CREATING COMPETITIVE ADVANTAGE IN MUSIC STREAMING:

A NICHE ANALYSIS OF THE TURKISH MARKET

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DECLARATION OF ORIGINALITY

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ABSTRACT

Creating Competitive Advantage in Music Streaming:

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This thesis explores the dynamics of creating competitive advantage in digital music markets. To this end, a model based in competitive advantage, cultural proximity and long tail effect theories is tested through a case study focused on the Turkish music streaming market. The competition structure of Turkish digital music market includes both global platforms Spotify and YouTube, and local alternatives fizy and TRT Dinle. A cross-sectional descriptive study was conducted using primary data collected from 347 valid questionnaire responses. As the regression analysis following factor analysis presented limited explanatory power, niche analysis was implemented to find out the details of competitive dynamics in the Turkish digital music market. The results suggest that while global platforms dominate in usage, local services demonstrate relatively stronger user satisfaction in specific dimensions including music diversity, ease of use, and optional features. Regression results point the recommendation system as the only gratification factor significantly associated with users' willingness to pay, emphasizing the major role of personalized content in valuing music platform. The niche breadth and overlap analysis show that global platforms compete within similar user segments, whereas local platforms cater to more distinct, culturally specific expectations. A comparative analysis with South Korean market, another emerging market with a strong player like Melon, offers additional insights and policy recommendations for the stakeholders in the emerging markets. Overall, the results emphasize the growing strategic importance of user experience design and personalization in developing and sustaining competitive advantage.

ÖZET

Müzik Yayıncılığında Rekabet Avantajı Yaratmak:
Türkiye Pazarına Yönelik Niş Bir Analiz

Bu tez, dijital müzik pazarlarında rekabet avantajı yaratma dinamiklerini incelemektedir. Rekabet avantajı, kültürel yakınlık ve uzun kuyruk etkisi kuramlarına dayalı bir model, Türkiye müzik yayıncılığı pazarı odağında test edilmiştir. Türkiye dijital müzik pazarındaki rekabet yapısı, Spotify ve YouTube gibi küresel platformlar ile fizy ve TRT Dinle gibi yerel alternatifleri içermektedir. Kapsamlı bir literatür taramasının ardından oluşturulan modeli desteklemek üzere uygulanan niş analiz yöntemiyle, 347 katılımcıdan elde edilen veriler analiz edilmiştir. Faktör analizine dayalı regresyon sonuçlarının sınırlı açıklayıcılığı ise, pazarın rekabet dinamiklerini daha derinlemesine anlamak için bu yöntemin önemini pekiştirmiştir. Bulgular, küresel platformların kullanımda baskın olduğunu, ancak yerel hizmetlerin müzik çeşitliliği, kullanım kolaylığı ve opsiyonel özellikler gibi belirli boyutlarda daha güçlü kullanıcı memnuniyeti sağladığını göstermektedir. Regresyon bulguları, öneri sisteminin kullanıcıların ödeme istekliliği ile anlamlı düzeyde ilişkili tek tatmin unsuru olduğunu ortaya koymakta; kişiselleştirilmiş içeriğin platform değerlemesindeki temel rolünü vurgulamaktadır. Niş genişliği ve örtüşme analizleri, küresel platformların benzer kullanıcı segmentlerinde rekabet ettiğini, yerel platformların ise kültürel olarak daha özgül beklentilere hitap ettiğini göstermektedir. Melon gibi güçlü bir yerel oyuncunun bulunduğu Güney Kore pazarıyla yapılan karşılaştırma, gelişmekte olan pazarlar için ilave içgörüler ve politika önerileri sunmaktadır. Sonuçlar kullanıcı deneyimi tasarımı ve kişiselleştirmenin rekabet avantajı geliştirme ve sürdürmedeki stratejik önemine işaret etmektedir.

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To Pöti, my brilliant sister,
And to my mother, whose love knows no bounds –
This is for you, with all my heart.

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CHAPTER 1

INTRODUCTION

Historically, music has served as a significant cultural instrument for individuals and societies, facilitating self-expression. Over the centuries, its evolution has allowed it to fulfill various roles, but it has remained an integral component of daily life. Technological developments in the last twenty years have caused radical transformations in music production, distribution, and consumption. With digitalization, the music industry has evolved from physical sales to digital platforms; streaming technology emerged, and it has reshaped revenue models and competitive dynamics in the sector.

The streaming service, which has become an extremely profitable sector for digital music companies, has supported the growth of the streaming industry worldwide. Platforms such as Spotify, YouTube Music, and Apple Music are transforming the user experience with algorithmic recommendation systems and personalized content strategies while creating a new cultural curation process. The freemium model launched by Spotify in 2008 has introduced a new paradigm for balancing accessibility and payment motivation in music consumption. Spotify was the game-changer company that popularized opting for streaming over downloading and has offered two different services: an ad-supported free model, based on advertisement revenue, and an ad-free subscription model with a monthly subscription fee. In this context, music streaming platforms have become not only tools that provide music listening services but also dynamic structures that drive data-driven cultural production and shape user behavior. At the end of 2024 Q4,

Spotify announced that it had reached 263 million premium subscribers with an 11% growth year over year (Spotify, 2025).

According to IFPI's 2025 Global Music Report, global recorded music revenue has reached $29.6 billion, with a year over year growth number of 4.8%. The main driver of this growth is paid subscriber-based music streaming revenues, which increased by 9.5% to $20.4 billion. In addition, the number of paid subscribers increased by 10.6% to 752 million worldwide. This data shows that music streaming services are at the heart of not only economic but also cultural and technological transformation (*Global Music Report*, 2025).

In recent years, academic studies on music streaming services have focused on various topics such as user behavior (Datta et al., 2018), recommendation systems (Prey et al., 2022), platform competition (Kim et al., 2017), pricing strategies (Sae-tae & Wang, 2024) and cultural proximity (Shin & Kim, 2025). Recent studies have shown that algorithmic changes in the recommendation systems of digital platforms significantly impact the production and consumption of cultural content. According to Bonini and Gandini, music curation no longer depends solely on the intuitive choices of human experts but also on the guidance of algorithms based on big data analytics (Bonini & Gandini, 2019). This has led to the replacement of the editorial "gatekeeping" mechanisms that previously operated through traditional media in the music industry with "algotorial power" forms shaped by the platforms' data-driven and hybrid decision structures.

Bonini and Gandini argue that algorithmic curation not only ensures that content reaches the user but also determines how platforms shape user attention and which content becomes "visible." In this context, platforms have become a new cultural intermediary that not only anticipates user interests but also possesses the

capacity to direct them. This structure, formed by the collaboration of curators and algorithms, has become a fundamental component of the music industry's new production and consumption regimes. In particular, major players such as Spotify are establishing a new visibility regime when making decisions about which songs will appear in which order by interweaving both the intuitive contributions of human curators and algorithmic analyses based on user data (Bonini & Gandini, 2019).

