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# COMPLETED RESEARCH: PRELIMINARY INSIGHTS INTO THE IMPACT OF DIGITAL PLATFORMS FOR MUSIC

Joseph Budu

*Ghana Institute of Management and Public Administration, [josebudu@gimpa.edu.gh](mailto:josebudu@gimpa.edu.gh)*

Prince Kobby Akakpol

*University of Ghana Business School, [pkakakpo@st.ug.edu.gh](mailto:pkakakpo@st.ug.edu.gh)*

Richard Boateng

*University of Ghana Business School, [richboateng@ug.edu.gh](mailto:richboateng@ug.edu.gh)*

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# COMPLETED RESEARCH: PRELIMINARY INSIGHTS INTO THE IMPACT OF DIGITAL PLATFORMS FOR MUSIC

**Joseph Budu**

School of Technology, Ghana Institute of  
Management and Public Administration  
josbudu@gimpa.edu.gh

**Prince Kobby Akakpo**

Operations and Management Information Systems  
Department, University of Ghana Business School  
pkakakpo@st.ug.edu.gh

**Richard Boateng**

Operations and Management Information Systems Department,  
University of Ghana Business School  
richboateng@ug.edu.gh

## ABSTRACT

In this study, we investigated the perception of a musician who sells his music on a digital platform in Ghana. We specifically examined the motivations for choosing that digital platform, the benefits being derived, and what could make him stop using that platform. We adopted a qualitative research approach and conducted in-depth interviews with the musician, and the owner of our target digital platform, Aftown.com. We found that the digital platform extends a musician's reach to an audience beyond her geographical boundary, generates increased sales, and removes intermediaries between her and the customer. Digital platforms, especially a local one also helps overcome digital payment constraints because it is equipped with solutions like mobile money that enables local purchases, and not restricted to just popular international payment systems. The originality of this study lies in the fact that, it is one of the few scholarly investigations focusing on digital platforms from of a sub-Saharan country perspective.

## Keywords

Digital platforms, adoption, digital music, developing countries

## INTRODUCTION

The purpose of this paper is to explore musicians' perceptions of digital music platforms in Ghana. Digital platforms form a very important aspect of the global digital economy. They allow easy exchange of goods and services beyond geographical boundaries. Digital platforms like iTunes, enable musicians to sell their music to larger audience, while bypassing traditional sales channels like compact discs. In Africa, a platform like Aftown.com allows people to buy music files using mobile money – a payment facility which is not available on 'international' versions like iTunes. However, not all musicians are interested in using their local platforms to sell their music; they still prefer the so-called international counterparts. Overall, digital platforms offer an opportunity for musicians in Africa to generate more sales income and to further create socio-economic impact. Despite this potential, existing digital platforms research has focused on how platforms are developed (Tan, Lu, Pan and Huang, 2015; Tan, Tan and Pan, 2016), competition around digital platforms (Kazan and Damsgaard, 2016; Parker, Alstynne and Jiang, 2017; Reuver and Ondrus, 2017), and consumer adoption (e.g. Hyun, Kim, Lee, Kim, Jeong and Choi., 2017; Sanz and Crosbie, 2016). Consequently, research on the perceptions of platform content owners is largely scarce or non-existent. Based on this observed gap, this paper's research question concerns a musician's perceptions of a digital platform for music. To address this research question, this study uses a theoretical model of digital platforms as the analytical lens and a qualitative case study as the methodology to investigate a musician's perception of a digital platform on which he sells his music in Ghana. Music sales on digital platforms is a prime research space because promoting and retail are very important aspects of the creative industry's value chain (Moloney, Cybulski and Nguyen, 2008). Moreover digital platforms are opportune in circumventing the constraints in resource poor contexts hence the need to study the perceptions of content providers and owners to ensure the success of such platforms.

The rest of the paper is structured as follows. Section 2 reviews relevant literature on digital platforms and music sales. Section 3 discusses the theoretical model used in this study. Section 4 presents the research methods while Section 5 presents a case study of the musician who sells music on a local digital platform in Ghana. Section 6 analyses the findings of the case. Finally, Section 7 concludes the paper with its contribution to knowledge and recommendation for further research.

