Reconfiguring the Music Industry: Platformization and Algorithmic Curation on Spotify

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Abstract. This article examines how Spotify has restructured the contemporary music industry between 2015 and 2025 through the intertwined logics of platformization and algorithmic curation. Rather than treating Spotify as a neutral distribution tool, the research approaches it as a platform intermediary that organises access to audiences, converts listening into behavioural data, and governs visibility through recommendation systems. Methodologically, the article adopts qualitative critical analysis based on platform studies literature and industry documentation: it compares Spotify with pre-streaming forms of music mediation and with other platform models, especially Apple Music's editorially oriented streaming environment and TikTok's short-video, sound-based discovery model. The central argument is that Spotify has not simply digitised earlier music retail, which has reorganised industrial power, altered the distribution of revenue, and transformed music discovery into a personalised, datafied and predictive cultural experience. The analysis shows that platform control over interfaces, metrics and recommendation pathways intensifies inequalities in visibility and remuneration even as distribution appears more open. Thus, it concludes that Spotify should be understood as a governing infrastructure within recorded music, and that debates about transparency, accountability and fair remuneration are therefore inseparable from contemporary platform power.

Keywords: Spotify, platformization, algorithmic curation, music streaming, digital music industry

1. Introduction

As one of the most influential firms in the contemporary music economy, by the second quarter of 2025, Spotify reported 696 million monthly active users and 276 million Premium subscribers worldwide, while its 2024 revenue reached €15.67 billion [1, 2]. These figures matter not simply because Spotify is large, but its scale allows it to mediate relationships among labels, artists, advertisers and listeners at an infrastructural level. In the streaming era, Spotify does not merely circulate music; it helps determine how music is found, measured and monetised.

Driven by the following question: how has Spotify, through the intertwined logics of platformization and algorithmic curation, restructured power, revenue and cultural visibility in the contemporary music industry? Framed this way, the research is not whether Spotify changed music consumption in a general sense, but how its platform model redistributes strategic resources within the industry. The focus falls on three linked dimensions: power, revenue and culture. Spotify matters because it is not simply a tool used by the music industry; it increasingly participates in the reallocation of audience attention, economic value and cultural visibility.

Methodologically, the article adopts a comparative case-study approach grounded in critical reading of scholarship on streaming platforms, music curation and platform governance, combined with official Spotify disclosures and industry data. Firstly, it introduces platform-to-platform comparison by placing Spotify alongside Apple Music, which more explicitly foregrounds editorial and human curation, and TikTok, where music discovery is driven by short-video circulation, reusable sound fragments and creator-led trends. And then, the analysis compares Spotify with pre-streaming forms of mediation centred on labels, retailers, broadcasters and music press. This approach makes it possible to show both what is historically new about Spotify and what is distinctive about its particular form of platform power.

The central argument is that Spotify has restructured the music industry in three connected ways. First, it has shifted the industry away from ownership-based exchange toward platform-mediated access, increasing the strategic importance of data, behavioural metrics and interface control. Second, its payout system and recommendation architecture intensify inequalities in visibility and remuneration by rewarding tracks capable of sustaining large-scale engagement. Third, it has transformed music discovery from a largely human-curated process into a personalised, predictive and datafied experience. The article develops this argument through four sections in the main body: research background and significance, a comparative discussion of platformization and algorithmic curation, an analysis of industrial power and revenue, and an account of changes in music discovery and listening culture.

2. Spotify's platform logic and the restructuring of the music industry

2.1. Research background and significance

Founded in 2006 and launched in 2008, Spotify emerged after the peak of music piracy and the failure of earlier digital music models, offering a licensed freemium service at a moment when the recording industry was searching for a legal and scalable alternative to unauthorised file-sharing. Combining an advertising-supported tier with paid subscriptions that provide offline listening and improved service quality, its business model converts large-scale access into recurring subscription income. In fiscal year 2024, approximately 88% of Spotify's revenue came from Premium subscriptions and around 12% from advertising, confirming that this subscription logic remains central to the platform's economy [2].

However, Spotify's significance cannot be explained only by the fact that it streams songs on demand. The more important shift is that Spotify coordinates a multi-sided market, connecting rightsholders, artists, listeners and advertisers while capturing extensive data from each interaction. Listening, skipping, saving, following and play-listing all become measurable actions. As Prey and his colleagues [3] argue, Spotify's intermediary role is infrastructural rather than merely distributive: it mediates access to audiences while also managing the data environment through which value is assessed, visibility is allocated and future recommendations are generated.