This transformation is evaluated within the context of the platformization of cultural production, highlighting the emergence of a platform capitalism model rooted in the attention economy, surpassing traditional industrial capitalism. Algorithmic systems are not only changing content selection processes but also reshaping the power dynamics between content producers and consumers (Alan, Bonini & Gandini, 2019). Additionally, the interaction of social media platforms such as TikTok with recommendation systems and their impacts on other platforms (spillover effect) have recently garnered attention (Alan, Bairathi et al., 2024). Empirical studies from both developed and developing countries underscore certain country-specific conditions while bolstering the theoretical foundation of digital marketing in music streaming services. In this regard, further evidence from diverse countries can illuminate more about the context-specific dimensions of marketing challenges, aiding in the development of a robust theoretical model and offering policy recommendations for regulators and other stakeholders. The main purpose of this thesis is to investigate the marketing challenges within a national music streaming market where global competition is particularly fierce. To this end, the developed research is exemplified by a case study of the Turkish music streaming market, providing a comparative analysis with existing studies from both developed and developing countries.

In this regard, the thesis examines the competitive dynamics between global and local platforms in the music streaming market, focusing on user preferences and marginal willingness to pay (MWTP). The Turkish music streaming market serves as the case study to analyze:

- the factors that users prioritize in platform selection,
- how differentiation strategies are perceived between global and local platforms,
- the effects of elements such as cultural proximity, content diversity and pricing on user behavior,
- country-specific characteristics of the music streaming markets in a comparative perspective.

The thesis adopts the model and the methodology following the literature (Shin & Kim, 2025). A niche analysis is conducted to test a survey of 347 music streaming service users in Türkiye. The findings are interpreted to explore how local platforms can develop sustainable competitive advantage strategies.

By addressing an empirical gap, this thesis contributes to the literature through the generation of original data on user behavior in the Turkish context. Furthermore, it provides a comparative analysis through the application of a niche analysis model and proposes strategic insights for enhancing international competitiveness.

The remaining of the thesis is structured as follows: The second chapter presents a literature review addressing the evolution of the digital music industry, platform strategies, and user behavior. The third chapter outlines the model and methodology explaining the data collection process, survey design, and analysis methods. The fourth chapter discusses the findings and provides policy

recommendations. The last chapter concludes the thesis providing the limitations of the study and offering a future research agenda.

CHAPTER 2

LITERATURE REVIEW

This research is structured around four main axes within the context of the digital transformation of the music industry and the competitive dynamics between platforms: the digitalization of the music industry, competitive strategies of global and local music platforms in international and domestic markets, user behavior and marginal willingness to pay (MWTP) and market positioning through niche strategies. The literature review begins by examining the impacts of digitalization on music production, distribution, and consumption; then it discusses the differentiation strategies adopted by global and local platforms within the framework of platform economics and competition strategies.

Following this, literature review explores the academic perspectives on user behavior; with a particular focus on factors such as perceived value, recommendation systems, cultural content preferences, and the freemium business model, evaluating their influence on users' platform preferences and willingness to pay. This part of the literature provides a theoretical basis for understanding current user trends with an empirical study conducted specifically for Türkiye. A few academic studies on digital music consumption in Turkish market exist. These qualitative studies emphasize (Karatay, 2022; Özkurt, 2019).

The review than turns to the niche analysis approach, which is gaining importance in the literature. Niche analysis is used to examine how digital music platforms compete for limited user resources, areas in which they differentiate, and how they can build sustainable competitive advantages. Niche analysis is an approach rooted in the discipline of ecology that explains how organisms compete

for limited resources (Dimmick, 2002). Today, this theory is applied in many sectors, particularly in media and digital platforms, to examine the market positions and competitive relationships of services and companies. It serves as an essential tool for understanding competition for limited resources, such as users' attention and time, especially in digitalized markets. In this context, the positioning of streaming platforms in Türkiye is evaluated by niche analysis that integrates the theoretical frameworks of Porter's Competitive Advantage, the Long Tail Effect and Cultural Proximity.

This comprehensive literature review establishes the theoretical and empirical background of the research revealing both the competitive dynamics of the digital music industry and the current academic approaches to global-local platform competition in markets.

2.1 Digital transformation of the music industry

The digital transformation of the music industry has fundamentally reshaped both its economic structures and cultural dynamics (Özkurt, 2019). After music streaming platforms had emerged, they easily became dominant players in the market and physical formats like CDs and records have rapidly declined in relevance. It was redefined how music is produced, distributed, and consumed.

This transformation extends beyond economics into a broader sociocultural shift (Karatay, 2022). The digital music landscape has enabled users to become "prosumers"—simultaneously consumers and producers—actively engaging in content creation and distribution. Platforms like Spotify, YouTube Music, and TikTok now function not only as delivery channels but also as influential cultural intermediaries. Through curated playlists and algorithm-driven recommendations,

these platforms shape user preferences and contribute to the evolving cultural fabric of digital music consumption (Bairathi et al., 2024; Prey et al., 2022).

In the Turkish context, studies on digitalization (Özkurt, 2019; Sezgin et al., 2024) emphasize a significant shift in industry power dynamics in which traditional producer authority has diminished, while artists increasingly navigate digital platforms with greater autonomy and direct access to audiences.

2.2 Music streaming services and platform competition

Competition in platform economies has a different structure than in traditional media markets. In such digital environments, user loyalty is shaped not only by pricing strategies but also by exclusive content and personalized recommendation systems (Cuntz & Bergquist, 2022). Platforms such as Spotify, Apple Music, and YouTube Music directly affect users' listening practices through the algorithmic music recommendations and subscription models they offer (Barata & Coelho, 2021).

However, competition between platforms is not only based on content and price. Insights from user data, content rankings provided by algorithms, and control of visibility regimes through recommendations play an important role in this competition (Bonini & Gandini, 2019). Platforms do not only offer content; they also shape cultural consumption by deciding which content is prominent and worth listening to (Van Dijck et al., 2018).

In this environment, niche strategies are also an important means of differentiation. Curation lists that focus on specific music genres, moods or local cultures allow users to establish a stronger connection with the platform. Micro targeting such as cultural proximity, collaborations with local artists and thematic playlists can provide competitive advantages both globally and locally (Eriksson,

2020). These strategies are used as a means of differentiation, especially for platforms targeting small markets.

As a result, competition on digital music platforms is multi layered. In addition to pricing, content and recommendation systems, algorithmic ranking, data power and cultural positioning strategies have become the main elements that determine the dynamics of this competition.

2.3 Freemium model and willingness to pay

The freemium model is a business strategy where basic services are provided for free, while more advanced features or content require payment. In digital platforms, users can access a limited version of the service at no cost, while they are encouraged to upgrade to a premium, paid tier for an enhanced experience (Pujol, 2010). However, freemium models may fail in some cases. (Holm and Günzel-Jensen, 2017). Many users are hesitant to switch to premium services despite being satisfied with freemium models (Barata & Coelho, 2021; Sae-tae & Wang, 2024). Habit, ease of use, price-performance perception, and content quality stand out among the factors affecting willingness to pay. In studies based on the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) model, factors such as hedonic motivation, habit, and personalization have been found to be positively associated with willingness to pay (Barata & Coelho, 2021).