## DIGITAL PLATFORMS AND MUSIC SALES

Generally, platforms are a form of a "two-sided market, or a market with two distinct sides that benefit from network effects created through interaction in a common space (see Rochet and Tirole, 2003). The advent of digital technologies has extended such traditional spaces to create digital platforms. Hence, we could describe digital platforms as bringing together two or more distinct groups of users by building an infrastructure that reduces distribution, transaction, and search costs as a way of creating value (Pagani, 2013). Typical examples of digital platforms include Alibaba (Li, Su, Zhang and Mao, 2017), Airbnb, Eatwith, Gudog and Housetrip (see Rivera, Gordo, Cassidy and Apestequía, 2017, p. 25 for a useful list). In this paper, a digital platform for music brings together a platform developer and/or owner, musicians who sell their music on the platform, and buyers who purchase the music on sale. There may be third-party actors like advertisers and application programming interface providers e.g. for electronic and mobile payment processing. Platforms like Aftown.com and iTunes, have a technological system of components and interfaces that form a common structure using hardware, software, Internet, and communications networks (Parmentier and Gandia, 2017).

Digital platforms seem to be created to undertake specific pre-programmed repetitive tasks. Some of these tasks include digital design and fabrication (Keating and Oxman, 2013), software copy protection and digital rights management (Bahaa-eldin and Sobh, 2014), prescription of custom-made insoles (Mandolini, Brunzini and Germani, 2016), and digital soil mapping (Jiang, Zhu, Qin, Zhu, Liu, Du and Liu, 2016). Even though digital platforms may be developed for tasks which are known a priori, it may be necessary to undertake experiments to identify system and user requirements (Adam, Lux, Pfeiffer, Dorner, Muller and Weinhardt, 2017). Some evaluation criteria may also be necessary for developed platforms; for instance, there is one for digital music service platforms (see Lin, Shih, Tzeng and Yu, 2016). During and after the development of a platform, it is important for the platform sponsor to further develop and co-evolve information systems capabilities to influence the platform over time (Tan, Lu, Pan and Huang, 2015). Moreover, to develop market leadership, competitive actions should be developed by actualizing the platform's information technology affordances (see Tan, Tan and Pan, 2016). The development of capabilities and competitive actions may be necessitated by the competition within a platform's market. Some of the competition may even be from a traditional non-digital platform (Kim, Kim and Nam, 2016).

Despite the insights from the literature discussed above, there is still limited research on the perception and adoption of digital platforms by content owners like musicians. This study therefore seeks to contribute knowledge of how musicians perceive digital platforms on which they sell their music especially in a developing economy context.

## THEORETICAL MODEL FOR DIGITAL PLATFORMS

The Technology Acceptance Model (TAM) has been used by many a researcher to study how users accept and use technology (Rondan-Cataluña, Arenas-Gaitán and Ramírez-Correa, 2015). The model asserts that individuals will accept some technology because of their perception about its usefulness i.e. perceived usefulness, and their perception of easy use of that technology i.e. perceived ease of use (Davis, 1989). Digital platforms which is based on Internet technologies have certain characteristics like ubiquity, account profiling, live streaming, varied file ownership models, and cloud storage. These are quite unique to digital platforms and provide added customer value.

With respect to perceived ease of use, digital platforms offer content developers and providers an avenue to display and retail their products and services with relative ease. For instance, a musician can easily upload music files for sale and receive direct payments electronically without the need to go through a producer or record label. Similarly, digital platforms are increasingly becoming useful as evidenced by available usage statistics. For instance, Apple Music had over 40 million users as at February 2017 (Miller, 2017). These factors are likely to attract more content owners like musicians to digital platforms. Consequently, they enjoy expanded reach to customers beyond their geographic boundary, increased sales, and are able to overcome payment constraints. These are the benefits that we argue musicians on digital platforms stand to gain (see Figure 1).

