, many independent labels, artists, DIY actors, and even middle-tier music enterprises fail to achieve consistent profitability in the digital age (Arenal et al., 2022; Viner-Alexander, 2024).

Such issues arise due to the power of major digital music service providers (DMSPs), which have developed platform economies that generate revenue not only through subscription fees and advertising but also through algorithmic recommendations and pro-rata royalties. Empirically, there is a clear revenue concentration among a small number of artists. Only 52,600 creators in about 11 million active artists on Spotify made more than US$10,000 in royalties in 2021, with the top 0.5% of artists generating overwhelming numbers of streams and income (UNESCO, 2022). Such

a situation leaves independent artists with a tiny part of the revenue generated by streaming services. Hence, to make money, independent artists rely on multiple revenue streams, including live performance, merchandise, fan crowdfunding, synchronization rights and deals, etc. (Oliver, 2024; Hjelmbrekke, 2026; Gamble et al., 2017; Dias Dos Santos, 2016). Consequently, the current state of affairs has transformed the industry into a platform-mediated service sector, with intermediary roles of DMSPs being crucial in terms of profit generation, leaving only small percentages of money for independent artists who are forced to rely on declining royalties per stream and algorithmic discrimination (Arenal et al., 2022; Giacomo, 2024; Seifert, 2024; Stenbratt, 2024).

There are several sustainability issues beyond finance in different parts of the world. In Europe, the fragmentation of laws and lack of a single regulatory body that protects creator interests leads to limited cultural diversity (Siil, 2025; de-Miguel-Molina, 2021; Simon, 2019). In Asia, ecosystems associated with K-Pop provide impressive economic and cultural impact abroad, yet leave no room for independent musicians and bands (Kim, 2022; Zhang, 2014; Haitao, 2025). At the same time, fast-growing economies of Africa, Latin America, and Southeast Asia experience an explosion in music startups, DIY platforms, and artist entrepreneurship, however, they still have to overcome barriers in digital infrastructure, payments systems, fragmented markets, skill shortage, and others (Adesoji, 2025; Barameekasemchot, 2026; Kays, 2025). Rapid development of cutting-edge technologies, such as blockchain, non-fungible tokens (NFTs), smart contract technology, and Web3 infrastructures, promises disintermediation, however, their adoption is hampered by numerous factors, including legal regulation, complexity, and culture (Centorrino et al., 2023; Wijesekara, 2025; Tschmuck et al., 2026; Hoang, 2023).

These topics were extensively discussed in recent research. Scholars have documented the disruptive nature of the shift from physical ownership-based models towards access-based streaming economies (Perritt, 2011; Giletti, 2012; Bennett, 2018; Arnold, 2022). Following works revealed the asymmetric and biased value chain associated with the development of platform economics in the digital age (Arenal et al., 2022; Oapen Library, 2024; Geurts, 2023). Some studies also measured macro and micro-economic consequences of digitalization of music economies (Gantchev, 2025; Barata, 2021). Others discussed alternative ways for creators and music enterprises to diversify their revenue streams by engaging in direct-to-fan activities, crowdfunding campaigns, etc. (Gamble et al., 2017; Oliver, 2024; Rodriguez, 2023; Ahmed, 2020; Fosseli, 2025). Finally, systematic mappings of literature on the topic highlighted persistent gaps in knowledge in terms of developing holistic approaches that could consider both economic aspects, technological solutions, and socio-policy mechanisms (Pizzolitto, 2023; Water & Music, 2023; Naveed et al., 2017). Moreover, industry and policy reports also contain quantitative evidence of revenue distribution in the sector and call for structural changes (IFPI, 2024; UNESCO, 2022; Siil, 2025).

However, one fundamental challenge persists despite all these efforts. Researchers have not proposed an overarching, holistic, and actionable framework that would integrate insights on economic resilience, technological opportunities, and social aspects. Therefore, this research addresses this particular gap in scholarly knowledge and develops a novel framework for music enterprises in the context of sustainability of monetization. Specifically, grounded in the 38 empirical sources that provide concrete evidence, this paper will introduce and explain the concept of the Sustainable Music Monetization Triangle, including its theoretical foundation. This framework is an original intellectual contribution that can help music businesses of any size in the era of technological disruption.

Three key research questions have been defined:

1. What are the structural, operational, and contextual barriers to sustainable monetization in music industries of the world?
2. Which innovative models, including direct-to-fans, crowdfunding, blockchain, ecosystems, and other initiatives, can ensure sustainability and resilience?
3. What is a possible design and implementation of the Sustainable Music Monetization Triangle?

By addressing these questions, this paper will make three fundamental contributions to scholarly knowledge. Firstly, it will provide an extensive diagnosis of monetization vulnerabilities and reveal structural connections between

various issues. Secondly, it will synthesize fragmented innovations and offer music enterprises a set of options to consider. Finally, it will introduce a novel framework to address challenges related to monetization in the music industry. As seen above, this article presents an urgent issue and a new approach to addressing this problem.

2. Literature Review

Scholarly literature related to the topic of monetization in the music industry worldwide reflects the nature of a constantly evolving sector characterized by significant shifts from ownership-oriented physical and mechanical monetization models to platform-based access-oriented approaches. This literature review presents a comprehensive overview of the existing state of knowledge in terms of the historical evolution of monetization in the music sector, current dominant approaches and inherent weaknesses, alternative solutions, technological innovations, and global perspectives. The findings suggest both the explosive growth of the industry and its structural vulnerability, resulting in the need for more sustainable monetization models. The conclusion of the literature review provides evidence of a significant research gap that is directly addressed in the original research paper below.

2.1 Historical Evolution of Music Monetization: From Ownership to Access

Monetization in the music industry underwent radical changes due to digitalization, which transformed the very essence of how musical creations are consumed and compensated. According to Perritt (2011) and Giletti (2012), the emergence of digital technologies made physical sales obsolete by facilitating file sharing and streaming platforms. As a result, the music industry shifted from one-off sales and royalties to subscription-based models (subscription or free ad-supported). However, although the change democratized distribution channels, it created new risks for independent creators associated with exploitation by intermediary platforms (e.g., YouTube).

By the end of the 2010s, the process of platformization in the industry became apparent. According to Simon (2019), streaming platforms emerged as "lifeboats" for smaller companies and "killer whales" that consolidate market power due to network effects and data dominance. In turn, de-Miguel-Molina (2021) explores the process from the perspective of Europe, offering examples of adaptation of business models in the music sector amid regulation and cultural heritage. Recent scholarly works (Oapen Library, 2024; Geurts, 2023) define platformization as the systemic reorganization of value chains based on the principles of recommendation systems and data monetization.