2.4 Cultural proximity and localization strategies

According to the Cultural Proximity theory, users show more interest in content that is close to their own cultural context. While YouTube Music's emphasis on regional content such as K-pop and J-pop has increased usage rates in Korea (Shin & Kim,

2025), local artists and regional genres are effective in YouTube Music Türkiye (Karatay, 2022; Özkurt, 2019). The success of local platforms such as Anghami in the MENA region shows that localized content strategies can increase competitiveness against global platforms (Fakhry, 2024).

2.5 Algorithms, social media and cross-platform spillover

The algorithmic structures of platforms such as Spotify play a critical role in shaping music recommendations (Bonini & Gandini, 2019; Prey et al., 2022). While recommendation systems enhance user experience by personalizing content (Sheakspeare et al., 2025), they also have certain disadvantages. One problem is the "filter bubble" effect, where users are repeatedly exposed to similar types of content, limiting diversity and reinforcing existing preferences. This can reduce cultural and musical exploration, especially in creative industries like music streaming (Ezquerra Fernández, 2024; Matt et al., 2014). Additionally, algorithmic bias may favor mainstream or commercially successful content, disadvantaging independent or niche artists (Nguyen et al., 2014). Finally, the opacity of recommendation algorithms makes it difficult for users and creators to understand how visibility and exposure are determined (O'Dair and Fry, 2020; Cole, 2024). Social media platforms such as TikTok, on the other hand, create a spillover effect in music consumption. The decline in Spotify streams observed after Universal Music withdrew from TikTok (Bairathi et al., 2024) reveals that music discovery is now strongly linked to social media (Siles et al., 2024; Nowak, 2016).

Studies conducted specifically in Türkiye address the effects of digitalization on music listening practices in different dimensions (Karatay, 2022; Özkurt, 2019). However, most of these studies are qualitative. Quantitative analyses of users'

willingness to pay, special content expectations and platform preferences are limited. Therefore, the survey with 347 participants conducted within the scope of this thesis fills an empirical gap regarding user behavior in Türkiye.

The literature review reveals that music streaming services affect user behavior in multiple dimensions. While global platforms are in a strong position with algorithmic recommendations and special content strategies, local platforms have competitive potential with advantages such as price, cultural proximity and accessibility. In this context, Porter’s Competitive Advantage, Long Tail and Cultural Proximity theories, which are the study's theoretical basis, maintain their validity both in the global literature and in the context of Türkiye.

CHAPTER 3

MODEL AND METHODOLOGY

The model of the thesis builds on the theoretical framework that integrates Porter's Competitive Advantage, Long Tail and Cultural Proximity theories. The method selection is based on a comprehensive review of empirical studies. In order to support the model, a case study on the willingness to pay of users in Turkish music streaming market was conducted. Following factor analysis, regression analysis and niche analysis were implemented to the case. Since the case design is refined by the existing literature, it enables a comparison to examine whether similar patterns or particular differences emerge in the Turkish context.

3.1 Research design

The thesis utilized the quantitative research method to examine platform preferences, marginal willingness to pay (MWTP), and perceived differences between global and local platforms among individuals using digital music platforms in Türkiye. A survey is designed for a descriptive and a comparative analysis.

The programming language Python was used to analyze the collected data through the implementation of the following analytical techniques:

- MWTP Calculation: To free the analysis from nominal changes in monetary values, marginal willingness to pay (MWTP) for streaming services was measured by asking users to express their willingness to pay relative to the price of a cup of filter coffee. Then, for the sake of quantitative analysis, these qualitative responses were converted into monetary values based on the average price of a cup of filter

coffee at the time of the study, allowing for the calculation of users' average MWTP in monetary terms.

- Descriptive Statistics: Participant profile, platform usage habits and MWTP distributions were evaluated.

- Factor Analysis: Factor analysis is a strategic method for refining survey items, as it helps eliminate redundant or highly correlated items by grouping them into factors (Shresta, 2021).

- Regression Analysis: The effects of preference factors on MWTP were tested.

- Niche Analysis: Niche analysis conducted to set niche strategies.

The results revealed the factors that were decisive in users' platform preferences and the differences in willingness to pay among segments.

3.2 Survey design and MWTP calculation

The survey consists of two sections; in total 19 of 5-likert-scale questions evaluating platform features and an open-ended question to measure MWTP by comparing their willingness to pay to the price of a cup of filter coffee. The first section includes questions regarding the descriptive statistics and music listening habits of the participants. The second section tests the preference factors for digital music platforms and willingness to pay of users. 347 participants who are mostly Turkish residents fully responded the questionnaire in April 2025.

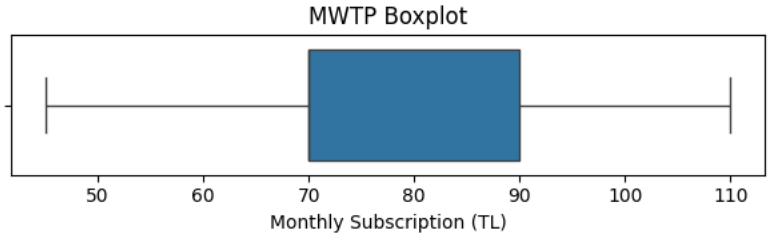
The average willingness to pay was calculated by converting qualitative responses into monetary values taking prices in Turkish market as of April, 2025: "More than the price of a filter coffee I would drink outside" = 110 TL, "About the price of a filter coffee that I would drink outside" = 90 TL, "Less than the price of a

filter coffee I would drink outside” = 70 TL, “Half the price of a filter coffee I would drink outside” = 45 TL. After the analysis of general MWTP over all participants, students are segmented to identify any significant differences. Table 1 gives the comparison of general data and student segment’s statistics whereas Table 2 gives the details of the general MWTP Boxplot as of April 2025. The average MWTP of the general participant group is 73.14 TL, while this value is 67.4 TL in the student group. This difference shows that students tend to pay less to music platforms. The minimum value is 45 TL and the maximum value is 110 TL in both groups. The standard deviation is slightly higher in the general participant group, indicating more diversity in payment willingness.

Table 1. MWTP Statistics

Statistic	Value (General)	Value (Students)
count	347	130
mean	73,14	67,4
std	19,38	17,4
min	45	45
25%	70	45
50%	70	70
75%	90	70
max	110	110

Table 2. MWTP Boxplot



3.3 Descriptive statistics

This study conducted an online survey through digital channels based on voluntary participation. There was no targeted group. 347 individuals participated in the survey from April 14 to April 21, 2025. Any individuals who do not use music streaming apps had not been excluded from the survey answers but most of the participants reside in Türkiye and are active digital music platform users. 101 out of 347 respondents stated that they do not have any paid music streaming platform subscription. Those who revealed no use of paid subscriptions to music streaming apps were asked what would make them pay for an app or which motivation they need to use such streaming apps. Demographic characteristics of 347 participants are presented in Table 3.

