Digital Business Transformation In The Live Music Industry

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A Case Study on Co-Created Business Models for Digital Solutions at Music Festivals

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Abstract

New technological possibilities and a changed consumer media behavior have disrupted the media industry's value chain, allowing new players to enter the market as well as shifting the power distribution among existing actors. Given the tremendous speed of this shift, the industry actors constantly face challenges in how to frame these new possibilities regarding joint value creation, as well as how to align their business models to a changed industry logic that doesn't have a linear value chain but demands collaboration and interaction among the involved actors.

The purpose of this thesis is therefore both to understand the processes happening in the media industry and also to gain knowledge about how the stakeholders should act and interact to foster the value within their network and how a joint business model among those relevant stakeholders can be shaped. Therefore, within the live music industry, an in-depth case study on the creation of live streaming solutions at music festivals was chosen that serves the criteria of the outlined problem area. In total, 11 interviews have been conducted with industry experts from three countries, who are involved in the creation of live streaming solutions for the world's most known festivals. Thereby, the case provides findings on the stakeholder network characteristics, interactions and interdependencies among the stakeholders as well as on power distributions and how a business model for live streaming solutions is co-created within the stakeholder network.

The results of this study show that each stakeholder integrates unique resources into the network through value propositions, which is the foundation for the joint creation of value since the stakeholders depend on each other to enable the live stream solution and therefore also develop value creation opportunities for one another. Further, it is shown that the stakeholders have different intentions and only the Music Rights Owner and the Event Owner have high performative power, which is a potential cause of tensions within the network.

Finally, a concept is presented to integrate the analyzed value co-creation aspects into the business model as a tool for researchers as well as managers to analyze value co-creation opportunities within a specific network-centric business model context.

Keywords: value co-creation, business model, digital business transformation, stakeholder network, music festival, live streaming

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Table of Content

1. Introduction

This section will outline the digital disruption of the media industry's value chain and the evolving new forms of producing and distributing media content that are enabled in the live music industry as the background of this thesis. Further, the problem area will be described as a result of the outlined shifts in the media industry. The focus of this study is to shed light on these new areas of development and the problem areas that arise, resulting in specific research questions that this thesis intends to answer in order to gain a deeper understanding of the topic at hand both on a theoretical and practical level. Given the research focus and problem area of this thesis, with investigating a specific case, this section will also include several delimitations.

1.1 Background

Figure 1: Statistics on YouTube and Live Streaming at Music Festivals

These numbers outlined above exemplify what kind of fundamental shift the media industry is undergoing right now. The tremendous increase of high-speed internet access and the rise of mobile technologies are changing the way how each and everyone of us engages in and consumes media every day resulting in a disruption of the media industry's entire traditional value chain (PwC, 2014). The traditional media value chain used to be linear, meaning that after content was created, bundled into a market-ready product, distributed through several channels to the consumer and finally consumed by the end-user (Hess & Matt, 2013). Digital technologies now reduce boundaries between the individual elements in the value chain.

For example, producers are able to directly connect to consumers, distributers start producing their own content (e.g. Netflix) and most importantly, digital technologies let consumers take charge of their own media behavior through the increased accessibility and choice of media (Ericsson, 2015; McKinsey, 2014). Today, consumers control their own media consumption since they choose which content they want to consume at any time, any place and on any device.

However, it seems that in this changed media industry environment that has started to transform towards digital media, consumers value the uniqueness and authenticity of live music experiences more than ever, as shown by the increased popularity of music festivals and concerts. For example, in 2014 the revenue generated from ticket sales to live music events in the US amounted to 20.5 Billion US Dollars and 32 Million US-Americans attend a music festival at least once a year (PwC, 2015; Nielsen, 2015). However, the access to sophisticated mobile technology, the increased connectivity with high-speed mobile bandwidth availability and the evolving media behavior fundamentally changes the way how live music events are being experienced by both attendees and non-attendees of a festival or concert.

One trend, resulting from the technological opportunities available to consumers within live music, is that the festival experience is not limited only to event attendees anymore. Rather, the popularity of live media coverage from music festivals is constantly increasing. For example, a study by Eventbrite (2014), one of the world's largest vendors of event tickets, found that when looking at the 20 Million conversations about music festivals that the study observed on Social Media, one out of four of these conversations was actually coming from a user not present at the actual event but participating via a live-streaming service. Further, 70% of these live stream viewers stated afterwards that they are now more likely to attend a music festival themselves, which reinforces the importance of these new technological opportunities as a marketing tool for the involved stakeholders (ibid.).

1.2 Problem Area

These recent advancements in technology and connectivity and vast changes in the media value chain outlined in the previous section not only come with opportunities, but also with fundamental challenges and evolving problems for all stakeholders involved in the live music industry.

First, sophisticated digital technology disrupts existing structures within the industry, which brings new stakeholders for both content creation and distribution into the market, causing a power shift within the stakeholder network. Thus, questions evolve around how the power is distributed among the actors, how and by whom value is created and how the revenues are shared in the media value chain (Ericsson, 2015).

Second, the technological developments affect the actors within the media industry and their business models, which have to be adapted to the changed industry logic in order to be able to create value for media consumers (McKinsey, 2014). However, given that these developments are constantly evolving at a significant speed, the activities in this stakeholder network are neither aligned nor structured, so that numerous challenges arise in how to determine and frame these new value creation opportunities. As a result, little knowledge exists yet about how and by whom the value is being created, which resources each stakeholder integrates and how each stakeholder perceives its relative role in the network, which potentially leads towards time-consuming and inefficient negotiations (Al-Debei & Avison, 2010).

To conclude, this thesis will focus on the following problem area which has been researched scarcely so far: Which actors are involved in value creation, what their interactions and resources are, how the power is distributed and which interdependencies exist among the stakeholders and finally, how the evolving stakeholder network can adapt to a new business model logic. This will be illustrated with the help of the evolving stakeholder network for music festival live streaming, which is both relevant and unique as a case research area because of three reasons: First, this area has evolved recently, as outlined in 1.1. Second, the area is very diverse, resulting in differing and potentially opposing stakeholder intentions. Third, the fundamental development of technology and its impact on the media value chain outlined in 1.1 calls for theoretical and managerial implications for the industry.

1.3 Purpose of The Thesis

This thesis intends to fulfill both a theoretical and a practical purpose. From a **theory** stand point, the intention is to contribute to research by adding knowledge about how a business model is created jointly by several stakeholders in a network in order to increase the overall value. The concepts behind these processes are called horizontal value co-creation and network-centric business models and will be explained in more detail in the theoretical frameworks outlined in 2.4.1/2.4.2.

Further, the purpose is to introduce a new framework, which describes the intersection between horizontal value co-creation and the network-centric business model (see 5.6).

From a **practical** perspective, this thesis aims to shed light on what kind of stakeholder network exists in creating a music festival live stream as well as how these stakeholders interact to foster value co-creation within the stakeholder network. Further, the purpose is to offer implications for the stakeholders on how to align processes to shape the evolving business model. Finally, we intend to provide an integrated framework, which serves as a foundation for stakeholders within the live music industry to foster value co-creation within a network-centric business model.

1.4 Research Questions

Connected to the described problem area and thesis purpose, three research questions will be posed. These questions build the foundation for the theoretical framework outlined in 2.4 that frames the concepts around horizontal value co-creation and network-centric business model. Also, the questions are linked to the empirics in section 5, which discuss the stakeholder value propositions, interactions and power distribution.

RQ1: Which relevant stakeholders can be identified and how are value propositions and interactions being developed?

RQ2: How do the stakeholders engage in horizontal value co-creation?

RQ3: How is horizontal value co-creation integrated into a network-centric business model?

1.5 Structure of The Thesis

After this introductory section, a literature review on value co-creation, the business model concept and attempts to integrate value co-creation into business model practices is presented. Building on this, a theoretical framework will be introduced which takes into account the reviewed literature, but further enhances the existing concepts. The theory leads to an overview of identified research gaps that the thesis intends to shed light on.

Further, the methodology of the thesis will be described and legitimized. Next, the case study of music festival live streaming will be described and an analysis will be conducted which discusses the findings of the research based on the theoretical framework.

Finally, the conclusion will answer the research questions and theoretical as well as managerial implications and possible future research fields will be presented.

1.6 Delimitations

This thesis analyzes stakeholder networks within the live entertainment industry with a focus on music festivals. Thus, other areas of big events, such as sports or e-sports, will not be discussed since the stakeholder networks of music festivals differ greatly compared to e.g. sports or e-sports. This focus allows for a more in-depth analysis of this specific stakeholder network. Further, the thesis illustrates live streaming solutions targeted towards users who are not present at the music festival. Hence, festival applications, which are created only for festival attendees, are not part of this thesis because of both the limited monetization potential of simple festival applications and the increased scalability of inclusive live streaming experiences. Further, we will only evaluate professional live streaming services. Thus, user-generated content and streaming of this content will not be observed because of the difficult rights situation with many of the current available services currently operating in a legal gray area regarding the live streaming of artist performances. However, in order to provide the reader with more comprehensive information, a short overview on this form of live streaming is included in the Appendix (see 9.4/9.5).

Moreover, the qualitative study will only take into account the business side of the stakeholder network and thus leave out the users since this thesis focuses on the business model practices and the value co-creation among the different stakeholders on a commercial level rather than co-creation with end consumers. Also, non-commercial stakeholders such as governments and regulatory authorities will not be included in the stakeholder network because these stakeholders have a solely regulatory function (e.g. permission for the festival itself) and do not offer separate value propositions to the stakeholder network of creating a live streaming solution. From a theoretical perspective, the thesis focuses on horizontal, i.e. B2B, value co-creation and leaves out vertical, i.e. B2C, value co-creation. Also, the thesis is based on a network-centric business model approach, meaning that business models are analyzed on a network level and that the firm level will not be discussed in order to allow for a more in-depth analysis of the defined problem area.

2. Theoretical Framework

As outlined in 1.3, the purpose of this study is to examine the intentions, interactions and interdependencies of stakeholders that result in an understanding on how value is being created within the stakeholder network of a network-centric business model for the provision of live-streaming services at music festivals. Therefore, in order to introduce the co-creation aspect of the business model concept, a literature review on both value co-creation (see 2.1) and business models (see 2.2) is conducted. Further, previous attempts to integrate value co-creation into business model practices are being outlined in 2.3. Finally, a theoretical framework on both business models and value co-creation is being introduced in 2.4 and research gaps are being identified in 2.5, which the thesis intends to fill using the results of the underlying case study.