Meanwhile, understanding how digital platforms reshape power relations in the music industry is crucial for evaluating broader transformations in cultural production and distribution. In the era of physical sales and downloads, control over production, retail placement and promotion largely rested with labels and other recognisable gatekeepers. By contrast, the ability to organise user attention, translate activity into data and continually optimise recommendation systems has become equally important in Spotify's model. Therefore, the research question could be raised:

1. How does Spotify's platform model combine platform infrastructure and algorithmic curation in ways that distinguish it from earlier music intermediaries and from other platform models such as Apple Music and TikTok?

2. How does Spotify redistribute industrial power and revenue by controlling access to listeners, converting listening behaviour into measurable data, and linking platform visibility to streamshare-based remuneration?

3. How does Spotify's algorithmic recommendation system reshape cultural visibility by transforming music discovery into a personalised, predictive and datafied listening experience?

2.2. Platformization and algorithmic curation in comparative perspective

Platformization and algorithmic curation are analytically useful when they are treated not as separate buzzwords, but as connected processes. Platformization names the macro-level restructuring of cultural industries around privately governed digital infrastructures, interfaces and metrics [4]. In contrast, algorithmic curation names the operational mechanism through which that restructuring is enacted at the level of visibility, ranking and user experience [5]. Put differently, platformization describes the institutional reorganisation of the music industry around platforms, while algorithmic curation explains how platform power is exercised in everyday acts of selection and recommendation.

A platform-to-platform comparison clarifies why Spotify is a specific form of platformization rather than just a generic streaming service. For example, Apple Music provides a useful contrast. Like Spotify, it offers subscription-based access to a large digital catalogue, but Apple publicly presents human curation as central to its identity, including editorial playlists and the "human touch" behind recommendation [6]. Moreover, Spotify also uses editorial labour, so the contrast should not be reduced to human selection versus machine selection. But the difference is one of emphasis and system design: Apple Music foregrounds editorial authority more explicitly, whereas Spotify foregrounds recursive personalisation, where listening history, skips, saves, follows and playlist behaviour continually feed future recommendation.

In addition, TikTok provides a second contrast because it is not primarily a catalogue-based music-streaming service. Music discovery on TikTok is organised through short videos, reusable sound clips, creator imitation and viral trends rather than through full-track playlists. TikTok's own Music Impact Report describes the platform as a driver of music discovery, monetisation and chart success [7]. This model shows a different route through which platforms can shape music circulation: a song may become visible because a fragment becomes attached to a meme, dance, mood or creator-led trend. Compared with TikTok, Spotify is less dependent on social-video virality and more dependent on playlist placement, recommendation loops and measurable full-track listening. The comparison helps specify Spotify's platform power: it does not only make music available; it organises listening into data patterns that can be ranked, recommended and monetised.

These platform examples also clarify curation itself. Earlier forms of music curation relied more explicitly on editorial judgement, taste cultures and human cultural intermediaries such as radio programmers, critics and record-store staff. Streaming platforms do not eliminate curation; they hybridise it in different ways. Spotify's technical account of recommendation identifies collaborative filtering, natural-language processing and audio analysis as core elements of personalisation [8]. Bonini and Gandini [9] describe this hybrid condition as "algo-torial", in which editorial and algorithmic logics operate together rather than separately. In Spotify's case, this hybrid curation is unusually recursive: user behaviour feeds ranking systems, rankings guide exposure, and exposure generates further behavioural data.

This comparative framing matters because it prevents the analysis from reducing Spotify either to a neutral technology or to a simple continuation of earlier gatekeeping. In short, compared with Apple Music, Spotify's distinctiveness lies in the prominence of predictive personalisation within everyday listening. In relation to TikTok, it lies in its integration of discovery with full-track streaming, royalty allocation and platform metrics. Therefore, platformization shows how Spotify reorganises the institutional environment of music circulation, while algorithmic curation confirms how that environment becomes normalised through convenient, personalised recommendation. The same systems that appear to help listeners discover music also redistribute attention, visibility and potential revenue.

2.3. Spotify and the restructuring of industry power and revenue distribution

This article argues that Spotify restructures industry power by changing the relationship among distribution, audience access, measurable attention and payment. The point is not that Spotify has replaced every older gatekeeper, but that it has inserted a platform layer through which music must increasingly pass. Three mechanisms are especially important: firstly, Spotify controls a major point of access between music and listeners; secondly, it converts listening behaviour into measurable traffic; thirdly, that traffic is connected to the allocation of revenue. Historically, in the pre-streaming era, revenue depended heavily on unit sales, and labels controlled catalogue access, physical distribution, retail placement and promotional investment. But now, major-label power has not disappeared, Spotify sits between labels and listeners as an indispensable platform intermediary. Because the platform controls access to hundreds of millions of users and continuously measures listening behaviour, it gains leverage in licensing negotiations and strategic decision-making [10, 3].