Table 3. Demographic Information

Measure		Frequency	Rate (%)
Gender	Male	121	34,9
	Female	226	65,1
Age	<18	64	18,4
	18 – 24	75	21,6
	25 – 30	64	18,4
	31 – 40	102	29,4
	41 ≥	42	12,1
Frequency of music streaming service usage	Everyday	234	67,4
	A couple of times a week	80	23,1
	Once a week	10	2,9
	Rarely	16	4,6
	Non	7	2

Most of the respondents (n = 234, 67,4%) indicated that they use the services daily, while a few of respondents (n = 7, 2%) revealed that they don’t use music streaming apps at all. It has been also asked to the respondents which apps they prefer (multiple selections allowed). Most of the respondents (n = 244, 70,3%)

indicated that they most frequently used Spotify, followed by YouTube Music (n = 156, 45%), Apple Music (n = 21, 6,1%), TRT Dinle (n = 16, 4,6%), fizy (n = 11, 3,2%). As Figure 3 illustrates, respondents are dominantly using global platforms, Spotify and YouTube while the share of local platforms is significantly low.

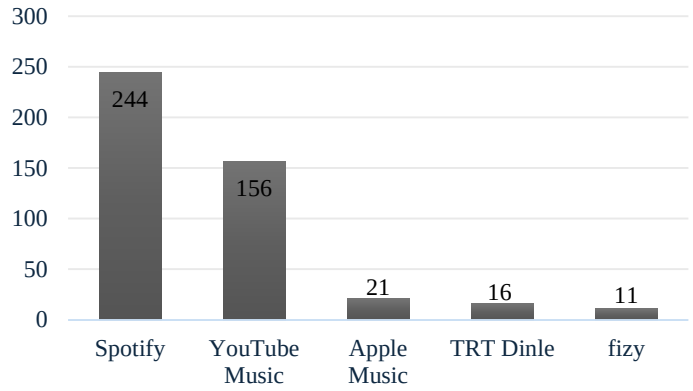


Fig 3. Music streaming services used by respondents (multiple selections allowed).
In terms of the subscription model for their primary service, 246 respondents (70,9%) indicated that they use a paid subscription for streaming, while the remaining 101 respondents (29,1%) do not. Out of these 101 respondents, 84 of them answered the question “If you do not have a paid subscription, what would make you become a paid subscriber?”. Python has been used to analyze these answers and categorized them into 10 areas as shown in Table 4.

Table 4. Categorized Answers to the Question “If you do not have a paid subscription, what would make you become a paid subscriber?”

Category	Response Number
Price Affordability	25
Ad Free Streaming	14
Data Security	5
Sound Quality	5
Rich Music Library	4
Ease of Use	3
Offline Streaming	2
Personalization/Recommendation	1
Shuffle Free Usage	1
Exclusive Content	0

3.4 Factor analysis and gratification factors

Both exploratory and confirmatory factor analysis were conducted on the survey data by the Python programming language and using the open-source libraries factor_analyzer and scikit-learn.

First, the data set was standardized. Then, Varimax rotation was implemented to enhance the interpretability of the factors. As a result, five basic factors were defined and identified as the gratification factors: Price value (PV), Recommendation system (RS), Music variety (MD), Ease of use (EU) and Optional services (OS). Also, 13 Likert-type attitude items were subjected to z-transformation with the StandardScaler function in the scikit-learn library. Then, Principal Component Analysis (PCA) was applied to these data and 5-factor scores were obtained. Table 5 presents these gratification factors.

Factor loadings were calculated for each item and items were assigned to the factors on which they loaded most strongly. The results indicate that the factor structure is meaningful and internally consistent, and clearly differentiates the dimensions of user satisfaction. The outputs of the factor analysis are presented in Table 6.

Table 5. Gratification Factors of Music Streaming Services

Gratification Factor	Definition
Price value (PV)	Economic rationality regarding the costs associated with music streaming
Recommendation system (RS)	Recommendation based on user's music preferences and listening history
Music diversity (MD)	Provision availability of a wide range of music in terms of genre, era, etc.
Ease of use (EU)	Ease of access, provision of stable sound quality, etc., of use for music listening
Optional services (OS)	Provision of optional services beyond the primary purpose of music listening on the platform

Table 6. Factor Analysis of Gratification Factors for the Music Streaming Services

Factors	PV	RS	MD	EU	OS
It is important to me that the platform I use is affordable compared to competitors.	0,847	-0,012	0,030	-0,126	0,054
It is important to me that the music platform I use is reasonably priced.	0,901	0,018	-0,074	0,084	-0,020
It is important to me that the music platform I use is affordable (I can use it for free/buy it at a reasonable price/use it at a discount through my operator).	0,736	-0,036	0,015	0,030	0,031
It's important to me that the music platform I use recommends specific songs based on my personal preferences.	0,004	0,961	-0,150	0,032	-0,031
It is important to me that the music platform I use recommends specific genres (pop, rock, rap, etc.) based on my personal preferences.	-0,005	0,830	0,042	0,013	0,001
It is important to me that the music platform I use recommends songs according to my taste.	-0,034	0,803	-0,015	0,044	0,058
It is important to me that the music platform I use recommends songs based on specific moods/situations (workout playlists, playlists to accompany happy moments, etc.).	-0,009	0,446	0,307	-0,065	0,106
It is important to me that the music platform I use offers a sufficient number of songs.	0,089	0,092	0,151	0,508	-0,158
It's important to me that the music platform I use suggests songs from different eras (90s, 80s, etc.).	0,010	0,030	0,641	0,009	0,021
It is important to me that the music platform I use recommends songs from different genres (pop, rock, rap, etc.).	-0,025	-0,016	0,934	-0,033	-0,058
It is important to me that the music platform I use can be used easily and without interruption or lag;	0,103	0,122	-0,057	0,750	-0,090
Being able to access the music platform I use from different devices (mobile phone, smart TV, CarPlay, etc.) is important to me.	-0,055	-0,042	0,016	0,560	0,211
The ease of searching for the song I want on the music platform I use is important to me.	-0,034	-0,003	-0,165	0,996	-0,011
It is important to me that the music platform I use offers a suitable and optimum design for listening to songs.	-0,073	-0,056	0,041	0,634	0,014
It is important for me to be able to interact on different platforms with the sharing function on the music platform I use (IG story, WhatsApp sharing, etc.)	0,010	-0,081	0,051	0,203	0,474
It is important for me to communicate with other users within the music platform I use (Spotify Friend Activity etc.)	0,051	-0,014	-0,097	-0,107	0,934
It is important to me that the music platform I use also features content produced by other users (playlists, etc.).	-0,033	0,130	-0,042	-0,071	0,731
It is important for me that the music platform I use shows me nearby concerts/events of the artists I listen to in the app or notifies me via e-mail.	0,031	0,011	0,049	-0,001	0,530
Eigenvalue	0,947	0,888	0,836	0,817	0,712
Explained Variance (%)	22,542%	21,152%	19,916%	19,448%	16,942%
Cumulative Variance (%)	22,542%	43,694%	63,610%	83,058%	100%

3.5 Regression analysis

Multiple linear regression analysis was performed in the Python environment to examine the effects of factors on the participants' Marginal Willingness to Pay (MWTP) values.