2.1 Value Co-Creation

The following chapter will introduce the concept of value co-creation, touching upon two contradictive concepts that we call *vertical co-creation*, i.e. on interactions between the firm and the customer (Galvagno & Dalli, 2014) and *horizontal co-creation*, i.e. interactions among different stakeholders except the customer (Mustak et al., 2013). This thesis will focus on horizontal co-creation and therefore only use the vertical co-creation theory in order to exemplify the concept since only limited research with a focus on horizontal co-creation exists (Frow & Payne, 2011). The research around value co-creation has been substantially fostered by the evolving Service-Dominant Logic (further S-D logic), in particular since Vargo & Lusch (2004) introduced S-D logic as a new dominant logic for marketing (Saarijärvi et al., 2013). Therefore, the distinction between Goods-Dominant (G-D) logic and Service-Dominant (S-D) logic is crucial for the understanding of value co-creation.

2.1.1 Shift From Goods-Dominant Logic To Service-Dominant Logic

Already Smith (1776) used the concepts of value-in-use and value-in-exchange in an economic context when describing the value embodied in products and services. From the idea of value-in-exchange evolved the G-D logic, which claims that the firm's goal is to achieve maximum profit by maximizing efficiency through standardization and economies of scale (Vargo et al., 2008). Also, the value is created by the firm, then distributed to the customer and eventually 'destroyed' by the customer in the consumption process (Storbacka & Nenonen, 2011).

With a shift of focus from the producer towards the customer, Vargo & Lusch (2004) created the S-D logic, recapturing Smith's concept of value-in-use. Whereas customers simply exchange for goods produced by a firm in the G-D view, the S-D view claims that customers exchange in order to acquire the benefits of the firm's knowledge and skills that lie in the produced goods (ibid.). Following this logic, service is the basis of exchange (Vargo & Lusch, 2008) because customers offer their knowledge and skills to acquire a firm's knowledge and skills through goods and because service is the application of knowledge and skills for the benefit of others (Vargo & Lusch, 2004). Consequently, goods have an inferior role in S-D logic because they serve only as transmitters of embedded knowledge and skills (Grönroos & Voima, 2013).

S-D logic posits that value is always co-created and therefore, the customer is always a co-creator of value (Vargo & Lusch, 2004). This premise can be visualized with the help of an example. A car does not have a value for the customer, e.g. in transportation or self-identity, unless the customer knows how to use it by learning how to drive or how to get access to fuel. Therefore, in this example the firm creates value by applying knowledge and skills in the production and branding of the car, while the customer applies knowledge and skills in the use of the car in their lives (Vargo et al., 2008). Importantly, Vargo & Lusch (2008, p.5) emphasized that *"value creation takes place within and between systems at various levels of aggregation"* and thereby extended this concept to horizontal co-creation.

2.1.2 Value Propositions and Service Science

Closely related to S-D logic (and value co-creation) is the concept of service science, which is *"the study of service systems, which are dynamic value co-creation configurations of resources"* (Maglio & Spohrer, 2008, p. 1). Vargo et al. (2008, p.149) define a service system as *"an arrangement of resources […] connected to other systems by value propositions"*. Those value propositions refer to the actors' resource integration promises, *"in order to communicate how their offering can increase resource density in a specific context"* (Storbacka et al., 2012, p.61). In other words, actors integrate resources in order to increase resource density and communicate this within the network through value propositions. Following this horizontal view on co-creation, it becomes clear that various stakeholders have different views on value propositions because of their unique knowledge, resources and intentions which requires the stakeholders to take a more long-term view in order to recognize and manage the differences in value propositions within the stakeholder network (Frow & Payne, 2011; Lepak et al., 2007; Bharti et al., 2015). The service science approach offers a more macro perspective on value co-creation compared to S-D logic, by focusing on the interactions of stakeholders and processes and on the increasingly important role of technology (Saarijärvi et al., 2013; Payne et al., 2008; Vargo et al., 2015).

Therefore, the service science concept reflects the concept of horizontal co-creation and is highly relevant for this thesis because of the stakeholder interaction focus, which will be analyzed thoroughly in chapter 5.

2.1.3 Interpretation of "Value", "Co" and "Creation"

The thesis will focus on the service science perspective of value co-creation which is related to experience environments (Gebauer et al., 2010), recipient-perceived value (Hollebeek, 2010; Neghina et al., 2015) and value-in-use (Vargo & Lusch, 2004). In order to further clarify the meaning of the term value co-creation, it is important to exemplify the underlying concepts of 'value', 'co' and 'creation' (Saarijärvi et al., 2013). Co-creation is defined as *"the joint, collaborative, concurrent, peer-like process of producing new value, both materially and symbolically"* (Galvagno & Dalli, 2014, p.2).

"Value" itself entails two main distinctions. First, it must be clarified for whom value is co-created. Since this thesis takes a network-centric approach, value is being co-created for the other involved actors instead of only for the customer. Second, there is a need to elaborate on what kind of value is co-created, i.e. how each actor benefits from the co-creation (Saarijärvi et al., 2013).

The term **"co"** should also be considered since it is used in many different contexts in the literature. It defines the actors involved in the value co-creation process and what resources are being deployed, thereby distinguishing between the two main concepts of business-to-business (B2B) and business-to-consumer (B2C). Vargo & Lusch (2011) try to overcome this separation by introducing an actor-to-actor (A2A) orientation. They argue that, following the S-D logic, all involved actors are service providing, value-creating enterprises so that the difference between businesses and consumers in exchange blurs (Vargo & Lusch, 2011). As stated before, this thesis focuses on horizontal co-creation and therefore emphasizes the B2B stakeholder network perspective in the analysis.

The term **"creation"** deals with the integration of different resources from different actors in order to actualize their value potential (Saarijärvi et al., 2013). The focus is on the activities or mechanisms, which integrate the provided resources into value creation processes. Also, these mechanisms are constantly being disrupted by the development of technology. Choi & Burnes (2013) support this by claiming that value co-creation has been greatly enhanced by the rise of the Internet. Further, this thesis follows the reasoning of Prahalad & Ramaswamy (2004) that *"value co-creation [...] is neither the transfer or outsourcing of activities to customers nor a customization of products and services"* (Prahalad & Ramaswamy, 2004, p.10).

Therefore, the physical or virtual collaboration of firms with consumers in the context of new product development (e.g. Sawhney et al., 2005) as a form of value co-creation is outside the scope of this thesis and will not be discussed further.

2.2 The Business Model Concept

To this point, the research around the business model concept is rather fragmented, which is mainly due to its only recent emergence in the end of the 1990s (Osterwalder et al., 2005). The following section will skip this historical part and focus on a review of the different definitions and forms the concept has in academic research today. For the sake of completeness, we still provide a short section in the Appendix on the historical emergence of the business model concept (see Appendix 9.3).

2.2.1 Definition of Business Models

Several researchers have tried to frame and categorize the different research streams by reviewing all publications on the business model concept so far existent in academic research. Given the vast and diverse amount of literature on the topic, we see it as helpful to use some of these frameworks in order to be able to give a brief but holistic overview of the business model concept.

We found the work of Al-Debei & Avison (2010) and Zott et al. (2010) especially helpful to get more clarity of the concept in this thesis. Al-Debei & Avison (2010) have tried to categorize the different approaches into taxonomies that outline different dimensions a business model can have, several modeling principles, its intersections with other layers such as business processes and business strategy as well as the functions it can take. They argue that the business model describes four dimensions of value.

One dimension is the value proposition, whereby the business model is describing the value a firm creates for its customers (Amit & Zott, 2001), as well as a description of the product and services a firm offers together with the targeted segments (Al-Debei & Avison, 2010). In this dimension, a business model is "*a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a firm and is a description of the value a company offers […] and of the architecture of the firm and its network of partners […]*" (Osterwalder et al., 2005 p.17-18).

Further, a business model here is described as *"the design of transaction content, structure and governance so as to create value through the exploitation of new business opportunities"* (Amit & Zott, 2001, p.4) and also *"tells a logical story explaining who your customers are, what the value is and how you will make money in providing them that value"* (Magretta, 2002, p.4).

The second dimension of the business model concerns the value architecture of a firm. More specifically, here the business model describes *"an architecture for products, services and information flows […]"* (Timmers, 1998, p.4) and *"reflects the architecture of a virtual organization along three main vectors: customer interaction, asset configuration and knowledge leverage"* (Venkatraman & Henderson, 1999, p.33-34). This view relies on the concept of the resource-based view of a firm, which describes a company as a bundle of resources and emphasizes the competitive advantage that is generated through integrating resources efficiently to generate value (Wernerfelt, 1984). Hedman & Kalling (2003) build up on this and see the business model as a way to organize such resources in an efficient way to have a competitive value proposition in the market. Zott & Amit (2010) also put emphasis on the value architecture dimension by describing the business model as a *"system of interdependent activities that transcends the focal firm and spans its boundaries. The activity system enables the firm, in concert with its partners, to create value and also to appropriate a share of the value"* (Zott & Amit, 2010, p.1).

The third dimension of value that al-Debei & Avison (2010) outline is the value network that a business model describes. Here, a business model for example *"answers the question who is offering what to whom and expects what in return […] and explains the creation and addition of value in a multi-party stakeholder network as well as the exchange of value between stakeholders"* (Gordijn et al., 2000, p.4). Generally, in this dimension a business model is seen as a way in which different stakeholders coordinate and collaborate to enable transactions (Shafer et al., 2005) and it also reflects the position of a company in a value system as well as its relationships within it together with other stakeholders (Rappa, 2008; Osterwalder et al., 2005). The last dimension concerns the financial aspect of a company thus the business model here is used to describe the way in which a business manages cost structure and revenue streams (Timmers, 1998; Osterwalder et al., 2005). Here it is important to mention that the financial aspect of the business model is only a part of the whole model and does not replace it. The business model is a much more holistic description of a business, also including elements such as customer relationships, partnerships and pricing mechanisms (Osterwalder & Pigneur, 2004).

2.2.2 Business Model Functions

In terms of its functions, a business model can act as a theoretical tool in order to facilitate alignment between business processes / tactics and business strategy (Osterwalder et al., 2005; Casadesus-Mansanell & Ricart, 2010). However, there is yet no clear position of the business model in context of business processes and strategy. Some researchers simply include parts of strategy into the business model (Chesbrough & Rosenbloom, 2002; Shafer et al., 2005) while others view it more differentiated and embedded. Al-Debei & Avison (2010) for example conclude that in contrast to traditional business, the world of digital business is much more dynamic, has IT-based processes, more stakeholder pressure and overall makes managing a firm more complex. They thus argue that this new business environment results in a gap between a firms overall strategy, meaning how a firm overall positions itself in an industry in regards to the existing competition (Porter, 1980) and its more operational business processes, meaning activities that work together in creating a service (de Cesare et al., 2003). Thus, the business model is seen here as a tactical tool to create harmonization between the two different levels of organization (Osterwalder et al., 2005). Casadeus-Mansanell & Ricart (2010) agree that the business model and strategy are distinct, but argue differently in the relation between them by stating that the business model is the logic of the firm, while the strategy describes the firm's choice of the business model through which it competes in a market.