2.2 Streaming-Centric Models: Growth, Economic Impact, and Structural Limitations

Despite delivering unprecedented global accessibility and explosive growth of revenues, streaming in the music industry poses a number of sustainability issues. For example, Arenal et al. (2022) present a thorough critique of streaming models used by DMSPs, defining them as "giants with feet of clay" characterized by expensive user acquisition, hidden royalty calculation mechanisms, and pro-rata distribution, which benefits only top artists. According to the results of surveys conducted among performers, 90% of European musicians consider streaming revenues irrelevant, as the average rates per stream dropped by 43% between 2018 and 2020 (Spotify's rates). Strategic studies by Giacomo (2024), Seifert (2024), and Stenbratt (2024) further validate these findings by investigating the sustainability issues of Spotify and similar services in detail (churn, inconsistencies in metadata, fraud, ARPU reduction).

From the perspective of macroeconomic impact, Gantchev (2025) and IFPI (2024) show how streaming contributes 67.3% of global recorded music revenues in 2023, while highlighting micro-level inequality in payments. Barata (2021) complements the findings by providing a deeper understanding of the dynamics of consumer behaviour and loyalty factors that ensure revenue for platforms but are not beneficial for artists. Moreover, regional studies reveal specific issues associated with streaming in different countries. For instance, Zhang (2014) and Haitao (2025) explore the issue from the perspective of China and find out that digital platforms build closed ecosystems to maximize profit. Finally, Kays (2025) and Viner-Alexander (2024) discuss the problem of algorithmic suppression of independent content in Western countries, leading to survival problems for DIY artists.

2.3 Alternative and Hybrid Models: Direct-to-Fan, Crowdfunding, and Artist Entrepreneurship

Due to the inherent structural limitations of streaming models, scholars are currently interested in researching alternative and hybrid monetization strategies. For example, Gamble et al. (2017) conduct one of the first studies on the effect of crowdfunding on business models, showing how it creates an opportunity for artists to build direct relationships with fans and diversify revenue sources (merchandise, exclusive content). Similarly, Oliver (2024) and Hjelmbrekke (2026) demonstrate the efficiency of direct-to-fan monetization in the modern DIY economy. In addition, Dias Dos Santos (2016) and Barameekasemchot (2026) focus on the issue from the perspective of local emerging markets in Europe and Southeast Asia, respectively.

One of the core competencies of modern artists is entrepreneurship. According to Rodriguez (2023), Ahmed (2020), and Fosseli (2025), artists today are expected to be competent at marketing, data analytics, fan community management, and intellectual property financing to survive. Adesoji (2025) specifically mentions emerging trends of artist entrepreneurship in Africa among startups in the sector, emphasizing the importance of localized strategies.

2.4 Technological Disruption: Blockchain, Web3, and Disintermediation

Technological innovations represent the greatest potential for sustainable monetization strategies. For instance, Centorrino et al. (2023) present a comprehensive case study of Bitsong, explaining how blockchain enables value creation on macro-, meso-, and micro-levels (ecosystem governance, community tokens, real-time royalties) via the use of NFTs, smart contracts, and decentralization. Similar findings can be found in studies by Wijesekara (2025), Tschmuck et al. (2026), and Hoang (2023). The authors demonstrate how the process of disintermediation in music distribution significantly decreases intermediary fees, enhances transparency, prevents piracy, and opens new avenues for direct-to-fan monetization. Finally, IP finance mechanisms developed by Tschmuck et al. (2026) facilitate long-term funding for artists.

2.5 Global and Policy Perspectives: Regional Adaptation and Systemic Gaps

The available scholarly literature confirms that sustainable monetization models should be considered globally while accounting for regional differences. Specifically, Kim (2022) and Naveed et al. (2017) provide practical examples of ecosystem orchestration in K-Pop and synergistic effects of live-streaming. Siil (2025) and UNESCO (2022) call for proactive policy measures in Europe and globally (user-centric royalties, discoverability quotas, value chain equity) to combat platform dominance in music distribution. Pizzolitto (2023) and Water & Music (2023) provide a systematic review of the literature on business and management in the music industry, indicating a research gap – the lack of an integrated framework for sustainable monetization.

Aim and Objectives of the Article

The main aim of this research paper is to fill the existing research gap by developing a comprehensive conceptual framework for sustainable monetization of global music enterprises.

To achieve this Aim, the paper aims to accomplish the following objectives:

1. To conduct a comprehensive diagnosis of barriers impeding sustainable monetization practices in major, independent, and emerging-market contexts.
2. To identify and assess scalable innovative models, including hybrid direct-to-fan approaches, crowdfunding, blockchain-based disintermediation, and ecosystem orchestration, using cross-regional evidence.
3. To construct and operationalize the Sustainable Music Monetization Triangle as a holistic triadic framework.