As the eigenvalues of the five factors obtained from the 13 likert-type items are significantly high as given in Table 6, factor scores were subjected to regression analysis with the statsmodels library as the independent variable and MWTP as the dependent variable. Model outputs are given at Table 7.

Table 7. MWTP Regression Analysis

Factor	Coefficient (β)	p-Value	Comment
PV	–0.14	0.772	Insignificant
RS	+2.13	0.003	Significant
MD	–0.58	0.487	Insignificant
EU	–0.56	0.617	Insignificant
OS	–0.03	0.976	Insignificant
Overall model statistics: R^2 = 0.029 (model explains 2.9% of variance)			
Adj. R^2 = 0.015,			
F-statistic = 2.014, p = 0.076, n =347			

Although the general explanatory power of the model is limited, the recommendation system (RS) factor had a significant and positive effect on MWTP. Therefore, recommendations according to the user's taste are likely to increase the willingness to pay of the consumers and probably the market share of the music platform.

Other factors such as price value, music variety, ease of use and optional services were not found to have a significant effect in the model. Results show that users' payment decisions are likely to be more sensitive to personalization-based value production rather than functional.

The findings of the regression analysis provide empirical support for the theoretical foundations in explaining the factors that influence users' willingness to pay. The results indicate that among the identified gratification factors, only the recommendation system (RS) factor has a significant effect on MWTP. When

combined with three theoretical approaches namely, cultural proximity, competitive advantage and long tail effect theories that form the conceptual framework of this thesis, the results offer valuable insights for policy recommendations.

3.5.1. Cultural proximity theory

According to the Cultural Proximity theory, users show higher interest in content that is culturally close to them, and the accessibility of such content can affect payment decisions.

In this context, the recommendation system offers recommendations to the user based on personal music tastes, past listening preferences, and emotional state, making it easier for the user to establish an emotional and cultural bond with the content.

The fact that the recommendation system is the only significant variable in our case supports the Cultural Proximity theory. Content that is personally close increases the willingness to pay.

3.5.2. Porter's competitive advantage theory (Differentiation Strategy)

Porter's model states that businesses should follow either a cost leadership or a differentiation strategy to gain competitive advantage.

According to the findings here, no significant effect of price perception on MWTP is observed, which shows that users make value-based choices, not price-focused ones.

The enrichment of user experience and the differentiation of the service by recommendation systems allow the platform to gain competitive advantage with the “differentiation” strategy.

3.5.3 The long tail effect

According to the Long Tail theory, users on digital platforms are interested not only in popular content but also in more niche and lesser-known content.

In this context, recommendation systems increase the value offered by the platform by suggesting “tail content” that the user may find interesting but would not have discovered on their own.

The positive effect of the recommendation system in the case study supports that tail content access contributes to MWTP.

The results of the regression analysis emphasize differentiation strategies that are conceptualized by the theoretical framework. Users tend to care for more personalization and experience-based features rather than price.

These findings reveal the importance of local music platforms not only investing in cost-based but also experience-enhancing technologies such as recommendation engines and content curation when developing strategies. Therefore, niche analysis that focus on the extent of a music platform’s competitiveness in the market is strategically important.

3.6. Niche analysis

Details of niche breadth, niche overlap, and competitive superiority for the case study of this thesis are explored in the Niche analysis.

3.6.1 Niche breadth

It measures the extent to which a service meets a certain range of user needs or appeals to different users. This concept aligns with broad target strategy defined in Porter's (1985) Competitive Advantage theory. Platforms with a wide niche aim to reach more users with differentiation strategies.

In the analysis, niche breath scores are standardized, in the range of [0,1], based on survey responses. While a score closer to 1 indicates the effective use of resources, a score closer to 0 reflects limited resource utilization. In this study, Levins (1968) formula is used to calculate the niche breadth of platforms:

$$B = \frac{1}{\sum p_i^2}$$

where p_i = Proportion of resource i used.

Table 8. Music Streaming Services' Niche Breadth in the Turkish Streaming Market Among Users

Platform	PV	RS	MD	EU	OS
YouTube Music	1.0 (1)	0.887 (2)	0.34 (3)	0.627 (3)	0.0 (5)
Spotify	0.939 (2)	0.864 (3)	0.052 (4)	0.367 (4)	0.871 (2)
Apple Music	0.458 (4)	0.0 (5)	1.0 (1)	1.0 (1)	0.338 (4)
fizy	0.459 (3)	0.612 (4)	0.721 (2)	0.992 (2)	0.746 (3)
TRT Dinle	0.0 (5)	1.0 (1)	0.0 (5)	0.0 (5)	1.0 (1)

Note. 0 = minimum niche breadth, 1 = maximum niche breadth, the number in parentheses indicates the rank of niche breadth between services for each factor; PV = price value, RS = recommendation system, MD = music diversity, EU = ease of use, OS = optional services

The niche breadth values across the five gratification factors for the platforms, Spotify, YouTube Music, Apple Music, fizy and TRT Dinle are given in Table 8. The area of a niche is measured by niche breadth, which indicates the extent to which a platform satisfies a variety of user gratifications. A higher niche breadth implies that the platform serves a wider audience and covers a variety of demands in that area, whereas a smaller niche breadth denotes a more specific emphasis. YouTube Music has the highest niche breadth in regarding Price Value (1.000).

The results show that YouTube Music users have a more heterogeneous level of satisfaction in terms of price perception and appeal to different price sensitivities. At the other end, TRT Dinle has the lowest niche breadth in the Price Value (PV) dimension, with a score of 0.000. This suggests that the platform appeals to a more homogeneous user base with respect to price-related gratification. This finding is consistent with the nature of TRT Dinle as a free-of-charge (FOC) service, offering a wide range of vertical content such as music, radio theater, and audiobooks. As the platform does not involve pricing differentiation, user responses related to price value are naturally less varied.

With respect to the Recommendation System (RS) factor, TRT Dinle has the maximum niche breadth in the recommendation system factor with 1,000.

This finding shows that TRT Dinle users have very different expectations from this feature and therefore value the platform's recommendation system in different ways.

Other platforms have high but narrower distributions apart from Apple Music (e.g. Spotify: 0.864).

Apple Music (1.000) and fizy (0.721) are the platforms with the widest niche in Music Diversity. This may mean that these platforms offer a wide range of music

that satisfies their users diverse taste in music. As a supporting example for this result, fizy curates lists like “Popabesk” to enrich its content by users’ intent to listen to both “arabesk” and pop genres. TRT Dinle has the narrowest niche in this area (0.000).

Ease of Use (EU) is another factor that Apple Music (1,000) and fizy (0.992) are the platforms with the widest niche breadth. This shows that these platforms can meet more diverse user expectations in terms of ease of use. TRT Dinle (0.000) offers low niche breadth in this area.

TRT Dinle (1,000) has the highest niche breadth in this Optional Services (OS). This finding shows that TRT Dinle users are differently satisfied with different service levels in terms of optional services (e.g. sharing features, friend lists, concert recommendations). YouTube Music (0,000) has the lowest niche breadth user profile in this factor.