Another function of the business model is described by Chesbrough & Rosenbloom (2002) who argue that *"a successful business model creates a heuristic logic that connects technical potential with the realization of economic value"* (Chesbrough & Rosenbloom, 2002, p. 529), thus it can be seen as a necessary framework in order to be able to exploit a promising technological opportunity. Some go even further and argue that the success of a business opportunity is not dependent on a technology and that a technology itself has no value inherent. They argue that the business model that is underlying this technology is responsible for the reach of strategic goals and success (Chesbrough, 2007; Yuan & Zhang, 2003). Another important function of the business model is seen in the knowledge leverage it provides, since understanding the business logic of the own firm in a dynamic and fast-paced digital environment, being able to adapt to changes in this environment and making comprehensive decisions according to this understanding is seen as a vital part of competitive advantage (Al-Debei & Avison, 2010).

2.3 Integrating Value Co-Creation into Business Model Practices

This section will elaborate on existing literature that focuses on *why* firms should adjust their business model(s) when trying to incorporate value co-creation into their practices. Further, existing literature will be presented that discusses *how* firms should re-design their business models in order to implement value co-creation.

2.3.1 Why Firms Should Integrate Value Co-Creation Into Business Model Practices

Achrol & Kotler (2006) criticize S-D logic because of its limited managerial implications and Lambert & Enz (2012, p. 1606) emphasize the *"need to move the S-D logic theory into practice"*. Therefore, there is a clear need to integrate S-D logic into the business model concept in order to increase the managerial relevance. Vargo & Lusch (2004) claim that the firm's objective in exchange has changed from pursuing their own goals (G-D logic) to using one's resources for the benefit of another (S-D logic). In other words, instead of claiming the biggest possible piece of the pie, the actors now work together in order to increase the whole pie (Clauß et al., 2014).

The role of the firm is to make value propositions and to facilitate the customer's value co-creation (Grönroos, 2011). Also, Lambert & Enz (2012) state that the implementation of value co-creation increases innovation and competitiveness for both the firm and the firm's stakeholders. The connection between the concepts of value co-creation (S-D logic) and business models can also be viewed from another angle. Storbacka et al. (2013) note that business models define the availability of resources in the network of actors and Chesbrough & Schwartz (2007) infer that the firm's business model should aim to define, link and monitor activities of co-creating actors. Therefore, the business model concept is crucial in explaining, how value is co-created in those networks and firms need to focus on the interactions among the actors when adjusting their business model towards a value co-creation perspective.

2.3.2 How Firms Can Integrate Value Co-Creation Into Business Model Practices

Zott and Amit (2010) argue that business models are designed around over-riding design themes which define how resources are configured and how capabilities are utilized. Building on that, Storbacka et al. (2012) suggest that 'value co-creation' can be one over-riding theme in order to implement S-D logic. Miller (1996) uses the term configuration to define the degree to which a firm's resources and capabilities are orchestrated and connected by this over-riding theme.

Thus, in order to create effective business models, the focal actor must strive for a high degree of configurational fit. Here, it is important to achieve both intra-actor (i.e. between the business model elements and practices of an actor) and inter-actor (i.e. between different actors' business model elements and practices) configurational fit (Storbacka et al., 2012). However, the inter-actor fit is particularly important since value is increasingly created outside the organizational borders (ibid.).

In the context of actor networks, it becomes crucial for the focal actors to influence other actors in order to make their subjective market definition the shared definition within the network. This influence is called performative power and depends mainly on the focal actor's network position and relative business model strength (Storbacka & Nenonen, 2011). Storbacka et al. (2012) further emphasize the importance of the network aspect by stating that a focal actor needs to develop value propositions also for other actors in the network instead of only for the customer. Actors can jointly increase the density (i.e. availability to an actor at a specific place and time) of resources through a high degree of inter-actor configurational fit and thereby improve the value creation for the network of actors (Storbacka et al., 2012).

Clauß et al. (2014), for example, base their analysis on the business model concept by Amit & Zott (2001) who introduce transaction content, transaction structure and transaction governance as the three business model dimensions for value creation (see 2.2.2). For each dimension, Clauß et al. (2014) propose specific adjustments in order to implement value co-creation into the business model concept. Further, Romero & Molina (2011) take the business model canvas of Osterwalder et al. (2005) as the foundation for their work. They come up with a skeleton for the design of new business models for value co-creation systems by adapting the canvas in the sense of collaborative business environments (Romero & Molina, 2011). Finally, Nenonen & Storbacka (2010) have developed an independent business model framework based on literature review and field-based research in order to investigate business models as a broader conceptualization of value co-creation. They define business models as constellations of interrelated design elements, which are framed by the market, offering, operations and organization as the four design dimensions and principles, resources and capabilities as the three design layers (Storbacka et al., 2012).

Each of the presented approaches is unique, since they base their analysis on different business model concepts. Therefore, no common understanding of the integration of value co-creation into business model practices exists. Also, the approaches mainly focus on value co-creation in a B2C context.

Thus, in 5.6 a new combined framework will be presented which is based on both previous research around value co-creation and the business model concept as well as on the frameworks presented in 2.4, focusing on B2B interactions.

2.4 Summary of Theoretical Framework

This thesis aims to shed light on how in a specific case, a network of different stakeholders with diverse own interest is interacting, collaborating and interdependent from each other in creating value. Therefore, this section introduces summarizes the two main theoretical frameworks for this thesis.

2.4.1 Application of The Business Model Concept in The Thesis

The business model concept in this thesis is used to identify, understand and map out these processes, interplays and networks. However, given the still rather fragmented knowledge and viewpoints on the business model concept (see 2.2), we did not choose one single business model approach in order to do these explanations. Rather, we chose to apply a more holistic view on the concept with an approach that frames several approaches into different business model pillars that we will be able to describe. Therefore, we will use the framework by Al-Debei & Avison (2010) but adapt it in order to not have a firm- but network-perspective and incorporate it in this thesis. This adapted version will have the following, in their description redefined business model pillars:

1. The activities of each actor in order to offer a value proposition (Amit & Zott, 2001; Osterwalder et al., 2005). Hereby the value proposition is seen as the ways for an actor to create value not only for themselves but also other actors involved.
2. The value architecture, meaning the resources that each actor integrates to create value (Wernerfelt, 1984). This also incorporates the core competencies of each actor involved and the resulting performative power of the offered values (Andersson et al., 2006)
3. The value network in order to be able to understand, which stakeholders are involved in value creation, who interacts with whom as well as who is offering what value to whom in this multi-stakeholder system (Gordijn et al., 2000).
4. The value finance in order to map out the appropriate share of value that each of the actors aims to capture with their activities (Amit & Zott, 2001). However, rather than looking at the cost or revenue structure on a firm level (Osterwalder et al., 2005), our focus will be on the exchange of money within the network. Further, besides financial transactions, we also include the intangible values that are being captured by stakeholders.

These different business model pillars will each be analyzed in section 5 of this thesis, together with the aspects of value co-creation. The figure below illustrates in which section the respective business model pillar will be discussed:

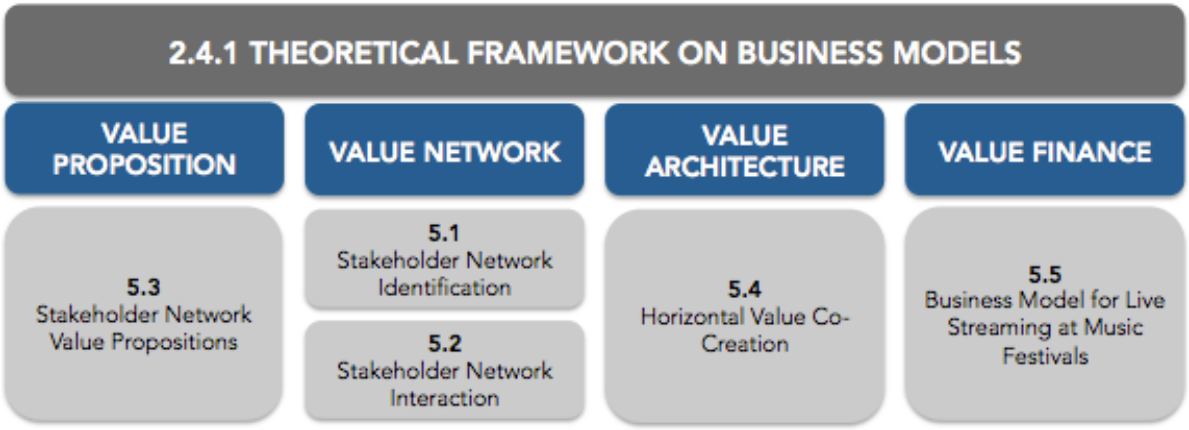

Figure 2: Theoretical Framework on Business Models

In terms of business model functions, out of the several ones that the business model can have, we see its function in this thesis that it creates alignment & harmonization of several activities (Osterwalder et al., 2005). More specifically, the business model concept in this thesis is being used in order to decrease the theoretical orientation of S-D logic and make it more practical, less complex and relevant on a managerial level (Achrol & Kotler, 2006; Lambert & Enz, 2012).