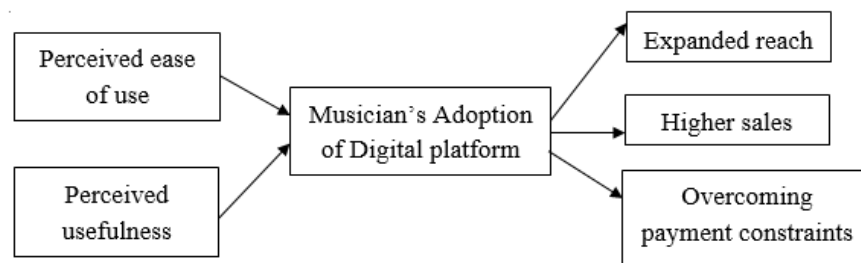


Figure 1. Research Framework

## RESEARCH METHODOLOGY

The study was conducted as part of a bigger doctoral research project on the impact of digital platforms. For this paper, we selected for our case, a digital platform based in Africa and which sells only music which originates from the continent (see [www.aftown.com](http://www.aftown.com)). Through opportunistic sampling, we identified one musician in Ghana who sells his music through the said platform. He honored an interview appointment which lasted about 3 hours. We asked him general questions about technology and music, specifically about what he thinks of digital platforms for music especially Aftown.com. The questions were crafted based on the theoretical framework presented earlier. Data about the platform was collected by interviewing Mr. Jefferson Senadza, the CEO of Aftown Limited (the platform developer and owner) for an hour, and by accessing the About Us page on the platform's website.

The resulting qualitative data was analyzed manually using content analysis. In content analysis, a researcher reduces and structures text by identifying, coding, and classifying the text into categories (Patton, 2002). In content analysis, the researcher identifies patterns and characteristics in the data by labeling and classifying strings of text relating to a theme. In this paper, the classification codes and themes were obtained from the theoretical model of digital platforms earlier presented. These activities are done in a systematic and objective manner. The basic units of coding were the responses of the interviewees which came in phrases and sentences. Some of the topical codes obtained from the data include ease of use, usefulness, and benefits.

## CASE DESCRIPTION

Aftown.com, is a Ghana-based marketplace that brings music fans and African artistes together for the main purpose of buying and selling music. "The heart and soul of Aftown is our global community: the creative musicians who use Aftown to sell their music and the fans looking for the music/songs of their favorite musicians". The platform is user friendly, and is thus easy for all musicians to quickly setup their stores and take advantage of the powerful marketing services offered. They can showcase their yet to be released song on this platform and accept requests for pre-orders. Platform visitors can also browse different music genres, purchase music, and also review and rate musical artists and songs. The main difference between Aftown and other platforms like iTunes is that, the former is strictly for African music which include genres like hip-life, highlife, afro beats, alternative, gospel, kwaito, reggae/dancehall from over 400 musicians based on the continent.

Aftown.com was created in the year 2015 to solve a challenge the CEO observed in Ghana's music industry. Jefferson intimated that,

"I was watching television, and saw the news of one of Ghana's favorite musicians (Daasebre Dwamena) who passed away because he could not afford some surgical procedures. The news set me thinking about creating a platform where musicians could sell their music for cash. Daasebre had been in the industry for about 15 years, so if he was selling just one of his hit songs for just GHS 1 (about \$0.2), he would have made some good amount of money". Giving musicians a platform for creating money instead of only relying on shows and concerts was important because whilst Daasebre was hospitalized, he could still have been making money.

He reckons how difficult it was to start Aftown.

"We had to convince the artists and their managers especially. They were skeptical, but these are the same musicians who will run to iTunes and Spotify instead of a local one where people could buy their songs using mobile money. They prefer to have a big billboard of their latest album with iTunes logo on it. I have met artists who ignorantly tell me how they prefer iTunes to Aftown, meanwhile the money coming to them is very negligible. For instance, did you know that artists whose songs are used as caller ring tunes earn just 15% of the revenue whilst the mobile network company takes a whopping 70%. The remaining goes to a third-party mobile content provider which deals with the network company on behalf of the artist. Similarly, iTunes also takes 50% of artists' revenue. We promise to hand over the entire sales to musicians. We go to the artists directly to sign contracts so the money goes directly to them.

Currently, Aftown has over 1,200 subscribers and 72 artists. One such artist is Robin-Huws, a musician who makes alternative music. To get here, he "worked on compositions, song writing and singing skills over lots of sleepless nights".

Most often, if you get a few shows or gigs here and there you have to rehearse, if it's with a band it requires booking a space to rehearse with the band set. If it's an acoustic session you can do it in your own room, you just get a guitar.

He enjoys song writing. Robin uses a computer with studio equipment like microphone. He also finds social media an amazing tool as an upcoming artiste because it helps "put him out there" to share his music and content. Social media has helped create for him an audience beyond the traditional way of setting up and playing by the street or honoring invitations to shows. He reckons that technology has helped make that a lot easier.