At the level of remuneration, Spotify does not pay a fixed amount each time a song is streamed. Instead, royalties are allocated through a pool-based, pro-rata streamshare model in which payouts vary by market, subscription plan and rightsholder arrangements [11]. This means that play counts are not merely cultural indicators of popularity; they are part of the mechanism through which money is divided. A track with more eligible streams receives a larger share of the revenue pool, while a track with limited streams receives a smaller share, even if both are available on the same platform. The connection between playback and payment is therefore indirect but crucial: streams do not have a single fixed price, yet higher streamshare is positively related to a greater claim on the royalty pool. In this sense, attention becomes monetisable only when it is captured as repeatable, countable and platform-visible engagement.

The same logic operates inside the app's systems of visibility. Playlist placement, recommendation exposure, saves, repeat listens and low skip rates can all help a track remain visible to users, whereas weak engagement, high skip rates or absence from recommendation pathways can reduce opportunities for further listening. The relationship is not a simple mechanical law, because genre, market, catalogue ownership and promotional strategy also matter. Nevertheless, Spotify's platform environment creates a strong positive relationship between traffic, visibility and potential income: songs that are already visible are better placed to generate more streams, and songs that generate more streams are better placed to claim a larger share of the revenue pool. By contrast, low visibility and weak engagement tend to have a negative relationship with future exposure. This is why the lowered threshold for distribution does not automatically produce an equal music economy.

Streaming therefore does not simply democratise access, even though it allows more artists to place music on Spotify than could once secure retail shelf space. In practice, discoverability becomes the scarce resource. Tofalvy and Koltai [12] show that Spotify's recommendation environment can reproduce existing inequalities by reinforcing rich-get-richer dynamics. Empirical research on playlisting similarly suggests that platform playlist exposure can shape market outcomes rather than merely reflect pre-existing demand [13]. This means that the platform opens the door to distribution while narrowing the path to sustained visibility. Major catalogues retain advantages because they arrive with existing promotional infrastructures, recognisable names and greater capacity to convert initial exposure into repeat listening. Emerging artists may gain access to distribution, but they still face a platform environment in which visibility is unevenly allocated and cumulative advantage is difficult to overcome.

Industry evidence illustrates the extreme end of this concentration dynamic. Spotify's 2024 year-end data identified Taylor Swift as the platform's Global Top Artist with more than 26.6 billion streams [14]. Spotify's March 2025 Loud & Clear reporting also stated that 12,500 artists generated more than US$100,000 in royalties from Spotify in 2024, while more than 80% of Spotify's top-royalty-generating artists did not appear in the platform's Global Daily Top 50 [15]. These figures should not be read as proving that only superstars benefit from streaming. Rather, they show a more specific result: participation has widened, but the rewards of visibility remain highly uneven. The extreme case of superstar streaming demonstrates a winner-takes-most tendency at the top, while the Loud & Clear data shows that professionalisation below the very top is possible but still uneven. The overall result is a stratified streaming economy in which access expands, but meaningful visibility and substantial remuneration remain concentrated.

Table 1. From ownership to streaming: key structural differences, with selected evidence for Spotify's platform model

Dimension	Download / ownership era	Spotify / streaming era	Evidence / source
Distribution and access	Labels, retailers and broadcasters controlled audience access.	Spotify intermediates access through a single platform interface.	696M MAUs; 276M Premium in Q2 2025 (Spotify, 2025d).
Revenue logic	Revenue tied to unit sales.	Revenue tied to subscriptions, advertising and pooled streamshare.	No fixed per-stream rate; c. two-thirds of music revenue goes to rights holders [11].
Market position	No comparable single intermediary dominated subscriber access.	Spotify leads global paid-music subscriptions.	31.7% global subscriber share in Q3 2023 [16].
Discovery and visibility	Radio, press, retail staff and label marketing were major discovery channels.	Recommendations and playlists structure exposure and discoverability.	Discover Weekly: 100B+ streams and 56M+ weekly new-artist discoveries by June 2025; 77% involved emerging artists [17].
Concentration at the top	Hits mattered, but platform metrics did not continuously recirculate catalogues.	Scale, ranking and repeat recommendation intensify superstar visibility.	Taylor Swift: 26.6B+ streams in 2024 [14].

Note. Official Spotify sources are prioritised for company, payout and product metrics; MIDiA is used for subscriber share.

For that reason, Spotify should be understood as having shifted the music industry from a model centred on selling units to one centred on managing access, engagement and audience data. Value is still created by music, but the conditions under which value circulates are increasingly determined by platform architecture. This is the industrial significance of platformization in recorded music.