2.4.2 Value Co-Creation in The Context of Business Models

As pointed out in 2.3 already, the existing approaches to integrate value co-creation into business model practices do not offer a common understanding and mostly focus on firm-customer interactions instead of interactions within B2B stakeholder networks. Therefore, a new framework will be presented that focuses on horizontal value co-creation and combines various approaches in order to generate a relevant framework for the context of this thesis. The framework offers a checklist on how the different stakeholders interact in order to co-create value and will be the basis of the analysis in chapter 5. The foundation of the framework consists of Frow & Payne's (2011) five steps to connect and align the stakeholder and the value co-creation concept. Further, other concepts from theory will be included in the framework in order to specify the horizontal value co-creation in stakeholder networks (see 2.3.2). The figure below summarizes the theoretical framework and points out in which subsection the different aspects will be analyzed in the empirical findings of this thesis:

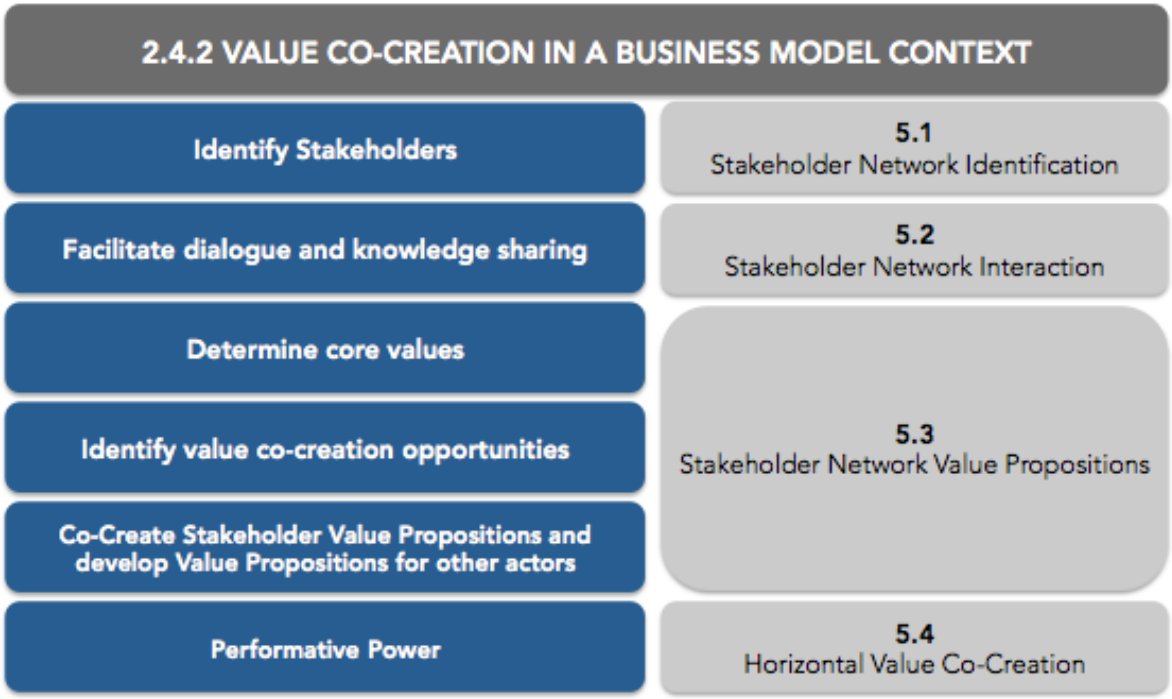

Figure 3: Value Co-Creation in a Business Model Context (own illustration)

First, the main stakeholders must be identified in order to enable value co-creation (Frow & Payne, 2011). Since this thesis focuses on business-to-business interactions, only other firms as stakeholders are relevant and intra-actor stakeholders within the own organization are not being discussed. Second, core values must be determined. Here, Abela & Murphy (2008) distinguish between increasing company value and profit maximization. In order to encourage value co-creation, it is important for firms to share the core values by prioritizing company value increase instead of strict profit maximization since this reduces tensions among the stakeholders (Frow & Payne, 2011). This point connects to the metaphor by Clauß et al. (2014) that firms must work together to increase the whole pie instead of claiming the biggest possible piece of the pie for themselves (see 2.3.1).

Third, dialogue and knowledge sharing must be facilitated among the stakeholders (Frow & Payne, 2011). Ballantyne and Varey (2006) highlight the dialogical perspective that includes trust, learning and adaptation within the stakeholder network. Further, value co-creation opportunities must be identified (Frow & Payne, 2011; Löbler & Hahn, 2013). Again, the thesis focuses on B2B interactions, so that only the value co-creation among non-customer stakeholders is of relevance. Finally, stakeholder value propositions must be co-created. This means that the actors need to develop value propositions also for other actors in the network by indicating how their offering can increase resource density (Storbacka et al., 2012).

"[M]aximum density is reached when, at a given time and place, an actor provides and integrates all the resources necessary to co-create the best possible value in that context" (Lusch et al., 2010, p.23). Also, closer stakeholder relationships lead to closely tailored and refined value propositions, which in turn improve the value co-creation (Frow & Payne, 2011). This relates back to Ballantyne and Varey's (2006) argument regarding the dialogical perspective of stakeholder interaction.

Two additional aspects will be added to Frow & Payne's (2011) criteria in order to create a new framework to discuss horizontal value co-creation and its integration into business model practices. First, the stakeholders' performative power will be discussed, which is the ability to influence other stakeholders in the same network to make the stakeholder's subjective intentions the shared intentions within the network (Storbacka & Nenonen, 2011). Performative power depends mainly on the stakeholder's network position and relative business model strength. Second, the stakeholders' configurational fit will be discussed, putting focus on the inter-actor configurational fit between different actors' business model elements and practices since value is increasingly created outside the organizational borders (see 2.3.2).

2.5 Research Gaps

The majority of empirical and theoretical research on S-D logic and service science focuses on vertical co-creation, i.e. on interactions between the firm and the customer (Galvagno & Dalli, 2014; Frow & Payne, 2011). Consequently, only limited research has been conducted with a focus on horizontal co-creation, i.e. interactions among different stakeholders, except the customer (Mustak et al., 2013). Therefore, this thesis intends to fill this research gap by focusing on **horizontal value co-creation** between the different stakeholders existent in a network of creating music festival live streaming solutions.

Further, most of the business model research takes a firm-centric focus, whereas only limited research about a **network-centric approach on business models** exists (Storbacka et al., 2012). Thus, this thesis focuses on the network aspects of the business model concept. Further, by combining the approaches of horizontal co-creation and the network-centric business model, we intend to contribute to research by analyzing the **integration of value co-creation into a network-centric business model**, thereby focusing on the interdependencies and power distributions among the different stakeholders that work together to enable a music festival live stream for the consumer.

This is relevant since the existing research around the integration of value co-creation into a network-centric business model is rather scarce and fragmented for three reasons: First, only few researchers have looked into this specific topic. Second, those researchers each take a different business model concept as a foundation for their analyses. Third, *"empirical research to develop value co-creation frameworks is focused mainly on business-to-consumer (B2C) contexts"* instead of business-to-business stakeholder networks (Lambert & Enz, 2012, p. 1589).

Thus, since only few research and theories exist, following the logic of Edmondson & McManus (2007), the current state of theory in the aforementioned focus areas of this thesis can be described as nascent. The implications of this state of theory for the research area of this thesis are being explained in section 3.

3. Methodology

The following section outlines the methodological approach for this thesis. This includes the chosen qualitative research approach, the case study as the chosen research design as well as semi-structured interviews as the method of data collection. Further, given the chosen strategy, this section also contains comments on the data quality and the limitations of the chosen method.

3.1 Research Strategy

This thesis chooses a qualitative research approach as the research strategy. This decision is based on the framework for methodological fit by Edmondson & McManus (2007) in order to ensure the consistency among the different elements of this thesis and the overall research quality. As illustrated in 2.5, within the defined research area the state of theory can be seen as rather nascent, since this thesis aims to observe how value co-creation happens horizontally, how a network-centric business model approach looks like and how these two different concepts can be integrated in practice. This makes a qualitative research strategy suitable, since the purpose of this thesis (see 1.3) is to identify patterns and phenomena as well as to create a new concept within a specific context (Edmondson & McManus, 2007).

Further, the research questions (see 1.4) mainly lead towards "how" a certain phenomenon can be described, which also makes a qualitative research approach more suitable in this context (Miles & Huberman, 1994). Also, this thesis follows an inductive approach, meaning that emphasis is being put on the generation of theories in an unexplored field of research (qualitative approach) rather than the testing of existing theories in a mature research field (quantitative approach). The latter would not yield the intended outcome of this thesis (Bryman & Bell, 2011).

Furthermore, this thesis aims to examine a phenomenon that has evolved only recently and aims to observe the changes and developments that happen over time. Thus, the thesis can be categorized as being rather explorative, meaning that the research questions and data generation are constantly refined during the research process. In this context, a qualitative research approach is more suitable than a quantitative approach, as the latter usually only focuses on a context at a specific point in time, which does therefore not fit in the context of this thesis (Bryman & Bell, 2011).

3.2 Research Design

3.2.1 Single Case Study

In order to be able to understand, analyze and draw conclusions on how value co-creation in a horizontal context occurs and how the concept correlates with a network-centric business model in a specific context, namely the creation of live streaming solutions at music festivals within a network of stakeholders, a case study approach was chosen as the research design of this thesis. A case study has the purpose of understanding complex phenomena and *"allows investigators to retain a holistic and real-world perspective such as in […] organizational and managerial processes and the maturation of industries"* (Yin, 2014, p.4). Thus, a case study as the design of our research fits the scope of this thesis, since it allows to observe behaviors of several participants in a certain setting (Bryman & Bell, 2011). Further, since the research questions are rather descriptive and explanatory, aiming to answer mainly "how" questions, a case study is considered a suitable approach to answer this form of research questions (Yin, 2014).

3.2.2 Case Study Selection & Design

As outlined in 2.5, this thesis intends to fill a research gap regarding how value is being co-created among different stakeholders and how business model processes can be viewed from a network perspective. Therefore, the unit of analysis is a whole industry, namely the live music industry, rather than a single organization (Yin, 2014). This is necessary to get a holistic view on the problem and map out all the involved actors. Therefore, when selecting a case, we looked at the following criteria that enable us to shed light on the defined area:

I. Has the phenomenon / problem area only evolved recently and is therefore yet rather unstructured?

II. Are several distinct organizations involved, each of which is trying to solve the problem by contributing resources?

III. Does collaboration and interaction between the different actors involved happen in the process of solving the problem?

IV. Is the case based on a relevant problem area from a business perspective?

Initial research showed that there were several industries in which those processes could have happened or are currently happening. However, through informal conversations with several industry experts, we could identify an industry in which the above-mentioned criteria are being fulfilled to an extent that allows us to draw conclusions on the proposed research questions (Network Provider 1, 2015; Network Provider 2, 2015).

The selected case, namely the creation of live streaming solutions at music festivals, has only evolved recently due to more sophisticated technology and a changed media behavior. Further, the process involves a variety of different actors (see 5.1) that all have individual capabilities and resources to contribute to the process. However, since every actor has individual intentions in why to offer this kind of service, extensive collaboration is necessary in order to create value (see 5.3). Lastly, given the importance of the case area, with today's music festivals being able to engage millions of people and being an industry with a value of several Billion US-Dollars, we see this problem area as very relevant also from a business perspective.