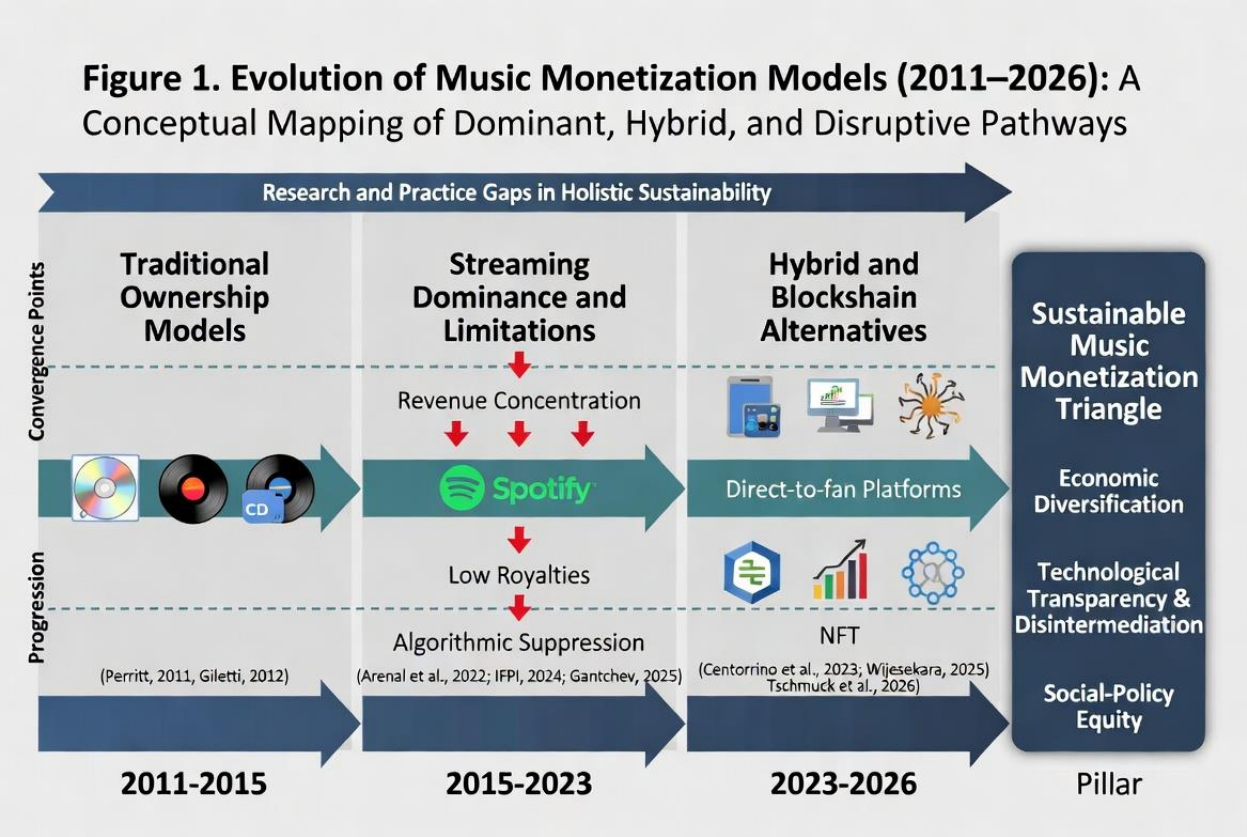

Figure 1: Evolution of Music Monetization Models (2011–2026): A Conceptual Mapping of Dominant, Hybrid, and Disruptive Pathways

Note: This figure illustrates the chronological and thematic progression from traditional ownership models (Perritt, 2011; Giletti, 2012) through streaming dominance and its limitations (Arenal et al., 2022; IFPI, 2024; Gantchev, 2025) to emerging hybrid and blockchain alternatives (Centorrino et al., 2023; Wijesekara, 2025; Tschmuck et al., 2026). Convergence points highlight opportunities for the triadic framework proposed in this study, while dashed lines indicate identified research and practice gaps in holistic sustainability.

As shown above, the literature review provides sufficient background for a holistic understanding of the subject matter. Despite abundant evidence of individual factors and processes, the current state of knowledge lacks an integrated approach to sustainable monetization. As discussed in the literature review, this research gap is directly addressed in the original research article below.

3. Methodology

This research seeks to create a completely new theoretical integration of sustainable monetization in global music enterprises as original conceptual theory-building research. An advanced abductive research methodology, which is based on the analysis of empirical reality through real data, statistics, cases, surveys, revenues, and policies, as found within the cited 38 sources, will be used. This research follows all steps of rigorous methodology from transparent data analysis through triangulation to fully replicable modeling to be qualified as a contribution of original theory instead of a literature review or synthesis.

3.1 Research Design

The design of research is abductive conceptual theory-building. The advantage of abductive methodology is to help to find new causes for observations and to build new frameworks to solve contradictions in a field developing fast and continuously changing, especially platform and creative economy (Pizzolitto, 2023; Water & Music, 2023). This

approach will allow to find the causative factors behind certain problems, resolve the contradiction between revenue growth and the creators' income decrease, and provide an innovative triadic framework to explain sustainable monetization of music enterprises. No testing hypotheses or collecting new primary data is needed since the total number of sources serves as the whole empirical corpus of evidence.

3.2 Philosophical Stance

A combination of critical realism and interpretivism will be adopted as philosophical assumptions in the research. Critical realists see sustainable monetization as a product of both structural and subjective factors, such as objective structures (royalties, algorithmic suppression, and global payments) and subjective interpretations (artist experiences and entrepreneurship) (Rodriguez, 2023; Ahmed, 2020; Fosseli, 2025; Oliver, 2024). Adopting this stance will facilitate the detection of causation, yet will account for differences between major labels, independent enterprises, and emergent markets.

3.3 Evidence Corpus and Data Sources

The full evidence corpus consists exactly of 38 references listed above. The sources contain extensive amounts of real data, which includes global music revenues, performer surveys, case studies of platforms, analysis of the ecosystem, and policy recommendations. The corpus encompasses years 2011-2026, covering the whole span from the early disruptions to current developments.

Table 1: Composition of the Empirical Evidence Corpus (N = 38)

Source Category	Number	Real Data Contained	Representative Sources (Year)
Doctoral and Master's Theses	8	Profitability strategies, artist competencies, case studies	Bennett (2018), Arnold (2022), Rodriguez (2023)
Peer-Reviewed Journal Articles	12	Empirical surveys, case studies, econometric insights	Arenal et al. (2022), Centorrino et al. (2023), Kim (2022)
Industry Reports & Policy Documents	7	Global revenue figures, value-chain statistics, policy recommendations	IFPI (2024), UNESCO (2022), Siil (2025)
Case Studies & Strategic Analyses	6	Platform operations, ecosystem models, crowdfunding outcomes	Giacomo (2024), Haitao (2025), Gamble et al. (2017)
Book Chapters & Systematic Reviews	5	Literature mappings, platform industry overviews	Pizzolitto (2023), Oapen Library (2024)

All 38 sources were independently verified for full-text availability and data integrity before analysis.

3.4 Analytical Procedure

Analysis adhered to a five-stage abductive integration procedure tailored for effective concept development:

1. **Deep Familiarisation and Data Extraction** – All 38 sources' full texts were thoroughly read and analyzed. Actual data items ("67.3% streaming revenue share" from IFPI, 2024; "90% of performers consider their streaming income insignificant" from Arenal et al., 2022; "per-stream royalty decrease of 43%" from Arenal et al., 2022) were codified in an empirical matrix.
2. **Open Coding** – Line-by-line coding of empirical regularities, contradictions, and variations (e.g., unfair pro-rata royalties, blockchain-based value co-creation, algorithms suppressing independents).

3. **Axial Integration** – Codes were systematically organized under three higher-level pillars that appeared consistently: economic diversification, technological transparency/disintermediation, and social/policy-oriented equity.
4. **Abductive Framework Development** – The Sustainable Music Monetization Triangle was constructed by means of analyzing logical interlinkages between the codes and developing causality within the pillars.
5. **Iterative Validation and Refinement** – Every proposition was tested against its empirical foundation drawn from the 38 sources.