Overall, YouTube Music has the highest niche breadth in Price Value indicating strong appeal in cost-related gratifications. However, it performs well but not lead in other factors. Spotify shows balanced performance across most factors but cannot reach maximum niche breadth in any single factor, reflecting a consistent but non-dominant positioning. Apple Music stands out especially in technical factors EU and MD, where it achieves the highest niche breadth, suggesting a strong technical appeal. fizy ranks relatively high across many factors but does not lead in any specific one. This shows that the platform has a “versatile but generalist” profile that appeals moderately across a broad range of gratifications. TRT Dinle, on the other hand, exhibits a polarized structure: It stands out with the highest variety in some factors (RS, OS), while it has the narrowest niche breadth in others (PV, EU, MD).

3.6.2 Niche overlap

It measures the rate at which two services meet the same user needs. A small overlap score reflects intense competition. While it reflects the intense competitive dynamics described in Porter's intra-sector competition analysis, it can also be associated with the Cultural Proximity theory, which emphasizes users' preference for culturally familiar content and services.

The niche overlap of the platforms in this case study are formulated following the literature (Shin & Kim, 2025):

$$B = \frac{\sum_{n=1}^{k} [\frac{\sum GO_n}{K(u-1)} - Kl]}{N}$$

Where u−l is the upper and lower bounds of a scale, GO is gratification scores obtained for each item, N is the number of respondents using the media, n is respondents, K is the number of items included in each dimension, and k is the item number.

Table 9. Music Streaming Services' Niche Overlap in the Turkish Streaming Market

	PV	RS	MD	EU	OS
Apple Music – TRT Dinle	0.019 (5)	0.024 (9)	0.024 (6)	0.029 (8)	0.014 (9)
Apple Music – fizy	0.020 (6)	0.024 (8)	0.024 (7)	0.030 (9)	0.012 (6)
Spotify – Apple Music	0.018 (1)	0.022 (3)	0.022 (1)	0.028 (3)	0.012 (4)
Spotify – TRT Dinle	0.018 (2)	0.023 (7)	0.024 (4)	0.028 (5)	0.014 (8)
Spotify – fizy	0.019 (3)	0.022 (5)	0.024 (5)	0.029 (7)	0.012 (5)
YouTube Music – Apple Music	0.020 (8)	0.022 (2)	0.023 (3)	0.028 (2)	0.010 (2)
YouTube Music – Spotify	0.019 (4)	0.020 (1)	0.022 (2)	0.028 (1)	0.010 (1)
YouTube Music – TRT Dinle	0.020 (9)	0.023 (6)	0.025 (8)	0.028 (4)	0.012 (7)
YouTube Music – fizy	0.020 (10)	0.022 (4)	0.025 (9)	0.029 (6)	0.011 (3)
fizy – TRT Dinle	0.020 (7)	0.025 (10)	0.026 (10)	0.030 (10)	0.015 (10)

Note. 0 = maximum niche overlap, 10 = minimum niche overlap, the number in parentheses indicates the rank of niche overlap between services for each factor, PV = price value, RS = recommendation system, MD = music diversity, EU = ease of use, OS = optional services.

Table 9 presents the niche overlap values among the music streaming platforms. In this table, a lower B Score indicates a higher degree of overlap, meaning that the expectations of users for the two platforms in comparison are more similar. Higher B Score suggest greater differentiation between platforms, reflecting more distinct user gratifications and niche positions.

The numbers in parentheses represent the ranking of overlap between platform pairs, where rank 1 indicates the highest overlap of the platform with the

compared platforms (i.e., most similar user expectations) and higher ranks denote decreasing similarity.

The niche overlap values of YouTube Music and Spotify users are strongly similar across many factors suggesting that the two platforms appeal to close user profiles. The fizy and TRT Dinle duo have the lowest overlap values across almost every factor, indicating that they appeal to different market segments.

Overall, a high degree of overlap between global platforms (Spotify, Apple Music, YouTube Music) is common. Meanwhile, TRT Dinle may differ from other platforms in some areas such as the recommendation system and optional services so that it may target a more specialized or culturally distinct users.

For the first factor, Price Value, Spotify – Apple Music has the highest niche overlap with the lowest result of 0.018, while the lowest overlap is between YouTube Music – fizy with a score of 0.020. For the second factor, Recommendation System, Spotify and YouTube Music users experience almost the same satisfaction (0.020). while fizy and TRT Dinle users appeal different profiles in this regard (0.025). One may have an expectation of personalization, while the other may be accustomed to more static content. For the third factor, Music Diversity, global platform users have a high degree of overlap in terms of MD. Even among local platform users, expectations of diversity differ, which may reflect an imbalance in content catalogs. The remaining factors do not show a meaningful differentiation. User expectations regarding Ease of Use are quite similar.

3.6.3 Competitive superiority

It measures how platforms effectively meet user expectations in areas where overlap is high. It is aligned with Porter's competitive advantage gained through cost

leadership or differentiation strategies. The following formulas (Shin & Kim, 2025) are used to identify the competitive superiority of platforms in the case study.

$$S_{i>j} = \frac{1}{N}\sum_{n=1}^{N}\sum_{k=1}^{K}\left(m_i^{nk} > m_j^{nk}\right) \quad ; \quad S_{j>i} = \frac{1}{N}\sum_{n=1}^{N}\sum_{k=1}^{K}\left(m_j^{nk} > m_i^{nk}\right)$$

i,j: Two competing music platforms being compared.

m_i^{nk}, m_j^{nk}: Scores given to platforms i and j, respectively, by respondent n on item k.

$(m_i^{nk}>m_j^{nk})$: An indicator function that equals 1 if platform i's score is higher than platform j's for a given item and respondent, and 0 otherwise.

N: Total number of respondents who rated both platforms.

K: Number of evaluation items or dimensions.

$S_{i>j}$: Proportion of times platform i is preferred over platform j.

This score allows us to determine the comparative strength of a platform across various service dimensions. While measures like niche overlap show how similar competing services are in satisfying user needs, they do not indicate which service is more effective. Therefore, this competitive superiority metric serves to identify which platform holds a relative advantage in user perception. Statistical significance of the difference between $S_{i>j}$ and $S_{j>i}$ can be tested via t-tests.