2.4. Spotify and the transformation of music discovery and listening culture

Spotify has changed the cultural experience of music consumption by transforming discovery into a predictive process. Before streaming became dominant, listeners often encountered new music through radio presenters, record-store staff, magazines, scene networks and interpersonal recommendation. These intermediaries were uneven and imperfect, but they involved recognisably human forms of judgement and cultural expertise. Streaming services reorganise that experience through interlocking systems of control and curation [18]. Spotify does not remove mediation; it relocates much of that mediation into data-driven recommendation systems.

A direct comparison makes this shift clearer. A radio presenter or magazine critic usually recommends music to a broad public and makes a selection that listeners can recognise as editorial. Apple Music partly preserves this logic by foregrounding editorial playlists and human curation, while TikTok produces discovery through viral sound fragments attached to short videos and creator trends. Differing from the above apps, Spotify's model presents discovery as an individualised service: the platform appears to know the listener personally because it builds recommendations from traces of past behaviour. Discover Weekly, launched in 2015, provides the clearest example. Every monday, users receive a personalised 30-track playlist selected on the basis of inferred preference patterns [17]. By June 2025, Spotify reported that Discover Weekly had generated more than 100 billion streams and more than 56 million weekly new-artist discoveries, with 77% of those discoveries involving emerging artists [17]. These figures demonstrate the scale at which algorithmic systems now shape listening. Recommendation is no longer an occasional supplement to music consumption; it is embedded in the routine organisation of listening.

However, the cultural effect is not only convenience. Recommendation systems also act as forms of choice architecture because they pre-structure what appears available, relevant and meaningful to the user. Prey [5] argues that streaming platforms create a personalised environment in which listeners experience recommendations as intimate and individual while their options are narrowed by predictive calculation. Bonini and Gandini [9] similarly show that platform curation is increasingly hybrid, combining editorial and algorithmic mechanisms that govern visibility. Because these mechanisms use existing patterns of attention to organise future exposure, discovery becomes partly circular: what users have already listened to helps determine what they are shown next, and what they are shown next further shapes their future listening. On TikTok, a user may repeatedly encounter the same song fragment because it is attached to a viral format; but on Spotify, a user may repeatedly encounter similar tracks because past listening has trained the recommendation profile. In both cases, platform systems organise musical attention, but Spotify's version is more closely tied to long-term listening histories and full-track engagement data.

This circularity has important implications for diversity and visibility. The issue is not that algorithms always eliminate variety; Spotify's own Discover Weekly data suggests that recommendation can introduce listeners to emerging artists. The more precise problem is that the platform governs the terms under which variety becomes discoverable. Songs that enter recommendation channels can gain streams, data and renewed visibility, whereas songs that fail to enter those channels may remain effectively invisible to most users. Spotify's 2025 tenth-anniversary update to Discover Weekly, which introduced genre-guided exploration controls, suggests a recognition that purely predictive curation may narrow cultural exploration over time [17]. The platform therefore produces an ambivalent listening culture: it expands access to personalised discovery while also making discovery dependent on opaque systems of ranking and prediction.

These cultural changes also have governance implications. If a platform's recommendation systems help determine what becomes audible, familiar and valuable, then platform accountability cannot be reduced to copyright or contract alone. Questions of transparency, auditability and fair remuneration arise because Spotify functions simultaneously as distributor, curator and data broker within the same ecosystem [19]. In that sense, the transformation of listening culture is also a transformation of the conditions under which cultural circulation is governed.

3. Conclusion

Spotify has changed the music industry not simply by moving music online, but by reorganising how value, visibility and listening are structured. Through platformization, Spotify has become a central intermediary that coordinates audiences, labels, artists and advertisers while converting user behaviour into data. Through algorithmic curation, it has made prediction, ranking and personalisation central to music discovery. These developments have shifted the industry away from a model centred on ownership and unit sales toward one centred on platform-mediated access and datafied attention.

Meanwhile, the evidence reviewed shows that Spotify's impact is industrial, cultural and regulatory. Industrially, the platform has increased its leverage over distribution and audience access. Economically, the pool-based, pro-rata system and recommendation architecture tend to concentrate rewards around tracks capable of sustaining high levels of exposure and engagement. Culturally, recommendation systems reshape listening by turning discovery into a personalised but also constrained process. For these reasons, Spotify should be understood not as a passive delivery channel, but as a governing infrastructure within contemporary music.

In conclusion, a more equitable streaming environment will depend on stronger transparency, independent oversight and serious experimentation with alternative payout models. Without such reforms, the efficiencies and pleasures of personalisation will continue to coexist with persistent inequalities in visibility and remuneration.

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