3.3 Data Collection

3.3.1 Semi-Structured In-Depth Interviews

As outlined in 3.1, this thesis follows a qualitative research approach. Within this strategy, we chose the semi-structured interview technique as the primary data collection method. This means that we aim for rich, detailed answers rather than answers that can be coded quickly (i.e. quantitative interviewing) and we aim to stay flexible by being mainly interested in the interviewee's point of view rather than our own concerns (Bryman & Bell, 2011). Given that we are interested in the viewpoints of very diverse actors with different characteristics and intentions, this approach is seen as being suitable. Therefore, the interview guide (see Appendix 9.8) consists of a list of questions that are only fairly specific and could be adapted towards each interviewee. This allowed us to pick up on things that the individual interviewee sees as specifically relevant (Bryman & Bell, 2011). Further, by applying this technique, we could also constantly refine existing questions and add new interesting topics in order to increase the contextual fit and understandability of the interview guideline. Lastly, in order to be able to extract the data from the interviews, we recorded each of the conducted interviews and afterwards transcribed it. Further, the content of the transcribed interviews was grouped and categorized into the several parts of our interview guideline. Thereby, we were also able to recognize both potential differences on specific topics as well as patterns among the stakeholders, which helped to illustrate the stakeholder network (see Appendix 9.8 for Interview Guideline).

For the purpose of this thesis, we conducted 11 in-depth interviews with stakeholders who are involved in creating live streaming solutions at music festivals. The detailed description of the participating interviewees can be found in the Appendix (see 9.2).

When selecting the interviewees, we put emphasis on the fact that the interview participants have an influential role within the context, were involved in more than one live streaming project before and cover all stakeholders involved. Further, the interviewees were selected from different markets, namely Sweden, Denmark and the United States. These measures were undertaken in order to mitigate both the risk of having a bias towards a certain stakeholder's point of view and the bias of a too ethnocentric view on the topic by only choosing one country for data collection (Bryman & Bell, 2011). Also, rather than focusing on a specific festival, we also chose to interview stakeholders from different festivals involved in creating live streaming solutions. This was being done in order to be able to draw a more general conclusion on our research questions and not be tied too much to the context of a specific event and its characteristics. This could have led to too narrow conclusions that are only applicable for a specific festival, given the project-based nature of music festivals, which are rather loose organizations that differ from another and are dependent on the specific event context.

3.3.2 Secondary Data

Throughout the case study, we used both data from the interviews and secondary data that mainly consists of industry reports on the developments in the media industry and the changed media consumption behavior as well as online news articles on trends regarding music festivals in general. This was being done for two reasons: First, we used secondary data to crosscheck answers of interviewees with publications that center on our defined case area (Yin, 2014). Second, given that the problem area of this case has only evolved very recently, there is almost no academic publications on the music festival live streaming case area available yet. Therefore, articles in industry-related online magazines that center on interviewing industry experts on relevant topics and outline trends in the live music area as well as reports on the characteristics of some of the most popular music festivals were used in order to provide a comprehensive case description that is also understandable for readers who are not familiar with this particular industry.

3.4 Data Quality

This thesis aims to provide the reader with the confidence that the findings and results of this thesis are trustworthy and therefore can be applied to new situations and contexts. This aspect is seen as highly relevant, given that we are investigating a very nascent state of theory (see 2.5). In this regard, trustworthiness and authenticity are often regarded as key aspects in determining a qualitative research study's quality.

Therefore, we applied the widely used criteria for trustworthiness in qualitative research by Lincoln & Guba (1985) - consisting of credibility, transferability, dependability and confirmability.

3.4.1 Credibility

According to Lincoln & Guba (1985), Credibility refers to whether the results of a study are representing the reality in the research field. Thereby, credibility can be achieved by looking at the problem area from several perspectives (Bryman & Bell, 2011). This was the aim of the data collection within this thesis since we included several relevant stakeholders from distinct organizations and their individual viewpoints, as well as data from independent events and from different markets in order to create a more holistic and differentiated view on the problem at hand.

3.4.2 Transferability

Transferability refers to whether the results of the study can be applied to another context (Lincoln & Guba, 1985). Due to the nature of this thesis, consisting of a case study within a certain industry, the transferability of results to other contexts is, of course, questionable. However, through providing an in-depth case description, precise case and research delimitations, full descriptions of research methods and suggestions for future research, we provide other researchers in that field with the tools to test our results in another context. Further, by choosing a unit of analysis that does not focus on a single event but involves collecting data from several events and markets, we can increase the likelihood our results to be transferable to another or more general context.

3.4.3 Dependability

According to Lincoln & Guba (1985), Dependability refers to whether the study would lead to the same results in different points of time. This thesis is investigating an area that only has been evolved recently, mainly through the increase of sophisticated technology that is available. Therefore, it can be argued that, once this development continues, future studies might lead to different results. However, the aim of this thesis is to shed light on research areas that are yet not developed in a rather explorative manner. Thus, it can be argued logically that once technology continues to develop, collaboration on a stakeholder level will still happen and there will be no consolidation of all the different tasks in creating live streaming solutions to one single player. Also, the thesis aims to provide a foundation for future research in that field by mapping out a network of involved stakeholders and their collaboration with one another. Further, by providing a thorough description of the methodology, we encourage and enable future researchers to repeat this study and test our results at a different point in time.

3.4.4 Confirmability

Confirmability refers to whether or not the results of a study have been analyzed objectively (Lincoln & Guba, 1985). Thereby, it is important to note that the findings of this thesis are the output of the viewpoints and ideas of the interviewees and do not reflect the researchers' opinions. This objectivity is reflected through several measures: First, rather than defining a case research area by ourselves, we held informal initial expert interviews in order to define a relevant problem area that could be investigated (see 3.3.1). Second, we have no work experience in the industry so that we completely rely on the interviewees' input and on the secondary data and therefore rather act as observers trying to recognize patterns within the data and framing it. Third, by collecting data from several companies, representing different stakeholders with unique intentions, as well as collecting data from several markets, we ensure that our data is not biased towards a certain stakeholder's view (see 3.3).

3.5 Methodological Delimitations & Critique on Research Strategy

It is important to mention that the chosen research strategy and design, i.e. choosing a qualitative and case study approach, implies certain methodological delimitations that affect the interpretation of the results and their applicability to other contexts.

First, given that a qualitative research approach was chosen, it can be argued that the research of this thesis is too subjective and concerned too much with our own views on the topic selection and the analysis and interpretation of findings (Bryman & Bell, 2011). As already touched upon in 3.4, we emphasized objectivity in regards to the collected data and justified our research with research gaps stated in existing theory that directly correlate with the investigated area and the chosen case (see 2.5).

Second, qualitative research and the choice of a case study as a research design is often being criticized since the results are not generalizable, or more specifically, statistically generalizable, meaning that the results could be transferred to a larger sample than the one being investigated (Bryman & Bell, 2011). However, this thesis does not aim to provide such generalization. Rather, we aim to understand how certain processes happen in an unexplored and complex field (see 1.3) and thereby chose a case study as an approach to gain in-depth knowledge about a specific problem area rather than only superficial knowledge (Yin, 2014).

Also, given the case focus of the thesis, we provide several delimitations in order to provide the reader with the ability to judge in which context our results are applicable as well as which areas we suggest for further research (see 1.6 and 7.3).

Finally, other methodological delimitations concern our data collection. This thesis does not represent a global view on live streaming since the data was collected in only three markets, namely Sweden, the United States and Denmark. Sweden was chosen because of the authors' personal network and access to contacts. While a larger data sample could have lead to even more in-depth results, one has to take into account the time and resource constraints of this thesis as well as the difficulty of getting relevant industry leaders to participate in a study within such a specific area. However, we still see our results as highly relevant for the problem area because of three reasons. First, the data was collected in multiple countries, including the US, which is at the forefront for music festival live streaming (see 4.1). Second, we conducted interviews with representatives from a variety of organizations, each representing a different view on the problem area. Third, the interview partners are involved in the creation of live streams for some of the world's most known and largest music festivals (see Appendix 9.2).

4. Empirical Case Study Description – Live Streaming Solutions at Music Festivals

"Today's live-stream viewers are tomorrow's festival attendants"
(Event Owner 1, 2015)

4.1 Introduction

As already touched upon in 1.1, the live music business is more popular than ever. When looking at the music industry overall, it is visible that in contrast to the recorded music industry, which has suffered from revenue losses due to the digitization of sales, the live music business is the driving force in the market, showing a steady growth in revenues and making up the revenue losses from the recorded music industry (PwC, 2015). Therefore, the revenues generated from the live music business have become a viable income source for Artists, Artist Management, Record Labels and Event Owners (UKMusic, 2015). This can be exemplified by the revenues from live event ticket sales, which were as high as 20.5 US Billion Dollars in 2014 in the US and are projected to increase at a growth rate of 5% per year until 2019 (PwC, 2015). The following chapter will outline the nature and characteristics of today's music festivals and the popularity they have gained.

4.1.1 The Characteristics of Today's Music Festivals

Generally, there is no clear distinction of different music festival types. A majority of the large (more than 100.000 attendees) music festivals happens during the summers and outdoors. These festivals can either last only one day or span over several days. Many festivals can also be categorized according to the music genre that they feature. For example, several festivals focus on a specific music genre, such as the Ultra Music Festival in Miami (USA) which focuses on electronic dance music (EDM) or the Rock am Ring / Rock im Park Festival (Germany) which focuses on Rock and Alternative Music. Also, music festivals can be either profit-oriented or non-profit, such as the Roskilde Festival in Denmark, which is the biggest music festival in the Nordic region with around 130.000 attendants and is part of the qualitative study of this thesis through an in-depth interview with the Head of Marketing (see Appendix 9.2). While there is an increased amount of music festivals with a distinct theme, it is also visible that there are multi-day mega events with several performance stages offering different music genres, thus being able to attract a much broader audience. Examples for these kind of festivals are the Coachella Music & Arts Festival in Indio (USA) with 579.000 attendants in 2014 and the Glastonbury Festival in Pilton (UK) with 175.000 attendants in 2014 (Billboard, 2015b; Mirror, 2015).

Within the field of those multi-day festivals, the ones that are focusing, in contrast to the aforementioned two festivals, solely on electronic dance music (EDM), have experienced a tremendous increase in popularity within only the past decade. For example, the Tomorrowland festival in Boom (Belgium) was only started in 2005 with only ca. 9.000 attendants. However, in 2014 roughly 360.000 people attended the festival and 2 Million people tried to get one of the tickets to the festival (BBC, 2014).

The popularity of especially electronic dance music festivals is mainly fueled by a general increase in popularity of electronic dance music as a genre. A recent report shows that the global industry of electronic dance music had a value of around 6,9 Billion US-Dollars in 2014 and showed a growth rate of over 12% that year (IMS, 2015). The biggest market in this industry is the US market with a volume of roughly 2 Billion US-Dollars. Of this market volume, 80% of revenues come from the live business, while only 10% are generated from record sales (ibid.). Besides that, a look on the Top 10 searched festivals in 2014 on the world's largest ticket marketplace viagogo.com shows that five out of the ten most popular festivals worldwide in 2015, including the top-ranked Tomorrowland Festival, are solely focusing on electronic dance music as a genre (Forbes, 2015b).