Table 10. Music Streaming Services' Competitive Superiority in the Turkish Streaming Market

	PV		RS		MD		EU		OS	
	S_score	t-value	S_score	t-value	S_score	t-value	S_score	t-value	S_score	t-value
Apple Music > Spotify	5,444	0.568	6,012	1.632	5,81	0.377	6,655	0.728	4,5	0.254
Apple Music > TRT Dinle	5,444	-0.024	6,012	-1.024	5,81	-1.249	6,655	-0.072	4,5	-1.556
Apple Music > YouTube Mu	5,444	-0.4	6,012	1.551	5,81	-0.294	6,655	0.763	4,5	1.371
Apple Music > fizy	5,444	-0.129	6,012	-0.356	5,81	-1.435	6,655	-0.62	4,5	-0.259
Spotify > Apple Music	5,219	-0.568	5,655	-1.632	5,695	-0.377	6,506	-0.728	4,415	-0.254
Spotify > TRT Dinle	5,219	-0.532	5,655	-3.039**	5,695	-2.587*	6,506	-1.153	4,415	-2.2*
Spotify > YouTube Music	5,219	-2.506*	5,655	0.038	5,695	-1.628	6,506	0.14	4,415	2.346*
Spotify > fizy	5,219	-0.73	5,655	-1.607	5,695	-3.044**	6,506	-2.373*	4,415	-0.515
TRT Dinle > Apple Music	5,458	0.024	6,297	1.024	6,25	1.249	6,672	0.072	5,266	1.556
TRT Dinle > Spotify	5,458	0.532	6,297	3.039**	6,25	2.587*	6,672	1.153	5,266	2.2*
TRT Dinle > YouTube Musi	5,458	-0.323	6,297	2.854**	6,25	1.592	6,672	1.162	5,266	3.124**
TRT Dinle > fizy	5,458	-0.096	6,297	0.465	6,25	-0.197	6,672	-0.709	5,266	1.121
YouTube Music > Apple Mu	5,605	0.4	5,649	-1.551	5,9	0.294	6,494	-0.763	4,024	-1.371
YouTube Music > Spotify	5,605	2.506*	5,649	-0.038	5,9	1.628	6,494	-0.14	4,024	-2.346*
YouTube Music > TRT Dinl	5,605	0.323	5,649	-2.854**	5,9	-1.592	6,494	-1.162	4,024	-3.124**
YouTube Music > fizy	5,605	0.219	5,649	-1.568	5,9	-1.96	6,494	-2.265*	4,024	-1.392
fizy > Apple Music	5,515	0.129	6,136	0.356	6,303	1.435	6,795	0.62	4,636	0.259
fizy > Spotify	5,515	0.73	6,136	1.607	6,303	3.044**	6,795	2.373*	4,636	0.515
fizy > TRT Dinle	5,515	0.096	6,136	-0.465	6,303	0.197	6,795	0.709	4,636	-1.121
fizy > YouTube Music	5,515	-0.219	6,136	1.568	6,303	1.96	6,795	2.265*	4,636	1.392

Note: *p < .05, **p < .01, ***p < .001, PV = price value, RS = recommendation system, MD = music diversity, EU = ease of use, OS = optional services.

YouTube Music has a significant superiority over Spotify regarding price value ($t = 2.506$, $p < .05$). YouTube Music is perceived to be superior to Spotify in terms of price over performance. There is no significant difference in other comparisons. YouTube Music stands out in terms of price; there is no obvious superiority over other platforms.

Satisfaction with TRT Dinle's recommendation system is significantly higher than both Spotify ($t = 3.039$, $p < .01$) and YouTube Music ($t = 2.854$, $p < .01$). This suggests that, from the standpoint of the users, TRT Dinle might offer a more individualized experience or there is no expectation over TRT Dinle for its recommendation system. TRT Dinle's content library has a high variety of TRT's own archives and the expectations might be limited to having free access to this content, so no need to get any recommendations or wait for a trend/newly released content.

The Music Diversity of fizy is much higher than Spotify's ($t = 3.044$, $p < .01$), indicating that Turkish users may find its library more fulfilling, maybe because of the variety of local content.

Ease of Use results showed that Spotify was assessed as being easier to use than fizy ($t = -2.373$, $p < .05$), while fizy was rated as being much easier to use than YouTube Music ($t = 2.265$, $p < .05$). This suggests that depending on the platform and user expectations, the user experience differs greatly.

Spotify is viewed as better than TRT Dinle in another comparison ($t = -2.2$, $p < .05$), indicating a trade-off in considered optional service strengths, whereas TRT Dinle performs much better than YouTube Music in Optional Services ($t = 3.124$, $p < .01$). TRT Dinle's performance is a surprising outcome and might be studied in future whether user does not need any optional service or finds heavy tech apps like YouTube Music's optional services too complicated to use.

Diverse factor platform pairings showed statistically significant differences, especially TRT Dinle and fizy, which exhibit competitive advantages over global platforms in localized expectations like diversity and suggestion.

CHAPTER 4

POLICY RECOMMENDATIONS AND DISCUSSIONS

The findings of this study reveal the preferences and gratification levels of music listeners from different age groups in Türkiye regarding music platforms. According to the survey data, Spotify and YouTube Music are the most commonly preferred global music platforms among users. However, when examined in terms of user gratification, it is seen that the local platform fizy and its global competitor Apple Music achieve high scores in certain factors.

The demographics in the survey data collected are different from the Korean case, and this demographic breadth may even provide an advantage to the results. This survey could have been done on adolescents in Türkiye but the limitation has been dismissed. It is also considered that local players are bundled with the operator provides an advantage in broad age groups, especially aged above 30.

In particular, fizy has the highest average in the factors of "the importance of Turkish content" and "shareability". This situation shows that local content presentation and social media integration are important reasons for preference for users in Türkiye. Apple Music stands out in the areas of "community content" and "sharing". On the other hand, YouTube Music received lower scores in factors such as user interaction and event information despite its large user base.

The research results show that Turkish music content offers a critical competitive advantage for local platforms. fizy's superiority in this area confirms how valuable it is to meet users' expectations of local content. Local platforms can deepen this advantage with special collaborations with local artists, regional playlists and culturally themed content.

Local platforms can reduce niche overlap with global competitors by offering culturally closer content. In Korea, local platforms offered BTS content to create a community surrounded by cultural proximity.

Another area where platforms such as Spotify and Apple Music scored high was social media integration and user interaction. It is understood that local platforms are lacking in this regard. Increasing social functions such as IG Story and WhatsApp sharing by platforms such as fizy can strengthen user loyalty. In addition, innovations such as on-platform friend tracking and listening history sharing will enrich the user experience. Also, the fact that local platforms offer concert and event recommendations according to the artists users listen to is an important opportunity in terms of establishing cultural ties. These features can be improved with services such as event calendar, notification and ticket integration within the application.

According to the competitive superiority under niche analysis, TRT Dinle is statistically significantly different from its other global competitors in areas such as Recommendation System and Optional Services ($p < .01$). fizy, on the other hand, shows a significant superiority over platforms such as YouTube Music and Spotify, especially in the areas of Music Diversity and Ease of Use ($p < .01$). In contrast, YouTube Music has a significant advantage over Spotify in the perception of Price Value.

These differences show that local platforms are not completely disadvantaged against their global competitors, but on the contrary, they can differentiate themselves by focusing on certain features. Platforms with low niche overlap scores (such as TRT Dinle and fizy) can analyze this differentiation potential in more depth and support it with specialized services. It is recommended to differentiate especially in the areas of recommendation system and optional services. Local platforms should

develop specialized services that focus on different user expectations instead of appealing to every user. For example, TRT Dinle can create a loyal user base by deepening its recommendation algorithms and special content.