"Earlier days you need cassettes and cds to sell; that's the only to sell your music. Now technology helps you sell your music online and gives you an audience which is pretty important to every artiste and helps you improve on your skills set and you even meet people in other parts of the world that you wouldn't have ever met to work and liaise with".

In addition, Robin is aware of digital platforms on which he can sell his work. He mentions "iTunes and Spotify, Google Play, and Amazon". He also identifies Aftown as "a new platform in Ghana. However, what makes him sell on Aftown is that first, he knows "those behind Aftown". Second, "it's new". Third, "it's something Ghana lacked; we don't have a digital platform that we can sell our own music".

Aftown makes it easier to reach out to the audience in Ghana because the other music platforms like I mentioned earlier is internationally known but not everyone can buy music using a credit card and Aftown has bridged that gap by allowing people purchase music with mobile money". "Well, that's what made me consider Aftown.

On the one hand, he intends to keep selling his pieces on Aftown if it remains easy to get his songs on there for people to access. On the other hand, he will stop using it if he does not see the returns. In other words "if I don't see my money coming into my hands and I haven't faulted in any agreement of any sort way, I will definitely stop using the platform". In addition, Robin intimates that "if people find it difficult to get access to my music on the platform as in the search and can't find my songs and after several complaints to the systems administrators it is not fixed, I would reconsider my decision". He believes that "Ghana has a long way to go when it comes to digital platforms and incorporating technology in the music industry but I believe we will get there. Initiatives like Aftown gives me a lot of hope."

## PRELIMINARY ANALYSIS OF FINDINGS

### Factors Influencing Digital Platform Adoption

The case description raises a number of issues with respect to the adoption of digital platforms. First, even though content creators and owners may be aware of reduced value they obtain from traditional business models, some prefer prestige and affiliation to increased monetary gain. For instance, musicians prefer selling their music on iTunes for less revenue to higher revenue on an indigenous platform. Perhaps this preference is due to a lack of trust in the latter. Trust has been identified as one of the most influential factors affecting individual behavior toward social media platforms (Wang, Min and Han, 2016). Nevertheless, the usual factors – perceived ease of use, and perceived usefulness – also play a role in the adoption of digital platforms. In fact, digital platforms were compared with earlier technologies like compact disks and cassettes. Interestingly, other emerging factors include social capital of platform developer, platform novelty, and contextual relevance of the platform.

### Continuous Use of Digital Platform

The case also brings to light factors that influence continuous adoption and use of digital platforms. First, continuous ease of use seems prominent. Continuous ease of use refers to the extent to which the platform remains easy for the content developer to upload and/or make content readily available for purchase. Interestingly, the developer is also concerned about the ease of use from the customers' perspective to the extent that he could stop using the platform if customer usage difficulties are not addressed on time. The second factor identified is realized monetary returns. As financial gain seems to be a primary motivator in selling content on digital platforms, it is natural that those returns do not dwindle due to factors other than decreased sale. From the case, the artist mentions that "I would stop using the platform if I do not see my money coming into my hands and I haven't faulted in any agreement of any sort [of] way, I will definitely stop using the platform". This underlies the importance of continuous flow of monetary returns from digital platforms.

### Outcomes of Digital Platform Adoption

The adoption of digital platforms generates some outcomes for users. The case description seemingly captures only favorable outcomes. First, there is disintermediation; the platform removes any third-parties like those between a music artist and a mobile network operator. The direct interface suggests that second, there is increased revenue for the content developer since she receives the majority of the contents' selling price. The increased revenue is also a result of the increased audience who are not restricted to some privileged payment options. The case payment platform allows the use of local payment options like mobile money. This implies a larger accessible market compared to using other international platforms.

## CONCLUSION

This study sought to understand digital platforms from the perspective of content developers and content owners. Findings from a qualitative case study of a musician selling his music on a local digital platform suggests that ease of use and usefulness remain important factors in the adoption of such platforms. However, the fact that trust plays an important role suggests the need for digital platform developers to consider enacting mechanisms to engender more trust from content developers and owners. Second, after adoption, there is need for revenue to continue unless there are any legitimate concerns. This study's analysis are preliminary in nature, and could be enhanced with further quantitative measurement and validation, a step which is currently under preparation.

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