4.1.2 How Digital Media Behavior & Mobile Technology Shape Music Festival Experiences

Generally, the recent developments in technology have two main forms of impact on music festivals: They create increased possibilities for promoters to enhance the festival experiences by engaging deeper with the audience and they also change the media behavior of the audience during a festival. One the one hand, sophisticated technology allows festival organizers to enhance the festival experience by offering, for example, unique sound and visual effects during live performances that create a higher immersion among festival attendants. Further, many festivals, such as the aforementioned Coachella Festival, are already using technology also to connect deeper with their audience on-site by offering live-apps with features such as a friend finder, meal planner and virtual wristband activation (Intel, 2015). However, the reach that technology now allows goes beyond the festival venue.

First, an increased bandwidth availability and sophisticated network technology allows high-end content production on-site of music festivals both for live coverage usage and content production after the event. This serves as a very powerful marketing tool for festival organizers, promoters and artists to attract even more attendants to future festivals.

Also, *"by providing professional content, festivals let attendees of previous festivals relive their festival experience"*, thereby trying to create the need of coming back to the next festival (Stream Distributor 1, 2015).

Second, the audience is now connecting with their social peers that are not present at the event. For example, Twitter registered 3,5 Million Tweets only from the first weekend of the Coachella Festival in 2015. Further, a study by Eventbrite (2014) shows that, when looking at conversations on Social Media about festivals, 23% of these conversations are coming from users that are not even present at a festival. Also, the Live Stories that are created by Snapchat in collaboration with music festivals are on average viewed by 20 Million users within only 24 hours (Re/Code, 2015).

Yet, the use of technology, especially mobile, is only at its beginning. Many festivals already offer live streaming services that offer users to seamlessly switch between different cameras and stages to create 360 Degrees festival experiences for both festival attendees and people that could not attend festivals themselves (Stream Distributor 1, 2015). The future will offer even more possibilities resulting in being for example able to offer a complete virtual reality experience streamed from music festivals - thereby putting the viewer in unique perspectives, such as back stage or in front of the stage to create the ultimate festival experience (Forbes, 2015c). This general trend in streaming content from music festival venues will be further explained in the following section.

4.2 An Overview of Live Streaming at Music Festivals

This chapter will outline the characteristics of live streaming of music festivals as it is being practiced today and outline the case focus on one specific form of live stream.

4.2.1 Characteristics & Different Forms of Festival Live Streams

Generally, within this thesis a live-stream is defined as the production and transmission of both video and audio content, which is broadcasted through the Internet and thereby not downloaded to a device but only stored temporarily (Stream Distributor 1, 2015). Further, live-streams of music festivals vary based on the level of content that is being captured and broadcasted: It can only cover a certain time or special artist performance, broadcast all performances of each festival day or, the most comprehensive version, can cover all performances on all stages simultaneously on different channels including additional on-site content such as back-stage coverage (Stream Distributor 1, 2015). Through our collected data, we could identify three different forms of how content from festivals is currently being produced and delivered to the audience:

Professionally produced and broadcasted, content generated by the audience as well as hybrid solutions that incorporate features from both forms (Agency 2, 2015; Stream Distributor 1, 2015). This thesis will focus on professional produced live streaming because of the unclear right situation in user-generated content and to allow for a more in-depth analysis. However, an overview of two other forms of live streaming can be found in the Appendix 9.4/9.5 in order to provide a more comprehensive overview of the live streaming area.

4.2.2 Case Focus: Professional Live Streaming Services

Professional live streaming means that *"performances at music festival are filmed by a specialized production company with high-end audio and video equipment"* (Agency 2, 2015). This form of production also involves installations in coding the content into a stream and a Network Provider that installs the necessary network at the (sometimes very remotely located) music festival event venue to ensure the necessary network bandwidth, as well as a broadcaster that transmits the data from there to a server and from there making it available on the Internet (Network Provider 1, 2015; Network Provider 2, 2015).

Generally, three options exist for the Event Owner to enable a festival live stream. The first option is to stream the content directly on the festival's own website, which was done e.g. by the Way Out West Festival 2015 in Gothenburg (Sweden) and the Roskilde Festival 2015 in Roskilde (Denmark) (Event Owner 2, 2015). However, this option implies that the whole production costs need to be covered by the Event Owner, who mostly is not willing to take those high investments (Agency 2, 2015). The second option is for the promoter to sell the live stream rights to a corporate sponsor for a fixed amount. This option was chosen for the Lollapalooza Festival 2015 in Chicago (USA), which was streamed by Red Bull TV, which usually broadcasts content about the company's sponsoring engagements in sports but has recently started to expand to the live music business. Finally, the most common option is to stream the content on a distributor's platform and share the cost with a sponsor like Yahoo or YouTube in order to maximize reach while minimizing costs.

5. Empirical Findings

In this section, the frameworks outlined in 2.4 will be applied to the case and our data. Therefore, the following subsections will describe the different pillars of the business model framework (see 2.4.1) and incorporate the aspects of horizontal value co-creation (see 2.4.2). Thereby, we will be able to introduce a new network-centric business model concept in 5.6, which is based on the theory and empirics outlined before.

5.1 Stakeholder Network Identification

The following chapter will introduce the relevant stakeholders in the network of actors that are involved in creating a music festival live streaming solution. The stakeholders have been identified based on the data generated from the case study interviews. Thus, the relevant stakeholders have been identified by the interviewees themselves and the first aspect of the theoretical framework (see 2.4.2) can be discussed. For each stakeholder, characteristics and examples of relevant players are being presented.

5.1.1 Event Owner

The Event Owner network comprises the festival management and the festival promoter that owns the rights to the festival. The festival promoter landscape has undergone a significant consolidation in the recent years with the major actors taking over smaller promoters (Fortune, 2015). The by far biggest music festival promoters are Live Nation and AEG Live (Statista, 2013) and are showcased in figure 4 below. A third relevant promoter is SFX Entertainment that specializes in electronic dance music festivals (Fortune, 2015). Festival promoters control the entire revenue streams from ticket sales and corporate sponsorships to festival live streams and generally, for them music festivals are more profitable than concert tours (WSJ, 2015). Also, *"we [the promoters] focus mostly on booking artists, selling tickets and signing on-site sponsors for the festival"* (Event Owner 1, 2015).

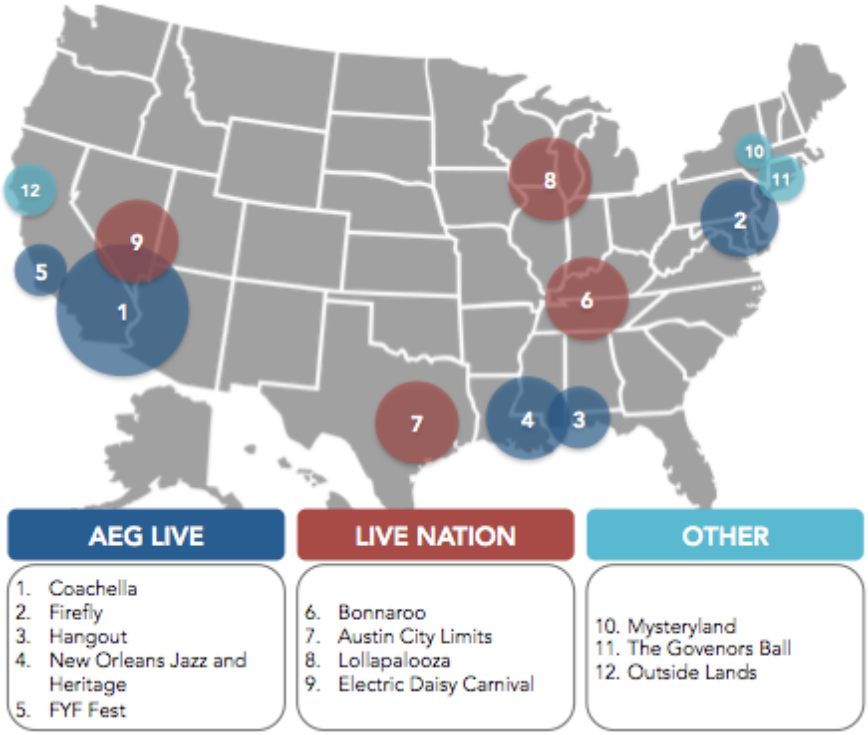

Figure 4: US Festival Promoters and their biggest Festivals

The promoter produces the video content at a festival regardless of a possible live stream in order to show the performance on big screens next to the stage, and the artist contracts include the rights to live stream from the beginning. Therefore, *"the challenge for the festival promoter is to evaluate if and how this already existing content should be used to enable live streaming"* (Event Owner 1, 2015).

It is important to differentiate between music festivals that are owned by a festival promoter and independent festivals when talking about the role of festival management in the context of live streaming. The management of festivals that are owned by a promoter such as Live Nation or AEG Live need to follow the promoter's guidance and therefore have a smaller role. In contrast, *"the management of independent festivals can freely decide upon a live stream offering"* (Event Owner 2, 2015). In the case of the Roskilde Festival 2015, which is the biggest festival in the Nordics and also a non-profit organization, the decision was taken to *"offer a self-financed live stream without the involvement of a Sponsor or a platform in order to remain independent of their influence"* (Event Owner 2, 2015). Here, the live stream can be seen as a long-term investment in order to attract a broader audience that could turn into attendees in the future (ibid.).

5.1.2 Music Rights Owner

This chapter describes the network of relevant actors consisting of the artist and artist management, the record label and the publisher, which is important to consider when talking about the artist rights to produce a music festival live stream.

At the center of this network is the artist, supported by the artist management. *"Live performances have become the main income stream for artists since the revenues from record sales have declined"* (Event Owner 1, 2015). Since the artist wants to offer an engaging experience to a broad audience, festival live streaming is an effective option in order to fulfill both goals. However, the artist also takes a risk when allowing a live stream of his or her performance since the whole performance is being captured so that also a poor performance will be available to fans, as opposed to a recorded album that includes only revised content (Event Owner 1, 2015). Also, artists might not favor a live stream if they intend to play unreleased songs. As an example, due to these reasons some performances were not made available at the Glastonbury Festival 2014 (Velt et al., 2015). Eventually, *"the artist always has the last say about live streaming of their performance"* (Stream Distributor 1, 2015).