In emerging markets, the music industry attracts high interest and the influence of global companies is great. We can only direct the influence of global companies with the right policies. These platforms are very valuable because they expand the market and thanks to global players, market coverage is also increasing. To regulate the competition between local and global players, the right competition policies are needed.

The rapid market dominance of global platforms threatens the long-term sustainability of local service providers. For this reason, it is recommended that regulatory institutions such as the Competition Authority and BTK develop special regulations for digital markets to ensure equal competition conditions. Frameworks similar to the European Union's Digital Markets Act (DMA) can be adapted in Türkiye to balance the market power of global giants. EU declared that Apple has been fined more than €1.8 billion by the European Commission for abusing its market dominance in distributing music streaming apps to iPhone and iPad users via its App Store. The Commission specifically discovered that Apple imposed "anti-steering provisions" that prohibited app developers from telling iOS customers about less expensive music subscription options that are accessible outside of the app. According to EU antitrust laws, this is unlawful. (*Commission Fines Apple over €1.8 Billion over Abusive App Store Rules for Music Streaming Providers*, 2024) In addition, encouraging local content producers with public support will increase the supply of Turkish content and strengthen both local platforms and independent musicians.

In addition, the Long Tail Theory (Long Tail Effect) provides an important perspective to niche analysis. Especially on digital music platforms, the presentation of niche (minority) music genres and local content, in addition to mainstream content, allows platforms to reach different user segments by increasing their niche breadth (Anderson, 2006).

There are other discussions related to the policies and regulations of global competitors, including taxation and commissions. The impact of mobile ecosystems on competition is remarkable. Apple's pre-installation of the Apple Music app on devices and the in-app subscription requirement, which limits the pricing flexibility of its competitors, affects competition. Additionally, there is a need for further research to determine whether YouTube Premium's bundle offer (premium video and music) influences the price value factor.

Apple have been restricting Spotify and other competitors' in-app purchase redirects and this situation harms both the consumer experience and equality between platforms. Recent updates show that Spotify has achieved this competitive crisis and ready to offer its audiobooks via in-app purchase in USA.

(*Spotify's iPhone App Will Now Let You Easily Buy Audiobooks*, 2025) In Türkiye, the statements of Deputy Minister of Culture and Tourism Batuhan Mumcu brought the responsibility of digital music platforms for cultural representation to the agenda. The ministry officially notified Spotify because the algorithms did not give enough space to Turkish artists.

(*Kültür ve Turizm Bakan Yardımcısı Mumcu'dan "Spotify" Açıklaması*, 2025)
Suggested topics for future research:

- the impact of mobile store policies,
- cultural neutrality in recommendation systems,

- user loyalty and switching behaviors,
- comparative digital media policy analyses.

CHAPTER 5

CONCLUSION

This thesis set out to examine how competition among music streaming platforms in Türkiye can be strengthened and what strategic approaches might empower local players to stand against dominant global services. Drawing on a combination of empirical data, niche analysis, and comparative strategy frameworks, this research has addressed the question of why platforms like fizy or TRT Dinle have not gained Melon-like prominence in Türkiye—despite showing strengths in user satisfaction metrics and cultural relevance.

The survey conducted with 347 participants revealed that while global platforms such as Spotify and YouTube Music dominate daily usage, local platforms still hold competitive potential in several critical dimensions. Notably, fizy outperformed global competitors in music diversity and ease of use, whereas TRT Dinle demonstrated unique strengths in optional services and cultural alignment. These findings suggest that Turkish users value platforms that reflect their musical heritage and offer a user-centric experience, beyond just price-based considerations. The regression analysis showed that the recommendation system is the only factor with a statistically significant positive impact on marginal willingness to pay (MWTP), highlighting the increasing importance of algorithmic personalization in value perception. This supports the theoretical alignment with Cultural Proximity Theory, Porter's Differentiation Strategy, and the Long Tail Effect—underlining that personalization, cultural fit, and access to niche content are essential to creating a competitive edge in digital music markets.

By applying niche analysis, the study also quantified differences in niche breadth and overlap, offering insights into how user gratification is distributed across platforms. While global platforms often overlap in user expectations, local services demonstrate unique positioning opportunities that can be further developed. However, unlike in the Korean case—where a strong local actor like Melon was able to secure market dominance through regulatory protection and culturally tailored services—Türkiye lacks a comparable strategic framework. This gap may partly explain the underperformance of local platforms in achieving broader market penetration.

In this context, comparative analysis with the Korean case provided a valuable benchmark. Korea’s policy environment, which has supported local content creation and digital platform independence, contributed to the sustained dominance of domestic players like Melon. Türkiye, by contrast, lacks similarly structured competition policies and content support mechanisms. The study reviewed regulatory issues, such as digital taxation, App Store commission rules, and cultural representation mandates, revealing how they influence market dynamics and platform behavior.

Thus, a key policy implication of this study is the urgent need for regulatory intervention tailored to the digital media environment. Inspired by frameworks such as the EU's Digital Markets Act, Türkiye could consider regulations to ensure platform fairness, support domestic content producers, and foster technological innovation in local platforms. Additionally, strategic collaborations with local artists, enhancement of recommendation systems, and platform feature diversification (e.g., social sharing, event integration) are practical areas where Turkish platforms can invest to close the competitive gap.

In conclusion, this research contributes to the ongoing academic and policy dialogue on comparative digital strategy by highlighting how cultural, technological, and regulatory factors shape competition in national streaming markets. Strengthening the competitive position of local platforms in Türkiye requires a hybrid approach that combines data-driven insights, user-centric platform design, and proactive policy reform. With the right conditions, platforms like fizy and TRT Dinle can become more than alternatives—they can become market leaders in their own cultural landscape.

While this study provides valuable insights into the dynamics of competition among music streaming platforms in Türkiye, it has its limitations. The research was based on voluntary participation and conducted entirely through digital channels, which may have led to a sample that does not fully reflect the broader population, particularly users with limited digital access or lower levels of digital literacy. Although responses were collected from individuals of varying ages and occupational backgrounds, the sample size remains relatively limited and may not capture all regional and socioeconomic diversities across the country. Additionally, the study relies on self-reported data, which may introduce subjectivity or inconsistencies between users' stated preferences and their actual behavior. This discrepancy is especially relevant when evaluating perceived value or willingness to pay, which may not always align with real-world spending patterns.

Future research would benefit from incorporating more diverse and representative sampling methods, including offline channels or stratified sampling across regions. Moreover, access to anonymized behavioral data from streaming platforms—such as listening history, subscription changes, and engagement

metrics—could allow researchers to validate and expand upon findings based on stated preferences.

Comparative studies that include multiple emerging markets could also enhance understanding of how cultural and regulatory contexts affect platform competition. In particular, a deeper exploration into the impact of digital policy frameworks—such as app store rules, content promotion algorithms, and local content mandates—can yield more nuanced insights into why certain national markets succeed in nurturing strong local platforms, as seen in Korea, while others lag behind.

Finally, further qualitative research involving platform developers, artists, and policymakers may provide complementary perspectives on the challenges of building competitive advantage in the increasingly globalized and platform-driven music industry.

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