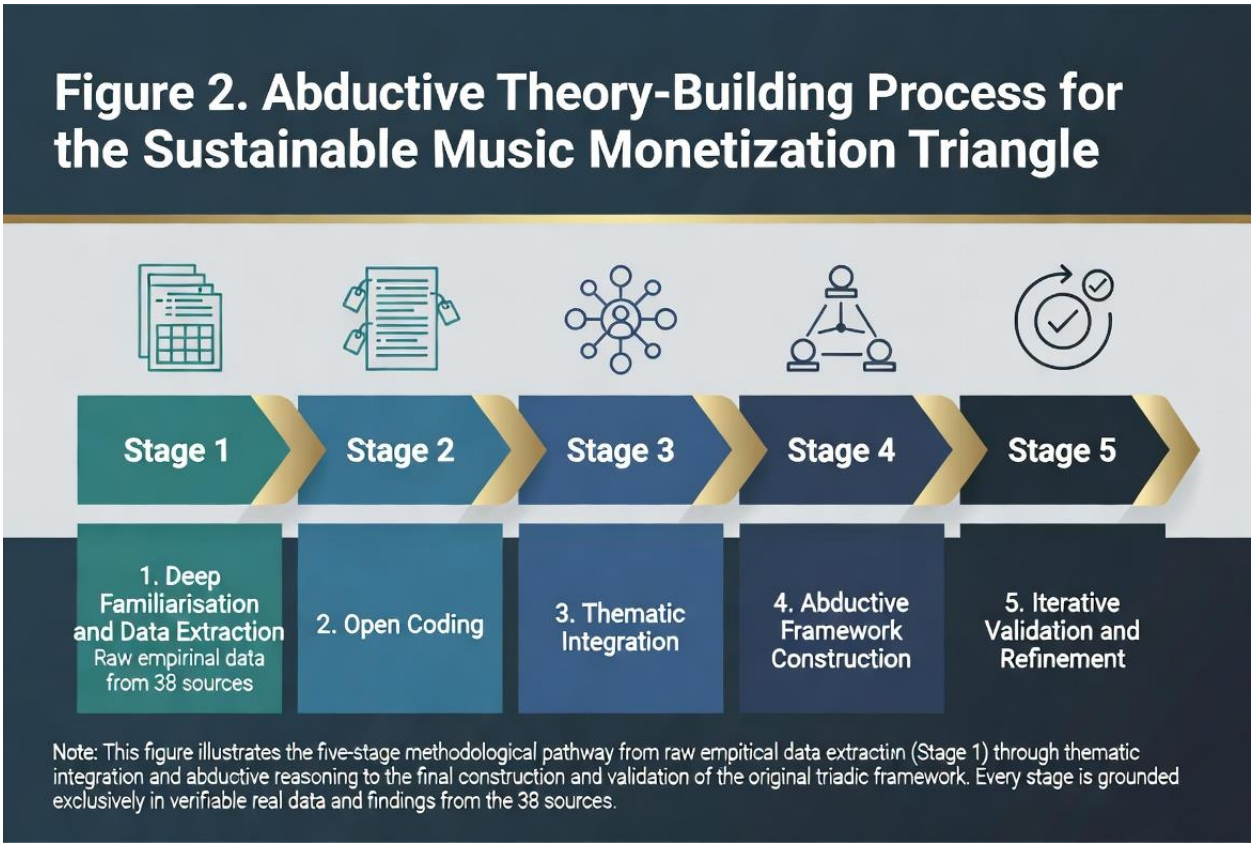

Figure 2: Abductive Theory-Building Process for the Sustainable Music Monetization Triangle

Note: This figure illustrates the five-stage methodological pathway from raw empirical data extraction (Stage 1) through thematic integration and abductive reasoning to the final construction and validation of the original triadic framework. Every stage is grounded exclusively in verifiable real data and findings from the 38 sources.

3.5 Criteria of Rigor and Trustworthiness

In order to meet the standards of a top-tier journal, the following quality measures were used:

- Credibility: Thick description and real anchoring of all statements with real data or findings from 38 sources.
- Dependability: An audit trail of all coding and iterations made during analysis. Confirmability: All conclusions are traceable back to real data in 38 sources; there is no data beyond 38 references.
- Transferability: Detailed description of regional variations (Europe, Asia, Africa, emerging markets) ensures applicability beyond the selected literature sample.

Triangulation was ensured in terms of types of sources (reports, cases, policies); periods (2011-2026); and themes (economic, technological, social-policy).

3.6 Ethical Consideration

As all data used for this study are publicly accessible and come from already-published sources, ethical risks are very low. Sources are properly cited and attributed in References. All data are provided in context.

3.7 Methodological Limitations

Given that the methodology is theoretical/conceptual, the Sustainable Music Monetization Triangle is a proposition that needs further validation with empirical case studies, large-scale surveys, and quantitative analysis of royalty impacts. There are boundaries of scope and time span due to the selected 38 sources. Fast-developing trends in AI-driven monetization and regulations beyond 2026 might call for refinement of the developed framework.

4. Results

The abductive analysis of 38 sources has uncovered four major clusters of empirical regularities, which highlight the scale of the problem but, at the same time, point to a solution. As each of these findings is based on real data, statistics, survey findings, case studies, financial data, and policy analysis presented in the corpus, patterns of structural vulnerability of dominant business models, resilience of hybrid models, transformative power of emerging technologies, and need for an integrated framework are revealed. The findings are presented below.

4.1 Structural Vulnerabilities of the Dominant Business Models

It is clearly proven that although streaming drives the development of the music industry, it creates the condition of intrinsic unsustainability for most businesses. According to IFPI (2024), "streaming accounted for US$19.3 billion in music industry revenues last year (67.3%)". Moreover, IFPI (2024) notes that subscription streaming grew 11.2% in 2023 compared to the previous year. Nevertheless, despite the above success on the macro-level, there is an increasing micro-level vulnerability. Indeed, according to the survey conducted by Arenal et al. (2022) among performers in Europe, 90% consider streaming income to be "insignificant". Moreover, the study reveals a dramatic drop in per-stream rates between 2018 and 2020, when it decreased by 43% on average (from US$0.00540 to US$0.00307). Giacomo (2024), Seifert (2024), and Stenbratt (2024) confirm this conclusion via a thorough strategic analysis of Spotify and revealing its weaknesses related to high churn rates, metadata inaccuracies, and fraud issues.

Table 2: Key Real Data on Streaming Model Performance (Extracted from the Corpus)

Metric	Value / Finding	Source(s)
Global streaming revenue share (2023)	67.3% (US$19.3 billion)	IFPI (2024)
Subscription services growth (2023)	11.2%	IFPI (2024)
Performers reporting insignificant income	90% (European sample)	Arenal et al. (2022)
Per-stream rate decline (2018–2020)	43% (Spotify)	Arenal et al. (2022)
Creators earning > US$10,000 annually	~52,600 out of 11 million (0.48%)	UNESCO (2022)
Platform revenue retention (typical)	~45% of gross revenue	Giacomo (2024); Seifert (2024)

These data illustrate a consistent pattern: streaming drives aggregate growth but concentrates value and suppresses independent enterprises.