Another important actor is the record label that owns the professionally recorded songs that are being released. However, the record label does not own the live performance rights of the artist's performances. In 2014, the three major record labels Universal Music Group, Sony Music Entertainment and Warner Music Group accounted for around 75% of the market volume (Musicandcopyright, 2015). The third important actor regarding rights ownership is the publisher that owns the lyrics to the artist's songs and therefore also owns the rights of the live performances (Music Rights Owner 2, 2015). Major publishers are Universal Music Publishing Group, Sony/ATV Music Publishing and Warner Chappell who together accounted for around 65% of the market volume in 2014 (Musicandcopyright, 2015). Even though the record labels and the publishers include the same companies, *"specific agreements need to be made in order to secure the rights for festival live streaming"* (Music Rights Owner 1, 2015).

5.1.3 Agency

Digital execution agencies offer turnkey solutions for professional live streams, including the production, broadcasting and archiving of festival live streams to clients such as Event Owners that want to offer live streams (Agency 2, 2015). Hence, the Agency offers white label solutions, i.e. that the Agency's brand is not visible and the client is able brand the live stream. Mostly, *"the client is the promoter as the Event Owner who wants to offer a professionally produced high-quality live stream"* (Stream Distributor 1, 2015).

In addition, the Agency specializes in finding suitable Sponsors for the live stream through their network, while *"the promoters are more focused on booking artists, selling tickets and finding on-site Sponsors"* (Agency 2, 2015). Examples of those digital execution agencies are the US based companies Bulldog Digital Media and Live Media Group, which we have interviewed for the qualitative part of our thesis and are currently involved in the live streaming of big music festivals such as Bonnaroo or TomorrowLand / TomorrowWorld (see Appendix 9.2).

5.1.4 Network Provider

In order for Event Owners to offer professional and user generated content festival live streams, *"Network Providers are increasingly important actors in the festival streaming stakeholder network"* since they enable the mobile bandwidth for both Event Owners and festival attendees (Event Owner 2, 2015). Through technologies such as LTE Broadcasting, Network Providers supply the necessary bandwidth to both the Event Owner that uploads the professional streaming content live and in high quality on the internet and to the festival attendees who create user generated content and interact through social media (Ericsson, 2013; Qualcomm, 2013). Cisco (2015) expects that by 2019, 72% of mobile data traffic will be video data, growing at 66% CAGR between 2014 and 2019.

5.1.5 Sponsor

Sponsorship spending on music tours, venues and festivals in 2015 is expected to total 1.4 Billion US-Dollars only in the US, growing around five percent for the last five years. Producers of alcoholic and non-alcoholic beverages such as ABInBev, Pepsico and Brown-Forman are most active in sponsoring live music events in the US. However, also companies from different industries, e.g. automotive (Ford) and transportation (Uber) can be found among the most active live music event Sponsors (Sponsorship, 2015). Though, *"on-site Sponsors at music festivals often demand vertical exclusivity, i.e. that the live stream Sponsor cannot be from the same industry as the on-site Sponsors"* (Agency 2, 2015).

Extensive research exists about the effects of brand sponsorship. According to Pelsmacker et al. (2005), these effects are mainly increased brand awareness, brand recall, short-term profit or re-positioning of the brand in the minds of consumers. Rowley & Williams (2008) verify this by stating that the presence of a brand at a music festival increases both brand recall and brand awareness. Also, music is a powerful way to create customer relationships (Fortune, 2013) since it allows the brand to be associated with a transformational moment in life (AdAge, 2014).

To strengthen this argument, Nielsen (2013) found that 76% of US festival attendees feel more favorable towards brands that are present at a music festival. Forbes (2015a) claims that 80% of festival attendees will purchase a product from a sponsoring brand after the festival experience, compared with only 53% of non-attendees.

5.1.6 Stream Distributor

"Stream Distributors host professional festival live streams" (Stream Distributor 1, 2015). As mentioned in 4.3.1, it is often favorable for Event Owners to cooperate with a Stream Distributor in order to reduce costs and maximize reach. The most important Stream Distributor that hosts festival live streams is YouTube, which is also the world's largest video content platform and also has its own live business area. The platform is involved in festival live streaming since 2010 and e.g. hosts the live stream of the prestigious Coachella Festival. Another relevant actor is Twitch. Coming from e-sports live streaming, the platform has recently started to host music festival live streams, such as from the Ultra Music Festival 2015. Their platforms differ from the solutions offered by the digital execution agencies because they can host the stream on their website instead of only offering white label solutions hosted directly at the festival's website.

5.2 Stakeholder Network Interaction

In the following chapter, the stakeholder network for a music festival live stream will be illustrated. Thereby, the interactions among the different identified stakeholders will be exemplified. Also, the chapter connects back to the theory about value co-creation since the contribution of each individual actor is essential in order to create a festival live stream solution (see 2.1).

5.2.1 Stakeholder Network Interactions

The Event Owner (see 5.1.1) is located at the center of the stakeholder network and has interactions with each of the other stakeholders, as illustrated below:

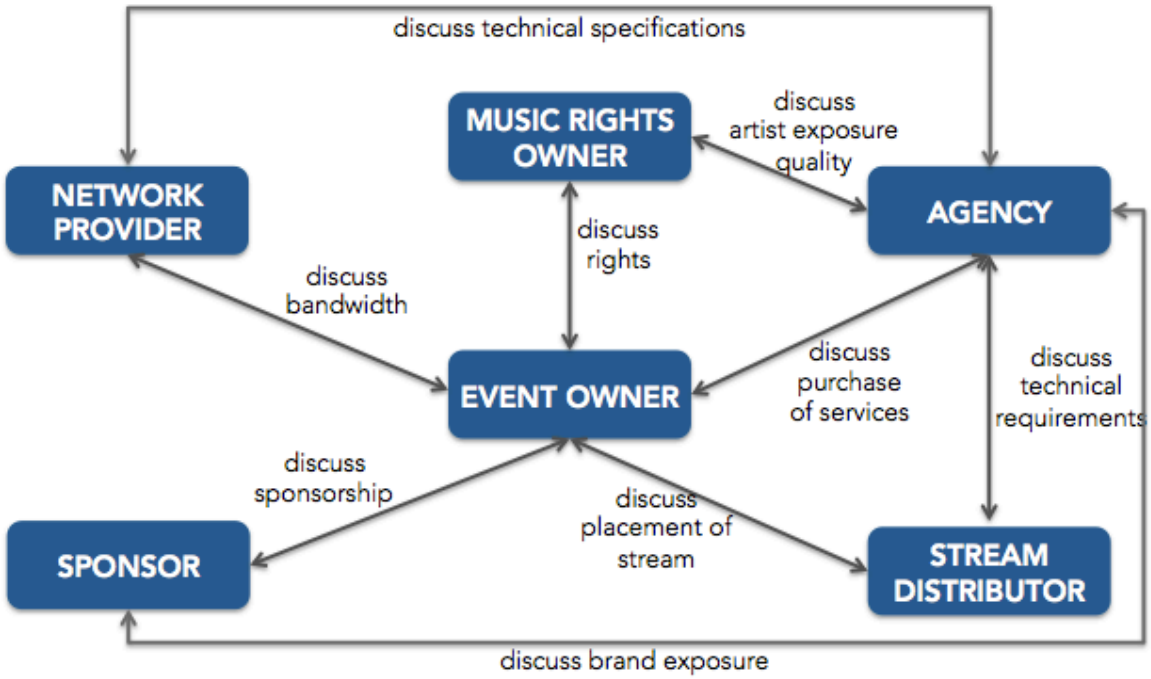

Figure 5: Stakeholder Network Interaction

The interaction with the Music Rights Owner (see 5.1.2) revolves around rights discussions regarding a live stream of the artist's performance. *"Usually, we [the Event Owner] secure the live streaming rights contractually already when the artist is signed for the festival"* (Event Owner 1, 2015). However, in case the live streaming rights are not part of the initial artist agreement, it is also possible that *"the agreement is made with the artist's management behind the stage right before the artist's performance"* (Event Owner 2, 2015). Also, the Music Rights Owner directly interacts with the Agency (see 5.1.3) to ensure that the style and the quality of the stream are in line with the artist's requirements (Stream Distributor 1, 2015).

Further, *"the Event Owner interacts with the Agency to purchase the production and broadcasting services of the artist performance"* (Stream Distributor 1, 2015). The agreement between these two actors can vary depending on the Event Owner's requirements for the live stream such as the audio and video quality. Here, a close connection exists to the interaction between the Event Owner and the Stream Distributor (see 5.1.6), which consists of agreements regarding the live stream specifications such as the desired video quality. Also, the parties specify if the stream will be hosted on the Stream Distributor's website (e.g. Youtube.com) or directly on the festival homepage. *"Clearly, the distributor will charge a higher price for their service if the stream is hosted on the festival homepage"* (Agency 2, 2015). Consequently, an additional interaction is necessary between the Stream Distributor and the Agency in order to discuss the technical requirements for the stream, e.g. in which format the Agency needs to deliver the audio and video data to the Stream Distributor.

Since a festival live stream requires the availability of high-speed Internet for the broadcast to stream without interruptions, *"the Event Owner interacts with us [the Network Provider] in order to secure the quality and stability of the live stream by purchasing the needed bandwidth"* (Network Provider 1, 2015). Additionally, a direct interaction between the Network Provider and the Agency is needed in order to discuss the Agency's specific requirements and practicalities regarding the required bandwidth.

Finally, *"we [the Event Owner] talk with the Sponsor in order to agree on a sponsorship deal and thereby (partly) finance the live stream"* (Event Owner 1, 2015). Within those live streams, brands have several opportunities to engage through sponsorship. For a brand, the most common option is to be visible in a live stream by being mentioned as "presented by" or "powered by". A more advanced option is for the brand to create an own platform and host the live streams on that platform. The final and most advanced option is to create an experience in which the consumer interacts with the brand. This can be achieved by integrating the brand in the live stream, e.g. by letting the consumer *"applaud"* virtually with a brand-related sound to interact with the other viewers (Agency 1, 2015). Thus, this requires an additional interaction between the Sponsor and the Agency in order to provide brand material that can be used to promote the brand in the live stream.

5.2.2 Dialogue and Knowledge Sharing

The described interactions within the stakeholder network will be summarized regarding the third aspect of the theoretical framework, which calls for dialogue and knowledge sharing among the stakeholders and highlight the dialogical perspective that includes trust, learning and adaptation within the stakeholder network (Ballantyne and Varey, 2006). The stakeholders have dialogue and discuss on many different levels and between almost all stakeholders. However, parts of the dialogue are limited to the specification of requirements, which fosters horizontal value co-creation only on a basic level. Also, knowledge sharing is mostly limited to the exchange of requirements to enable the live stream, e.g. between the Stream Host and the Agency or between the Network Provider and the Agency. The stakeholder network has no established best practice solutions, which is mostly due to the fact that stakeholder networks differ for every new festival live stream. Further, this constantly changing and evolving stakeholder network can only establish a certain level of trust, learning and adaptation since not all stakeholders are involved in long-term relationships. For example, *"the decision about the live stream of an artist's performance can be taken as late as only 30 minutes before the performance"* which in fact reduces the value co-creation opportunities for the whole stakeholder network due to the time constraints (Event Owner 2, 2015). Therefore, while a constant dialogue exists, knowledge sharing together with trust, learning and adaptation is yet to be established.