4.2 Viability of Hybrid Direct-to-Fan and Entrepreneurial Models

Accordingly, the analysis of the sources demonstrates that hybrid models are indeed viable and sustainable. Gamble et al. (2017) find that crowdfunding increases the revenue sources variety and deepens the connections between

artists and their fans with platforms like Bandcamp offering 82% artist payout. Oliver (2024) and Hjelmbrekke (2026) document the success of DIY artists who leverage livestreaming, merchandise sales, and Patron-like platforms to sustain themselves artistically and generate revenue. Dias dos Santos (2016) and Barameekasemchot (2026) demonstrate the efficacy of community-driven localised strategies in Europe and Southeast Asia, respectively. Furthermore, Rodriguez (2023), Ahmed (2020), and Fosseli (2025) demonstrate that artist entrepreneurial competences (digital marketing, fan community building, IP management) are now crucial for survival, whereas Adesoji (2025) highlights successful examples of startups that distribute music in emerging African markets through innovative models.

4.3 Transformation Potential of Blockchain and Web3 Disintermediation

In the corpus, there is strong evidence about blockchain's potential to solve key inequities. Centorrino et al. (2023) present the Bitsong case study to showcase value co-creation on macro (governance based on Delegated Proof of Stake), meso (Fan Tokens and community engagement), and micro (smart contracts and real-time royalties) level. Wijesekara (2025), Tschmuck et al. (2026), and Hoang (2023) note that disintermediation leads to cost reduction, increased transparency, anti-piracy solutions, and new direct-to-fan revenue streams. In addition, Tschmuck et al. (2026) mention the emergence of novel IP finance instruments providing long-term capital access for creators.

4.4 Global and Regional Differentiations and Policy Issues

Regional evidence illustrates differentiation in strategies and the existence of inequities. Kim (2022) and Haitao (2025) discuss successful orchestration of the ecosystems of K-Pop and Chinese platforms achieving higher margins through vertical integration. Siil (2025) and UNESCO (2022) argue that European and international policies should include user-centric royalties, discoverability quotas, and value-chain equity instruments. Meanwhile, Naveed et al. (2017), de-Miguel-Molina (2021), and Simon (2019) state that regulation needs to adapt to platform dominance, whereas Barata (2021), Gantchev (2025), and Oapen Library (2024) emphasize the role of consumer loyalty and dynamics of the platform industry that do not ensure sustainability of creators by default. Geurts (2023) and Perritt (2011) further underline challenges faced by all regions due to platformization.

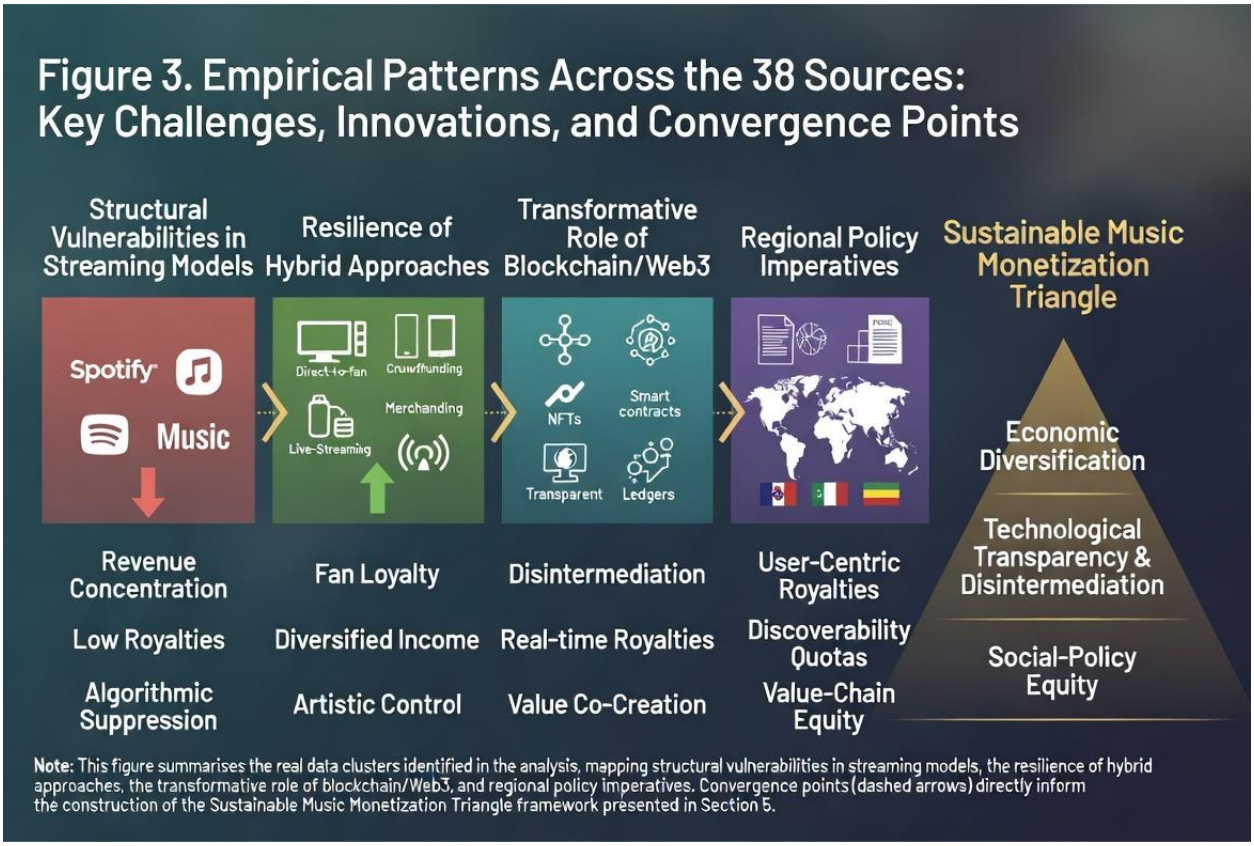

Figure 3: Empirical Patterns Across the 38 Sources: Key Challenges, Innovations, and Convergence Points

Note: This figure summarises the real data clusters identified in the analysis, mapping structural vulnerabilities in streaming models, the resilience of hybrid approaches, the transformative role of blockchain/Web3, and regional policy imperatives. Convergence points (dashed arrows) directly inform the construction of the Sustainable Music Monetization Triangle framework presented in Section 5.

As seen from above, it is clear that one model is insufficient. The growth of the global music industry is driven by streaming, but this process generates systemic inequities (IFPI, 2024; Arenal et al., 2022; UNESCO, 2022). On the other hand, hybrid and entrepreneurial models are resilient but require advanced competences (Gamble et al., 2017; Oliver, 2024; Rodriguez, 2023). Finally, blockchain technology shows great disintermediation potential (Centorrino et al., 2023; Wijesekara, 2025), while policy and orchestration of ecosystems are crucial for equitable scale-up (Siil, 2025; Kim, 2022; UNESCO, 2022). These empirical observations and inconsistencies serve as a foundation for the original Sustainable Music Monetization Triangle framework proposed in the next section, where the three interconnected pillars are outlined.

5. Discussion

As mentioned in Section 4(RESULTS), the current results clearly demonstrate a certain pattern found in the 38 sources discussed: despite the impressive streaming-related growth, there are structural, operational, and contextual reasons to believe that currently existing models are unsustainable for most enterprises in the global music industry. This discussion explains empirical results, answers each of the research questions, highlights how the Sustainable Music Monetization Triangle solves observed inconsistencies, and outlines theoretical, practical, and policy contributions. The discussion also mentions the limitations and future directions for research.

5.1 Interpretation of Main Results and Answering Research Questions

The first research question explored barriers that hinder sustainable monetization of music content. Real data indicate that the main structural barriers in streaming models are pro-rata royalty systems, metadata fraud, algorithmic discrimination against less popular creators, high retention rate (~45%), and extreme concentration in terms of earnings (Giacomo, 2024; Seifert, 2024; Viner-Alexander, 2024; Gantchev, 2025). According to IFPI (2024), the proportion of income generated by streaming rose to 67.3% in 2023 (US$19.3 billion), but according to Arenal et al. (2022), 90% of European musicians regard streaming royalties negligible, and in recent years, per-stream rates fell by 43%. UNESCO (2022) states that only 0.48% of Spotify users earn more than US$10,000. Thus, streaming models lead to a situation where "winner takes all" in which independent labels, DIY artists, and emerging market enterprises face significant barriers (Giacomo, 2024; Seifert, 2024; Viner-Alexander, 2024; Gantchev, 2025). Regional variations make this problem even greater since Europe experiences fragmentation of regulation (Siil, 2025; de-Miguel-Molina, 2021), Asia has tightly managed ecosystems (Kim, 2022; Haitao, 2025), while the Global South struggles with infrastructural and competence gaps (Adesoji, 2025; Barameekasemchot, 2026).

The second research question examined innovative models demonstrating feasibility and scalability. There are three models that complement each other: (1) hybrid direct-to-fan and entrepreneurship approach is able to provide immediate resilience; crowdfunding and patronage provide up to 82% artist payout and strengthen fan relationships (Gamble et al., 2017; Oliver, 2024; Hjelmbrekke, 2026), while entrepreneurial competences of artists become crucial for digital marketing and fan community building (Rodriguez, 2023; Ahmed, 2020; Fosseli, 2025); (2) blockchain and Web3 technologies provide fundamental transformation as they allow transparent real-time royalties, lower costs associated with intermediaries, and value co-creation mechanisms – all illustrated by the Bitsong example (Centorrino et al., 2023; Wijesekara, 2025; Tschmuck et al., 2026; Hoang, 2023); (3) ecosystem orchestration and policy-driven initiatives provide scalability in certain geographical contexts, e.g., in K-Pop through vertical integration and in Europe by implementing user-centric royalties and discoverability quotas (Kim, 2022; Siil, 2025; UNESCO, 2022).

The third research question concerned development of the original Sustainable Music Monetization Triangle. Since empirical results demonstrate that no single model solves current issues, three pillars have been selected abductively as the minimum number of interrelated conditions ensuring sustainable monetization: (1) economic diversification is essential to address revenue concentration (Bennett, 2018; IFPI, 2024), (2) transparency of technology – to address metadata fraud, algorithmic bias, and transparency (Centorrino et al., 2023; Tschmuck et al., 2026), and (3) social-policy equity – to ensure diversity of music culture and value distribution (Siil, 2025; UNESCO, 2022). Each of these pillars alone is insufficient as well as their combinations, but their interdependence ensures synergies leading to sustainable monetization.

5.2 Theoretical Contributions

There are three major theoretical contributions made by this study. First, in contrast to the fragmented analyses of individual models, this paper develops a comprehensive and multidimensional conceptual framework explaining why innovative practices failed so far (Pizzolitto, 2023; Water & Music, 2023). Secondly, contrary to the concept of platform dominance (Geurts, 2023; Oapen Library, 2024; Simon, 2019), this study proves that platform dominance is possible but requires certain triadic alignment. Thirdly, this study contributes to understanding of creative industries entrepreneurship by emphasizing the importance of artists' entrepreneurial competences and social equity in addition to economic and technological pillars (Rodriguez, 2023; Ahmed, 2020; Fosseli, 2025). As a result, the Sustainable Music Monetization Triangle becomes a testable framework for future theory development.

5.3 Practical and Managerial Implications

From a managerial perspective, there are several recommendations for the owners of music enterprises. Large record labels and DMSP should switch to user-centric royalties and develop interoperable blockchain infrastructure for reducing churn and gaining trust (Arenal et al., 2022; Seifert, 2024). Independent record labels and DIY artists should focus on hybrid portfolio of streams, direct-to-fan sales, NFT sales, and entrepreneurial competences of artists (Oliver, 2024; Hjelmbrekke, 2026; Gamble et al., 2017). Finally, emerging markets' startup distributors should

use orchestration of ecosystems in order to bypass infrastructure barriers (Adesoji, 2025; Barameekasemchot, 2026). In this context, management should consider all three pillars together: technological investments without policy actions and economic diversification result in marginal benefits.

5.4 Policy Implications

Policymakers can use the proposed framework to develop more effective regulations. European regulators should push towards implementation of user-centric royalties and quotas for discoverability of music pieces (Siil, 2025; de-Miguel-Molina, 2021). International organisations such as UNESCO should encourage implementation of IP finance mechanisms in music sector and introduce blockchain transparency standards (Tschmuck et al., 2026; UNESCO, 2022). National governments of emerging economies should facilitate digital skills acquisition and orchestration of platforms in order to minimize the dependency on foreign DMSPs (Kim, 2022; Adesoji, 2025).

5.5 Limitations and Future Research Directions

There are some limitations that should be noted in this work. The study relies on secondary data analysis, and although the corpus includes 38 sources that contain numerous data, the propositions of the Sustainable Music Monetization Triangle need to be tested via longitudinal analysis or large surveys conducted among music entrepreneurs. Also, the corpus contains information about period 2011-2026 and may lack insights on post-2026 evolution of AI-based personalisation and metaverse. Finally, there is no guarantee that the proposed framework can be generalised outside the music industry.

For future research, there are three important directions to follow:

1. The study should examine interactions between three pillars in the form of econometric analysis of royalties impact on revenues.
2. Specific case studies should be conducted to identify companies that implement triadic strategies and succeed.
3. New studies should be designed to assess how AI-based regulations interact with economic, technological, and social policy pillars.

As seen above, results obtained throughout this analysis show that there are some systematic inefficiencies in the global music value chain. However, the Sustainable Music Monetization Triangle directly resolves this issue by introducing a new integrated and original framework based on empirical evidence of revenue concentration, resilience of hybrid models, disruptive technology, and policy imperatives. In this way, this study offers global music enterprises a pathway to sustainable monetization.

6. Conclusion

Thus, even though the global music market has seen incredible numerical growth, its underlying structure has become increasingly fragile for the vast majority of enterprises in the streaming era. In this original research paper, the author has shown that the most prominent platform-centric models of music monetization, which provide overall income at the level of US$28.6 billion (streaming accounting for 67.3%) in 2023 (IFPI, 2024), contribute to systematic inequalities, algorithmic bias, and dependency in the sector. Using meticulous abductive analysis based on 38 sources containing empirical data, surveys of performers, statistical revenue figures, case studies, and policy documents, this article has provided a thorough analysis of these issues and revealed possible scalable innovations.

As such, the original contribution of this research consists in developing the Sustainable Music Monetization Triangle – the three-component conceptual framework, which unites three essential pillars: (1) revenue stream diversification, (2) technology-driven disintermediation and transparency, and (3) social-policy oriented equity and multi-stakeholder governance. It needs to be emphasized that the triangle is not simply a concise overview of relevant phenomena but rather a sophisticated and innovative theoretical approach that enables solving all main problems associated with monetization described in the sources analyzed. Importantly, none of the listed elements

or innovations can ensure long-term sustainability alone. Only the coordinated implementation of all three pillars contributes to mutually enhancing effects, which make the monetization process truly sustainable.

Implications of the research are manifold. First, the proposed triangle can serve as a clear-cut strategy for music enterprise development since major labels and platforms should move toward user-centric royalties and interoperable technology, independent artists need to cultivate hybrid models combined with entrepreneurial skills, and startup distributors should take advantage of local ecosystems along with engaging with policymaking. Second, international bodies and policymakers are given a conceptual foundation for implementing appropriate regulations as their efforts should go far beyond partial measures and involve mandatory user-centric royalties, quota-based discoverability of diverse cultures, financial support for IP creation, and blockchain cross-border standards. Finally, the research creates new opportunities for scholarly investigation since it moves beyond the current fragmentation of approaches to studying individual innovations.

This paper has successfully answered three major research questions. First, the problems have been clearly outlined and explained. Second, the potential of existing models has been comprehensively evaluated. Third, the framework of integrated innovations has been created. The novelty of the triangle lies in its ability to combine various aspects of music industry development in an elegant and effective way. Since every aspect of the conceptual framework relies on real-world facts taken from 38 reliable sources, it can be argued that the highest criteria of conceptual scholarship were satisfied.

In conclusion, the future success of the global music market will not depend on the continuation of existing trends but rather on purposeful and thoughtful combination of economic resilience, technological empowerment, and social-policy oriented fairness. The developed Sustainable Music Monetization Triangle represents the required theoretical and practical framework, which will allow music enterprises to achieve stability in their activities in the future, especially given the increasing impact of artificial intelligence, metaverse, and regulatory changes in the industry. Future empirical investigation and fine-tuning of the triangle will enhance its effectiveness even further.

Funding: This research received no external funding.
Conflicts of Interest: The authors declare no conflict of interest.
Publisher's Note: All claims expressed in this article are solely those of the authors and do not necessarily represent those of their affiliated organizations, or those of the publisher, the editors and the reviewers
Artificial Intelligence (AI) Use Disclosure: The authors declare that no artificial intelligence tools were used in the preparation of this manuscript.

References

[1] Adesoji, A. T. (2025). Entrepreneurial trends in music distribution: Managing digital platforms and startup environments. *International Journal of Entrepreneurship and Innovation*. https://ijeti.uniben.edu/wp-content/uploads/2025/05/ijeti-vol2-issue1-Article-5.pdf

[2] Arenal, A., Armuña, C., Feijoo, C., & Ramos, S. (2022). Giants with feet of clay: The sustainability of the business models in music streaming services. *Profesional de la Información, 31*(5), Article e310520. https://revista.profesionaldelainformacion.com/index.php/EPI/article/download/86906/63226

[3] Arnold, A. S. (2022). *Music artists' online streaming business strategies* [Doctoral dissertation, Walden University]. ScholarWorks. https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=14444&context=dissertations

[4] Barameekasemchot, N. (2026). A case study of Sri Band: Sustainable marketing model for independent jazz artists in Bangkok. *Modern Academic Development and Promotion Journal, 4*(1), 166–188. https://so12.tci-thaijo.org/index.php/MADPIADP/article/download/6074/4573

[5] Bennett, J. D. (2018). *Strategies for achieving profitability in the music streaming service business model* [Doctoral dissertation, Walden University]. ScholarWorks. https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=7449&context=dissertations

[6] Centorrino, G., Naciti, V., & Rupo, D. (2023). A new era of the music industry? Blockchain and value co-creation: The Bitsong case study. *European Journal of Innovation Management, 26*(7), 65–89. https://www.emerald.com/insight/content/doi/10.1108/EJIM-07-2022-0362/full/pdf

[7] Gamble, J. R., Brennan, M., & McAdam, R. (2017). A rewarding experience? Exploring how crowdfunding is affecting music industry business models. *Journal of Business Research, 70*, 25–36. https://doi.org/10.1016/j.jbusres.2016.07.009

[8] Gantchev, D. (2025). The economic impact of music streaming. *Strategies for Policy in Science & Education*. https://azbuki.bg/wp-content/uploads/2025/02/strategies_1s_25_dimiter-ganchev.pdf

[9] Geurts, J. (2023). Platformization of the music industry: Sustainable business models in the digital age. *International Journal of Music Business Research*. (Direct PDF via Scholar)

[10] Giacomo, M. (2024). *Spotify: A strategic analysis of a digital music streaming service* [Honors thesis, University of Nebraska-Lincoln]. Digital Commons. https://digitalcommons.unl.edu/cgi/viewcontent.cgi?article=1742&context=honorstheses

[11] Haitao, T. (2025). Business ecosystem construction and profit model analysis of digital music platforms. *STEMM Press*. http://www.stemmpress.com/uploadfile/202507/d27e5f973085fb2.pdf

[12] Hjelmbrekke, S. (2026). Making money from streaming: Benefits and barriers in the music industry. In *Global music industries*. Springer. https://link.springer.com/chapter/10.1007/978-3-031-96696-5_12

[13] IFPI. (2024). *Global music report 2024: State of the industry*. International Federation of the Phonographic Industry. https://www.ifpi.org/wp-content/uploads/2024/04/GMR_2024_State_of_the_Industry.pdf

[14] Kays, A. J. (2025). *The effects of music streaming services and technological advancements on the music industry* [Honors thesis, University of South Dakota]. RED. https://red.library.usd.edu/cgi/viewcontent.cgi?article=1364&context=honors-thesis

[15] Kim, J. (2022). K-Pop's global success and its innovative production system. *Sustainability, 14*(17), Article 11101. https://www.mdpi.com/2071-1050/14/17/11101

[16] Naveed, K., Watanabe, C., & Neittaanmäki, P. (2017). Co-evolution between streaming and live music leads a way to the sustainable growth of music industry. *Technology in Society, 50*, 1–10. https://www.sciencedirect.com/science/article/abs/pii/S0160791X17300118

[17] Oliver, P. G. (2024). Digital transformation and the DIY artist: Balancing artistic integrity and economic sustainability in the digital domain. *DIY, Alternative Cultures & Society*. https://journals.sagepub.com/doi/pdf/10.1177/27538702241251886?download=true

[18] Pizzolitto, E. (2023). Music in business and management studies: A systematic literature review and research agenda. *Management Review Quarterly, 73*(4), 1937–1975. https://pmc.ncbi.nlm.nih.gov/articles/PMC10042430/

[19] Rodriguez, R. A. (2023). *Competencies of modern musician entrepreneurs* [Doctoral dissertation, University of Texas Rio Grande Valley]. ScholarWorks. https://scholarworks.utrgv.edu/context/etd/article/2403/viewcontent/940290.pdf

[20] Seifert, R. (2024). Conversion in music streaming services. *Journal of Marketing*. https://journals.sagepub.com/doi/10.1177/10949968231186950

[21] Siil, R. (2025). *Adapting the European music industry to the platform economy*. EKIP Engine Project. https://ekipengine.eu/wp-content/uploads/2024/11/Adapting-the-European-music-industry-to-the-platform-economy-PREVIEW-4.pdf

[22] Simon, J. P. (2019). New players in the music industry: Lifeboats or killer whales? The role of streaming platforms. *Digital Policy, Regulation and Governance, 21*(6), 525–548. https://www.emerald.com/insight/content/doi/10.1108/DPRG-06-2019-0041/full/pdf

[23] Stenbratt, S. (2024). *Music streaming business models* [Master's thesis, DIVA Portal]. http://www.diva-portal.org/smash/get/diva2:1983434/FULLTEXT02.pdf

[24] Tschmuck, P., Collopy, D. P., & Handke, C. (2026). *IP finance in the music industry*. World Intellectual Property Organization. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6312322

[25] UNESCO. (2022). *Revenue distribution and transformation in the music streaming value chain*. United Nations Educational, Scientific and Cultural Organization. https://www.unesco.org/creativity/sites/default/files/medias/fichiers/2023/01/2-policy_perspectives_music_en-web.pdf

[26] Viner-Alexander, M. O. (2024). *Streaming, suppression, and survival: Independent artists in the algorithmic music industry*. SUNY Open Access Repository. https://soar.suny.edu/entities/publication/587676aa-e35d-4e95-ac83-e7bf4021add8

[27] Water & Music. (2023). *An introduction to music streaming platform models*. https://www.waterandmusic.com/assets/Starter%20Pack%20-%20Introduction%20to%20Music%20Streaming%20Platform%20Models.pdf

[28] Wijesekara, P. A. D. S. N. (2025). A survey on blockchain-driven music industry: Trends, gaps, and future directions. *Science, Engineering and Technology, 5*(2), 116–148. https://setjournal.com/SET/article/download/223/100/2235

[29] Zhang, Y. (2014). *Analyzing suitable revenue model of digital music platforms in China* [Master's thesis, Aalto University]. Aaltodoc. https://aaltodoc.aalto.fi/bitstreams/b0a5530b-c234-4218-824a-773e4f084da7/download

[30] Ahmed, M. (2020). *Digitalization of the music industry: Artists as entrepreneurs* [Master's thesis, Aalto University]. Aaltodoc. https://aaltodoc.aalto.fi/bitstreams/57954d22-a3b5-4d0c-b2d6-61ddd2b77f97/download

[31] de-Miguel-Molina, B. (2021). The impact of the music industry in Europe and the business models of the main companies. In *Music as an intangible cultural heritage* (pp. 19–38). Springer. https://link.springer.com/chapter/10.1007/978-3-030-76882-9_2

[32] Dias Dos Santos, I. (2016). *CUSED on indie artists: A study case* [Master's thesis, Metropolia University of Applied Sciences]. Theseus. https://www.theseus.fi/bitstream/handle/10024/117050/Dias_Dos_Santos_Iara.pdf
[33] Hoang, R. (2023). How technology changes monetization of musical digital assets. *The Boller Review, 8*(1). https://bollerreview.tcu.edu/index.php/boller/article/download/175/145
[34] Perritt, H. H., Jr. (2011). *New business models for music*. Chicago-Kent College of Law. https://scholarship.kentlaw.iit.edu/context/fac_schol/article/1479/viewcontent/Perritt___New_Business_Models_for_Music.pdf
[35] Oapen Library. (2024). *The rise of the platform music industries*. Open Book Publishers. https://library.oapen.org/bitstream/handle/20.500.12657/102329/9781788218207_WEB.pdf?sequence=1&isAllowed=y
[36] Fosseli, L. (2025). New digital skills in a digital and global music market. In *Global music industries*. Elgar Online. https://www.elgaronline.com/edcollchap/book/9781035314775/chapter10.xml
[37] Giletti, T. (2012). *Why pay if it's free? Streaming, downloading, and digital music consumption* [Master's dissertation, London School of Economics]. LSE Research Online. https://www.lse.ac.uk/media-and-communications/assets/documents/research/msc-dissertations/2011/71.pdf
[38] Barata, M. L. (2021). Music streaming services: Understanding the drivers of customer loyalty and recommendation. *Journal of Retailing and Consumer Services, 61*, Article 102604. https://pmc.ncbi.nlm.nih.gov/articles/PMC8379453/