5.3 Value Propositions Within The Stakeholder Network

This section analyzes the different stakeholders' value propositions and intentions in the network of festival live streaming and connects to the value co-creation framework by analyzing the third and fourth aspect of the framework (see 2.4.2).

5.3.1 Value Propositions and Intentions

As described in 2.2.1, value propositions relate to the actors' resource integration promises, *"in order to communicate how their offering can increase resource density in a specific context"* (Storbacka et al., 2012: 61). Those resource integration promises are illustrated with the arrows leading towards the product/solution in the middle of the figure below. The arrows leading towards the stakeholders in the figure below illustrate the intentions for the stakeholder to engage in the festival live stream below:

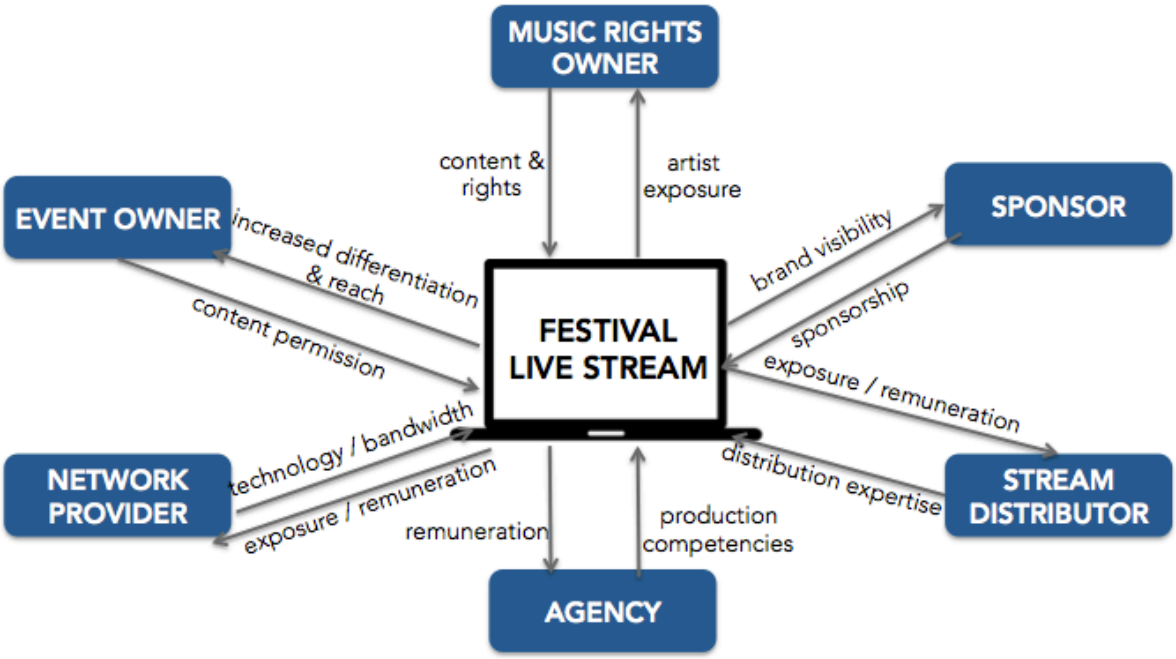

Figure 6: Value Propositions within the Stakeholder Network

The Event Owner's (see 5.1.1) value proposition is to *"give the permission to the live stream since we [the Event Owner] own the rights to the festival"* (Event Owner 1, 2015). Further, the Event Owner adds value through the booking of artists who eventually create the content for the live stream and through the improvement of the on-site experience, e.g. the engagement level of the audience or the set-up of the stage. These value propositions not only affect the on-site experience, but also the off-site experience in the live stream since an engaged audience and a stage set-up improve the enjoyment of the live stream for the viewer (Carrillat et al., 2015). In return, the Event Owner has several intentions when offering a festival live stream, apart from the possibility to directly monetize the live stream content by selling it to a corporate Sponsor. The festival market is quite saturated, with already festivals being cancelled or put on hold because of the excess festival offer from which consumers can choose (Fortune, 2015). Therefore, Event Owners need to seek new marketing channels in order to attract consumers in the hope that this year's festival streamers will become next year's festival attendees (Spin, 2013). Additionally, Andrew Klein of festival promoter AEG Live mentions that *"compelling content in a live stream that goes beyond filming the performance can serve as a differentiation strategy for the festival since artists are interchangeable and the festivals compete for the same consumers"* (SXSW Interactive, 2015).

The Music Rights Owner, i.e. the artist, artist management, record label and publisher (see 5.1.2), adds value by providing the necessary music rights to enable a live stream (Event Owner 1, 2015). Also, the artist offers the content through the performance and thereby improves the value of the live stream for the whole stakeholder network.

Since record labels do not own the live performance rights of the artist's performances, their primary intention is to *"create buzz around the artist in order to increase the popularity and eventually the sales of our artist's tracks"* (Music Rights Owner 1, 2015). This positive relationship between live streams of artist performances and short-term artist popularity was verified by Spotify (2015) at the Lowlands Festival 2014 in the Netherlands. The study showed that in the days after the festival the artists experienced an increase in both social media posts and song plays on Spotify. Similar to the record labels, *"publishers mainly benefit from the popularity of their signed artists"* (Stream Distributor 1, 2015).

"We [The Agency] add value through the production and broadcasting of the live stream" (Agency 2, 2015). Here, the Agency increases the value density in the stakeholder network since it has unique resources and capabilities to enable the quality of the live stream (Agency 2, 2015). In exchange, the Agency receives financial resources from the Event Owner. Also, the Agency's intention is to agree on long-time contracts with the festival promoters in order to secure reoccurring revenue streams (Stream Distributor 1, 2015). Stream Distributors (see 5.1.6) add value through the exposure and distribution of the live stream to a broader audience (Event Owner 1, 2015). In return, they intend to generate buzz around their website. This is especially valid for Twitch as an upcoming festival live stream host.

The Network Provider (see 5.1.4) provides bandwidth for the live stream and thereby proposes value to the stakeholder network (Network Provider 1, 2015). Since this value proposition improves the resource integration for the other actors (e.g. the Agency and the Stream Distributor), the resource density in the stakeholder network increases. The Network Provider gets involved in festival live streaming solutions because it is an impactful way for them to emphasize the increasing demands towards mobile data usage and thus data bandwidth. Thereby, the Network Provider can showcase the future of media and thus convince potential clients (e.g. mobile-network operators) to purchase their services (Agency 1, 2015).

Further, the Sponsor (see 5.1.5) mainly provides financial resources in order to enable the live stream (Event Owner 1, 2015). Potentially, the Sponsor can also add value by taking other roles in the stakeholder network (e.g. if the live stream is sponsored by a Network Provider). As mentioned in 5.1.5, the Sponsor's intentions to engage in a festival live stream are manifold. One the one hand, the Sponsor intends to improve their brand awareness and brand recall. Live streaming solutions are a way for Sponsors to engage with Millennials who are digitally savvy and don't consume media in traditional ways (SXSW Interactive, 2015).

Further, live streaming allows brands to take the experience to a much larger scale with millions of potential viewers, as emphasized by the Marketing Director for 7Up, e.g. sponsoring the EDC Las Vegas music festival live stream (AdWeek, 2015). One the other hand, brand re-positioning can be the sponsor's intention, which can be exemplified by Ericsson's sponsorship of the World Ski Championships in Falun 2015, *"using our [Ericsson's] sponsorship to showcase the move from a former phone manufacturer to a digital experience partner"* (Sponsor 1, 2015).

5.3.2 Identification of Value Co-Creation Opportunities

The stakeholders also identify opportunities to co-create value with other stakeholders, which covers the third aspect of the theoretical framework in 2.4.2. The Event Owner as the live stream initiator does not have the necessary resources to set up a live stream alone and therefore depends on the resources and capabilities of the other stakeholders through collaboration with them. Similarly, the Network Provider, Stream Distributor and Agency can only make use of their distinct resources and capabilities if the Event Owner enables a live stream.

Therefore, value co-creation opportunities exist between the Event Owner and the Network Provider, Stream Distributor and Agency since both sides can only create value in collaboration and since the emerging value can only be determined in-use, which in this case means when the live stream is actually happening. For example, the bandwidth provided by the Network Provider creates value-in-use only during the live stream and is not valuable before or after. For the Music Rights Owner, the reasoning is different since the resources in the form of the performance would be integrated into the festival regardless of the live stream. Also for the Sponsor, a festival live stream is only of various options to integrate their (financial) resources.

5.3.3 Co-creation of Stakeholder Value Propositions

Finally, it will be evaluated if and how value propositions are being co-created by and developed for other stakeholders, based on the fifth aspect of the theoretical framework in 2.4.2. The Event Owner develops value propositions for other stakeholders that vary in their strength and relevance for the stakeholder network. The Event Owner shows that the resource density can be increased by the Network Provider by providing the necessary bandwidth since at this place and point in time, only the Network Provider can carry out this task most effectively. Similarly, the Event Owner develops a value proposition for the Agency by showing that the Agency offers the *"best possible value in that context"* (Lusch et al., 2010, p.23) for production and distribution of the live stream. Also, the value proposition of the Stream Distributor, which is the distribution of the content to a broad audience, is legitimized by the Event Owner since the Stream Distributor offers the highest reach and incorporates scale effects.

However, the Event Owner develops the strongest value proposition to the Music Rights Owner who provides the rights and the content, which are essential to enable the live stream. Towards the Sponsor, no value proposition is being developed by another stakeholder since the Sponsor's main value is to provide financial resources. Also, the Event Owner's value proposition to create the live stream and to provide the on-site experience cannot be developed by another stakeholder.

5.4 Power Distribution Within The Stakeholder Network

In order to specify how the different stakeholders co-create value in the stakeholder network of music festival live streaming, this chapter will analyze the interdependencies and power distributions as well as potential tensions based on the theoretical framework constructed in 2.4.2.

5.4.1 Performative Power Within The Network

The figure below illustrates the power distribution within the stakeholder network by using bigger circles for stakeholders that possess more power:

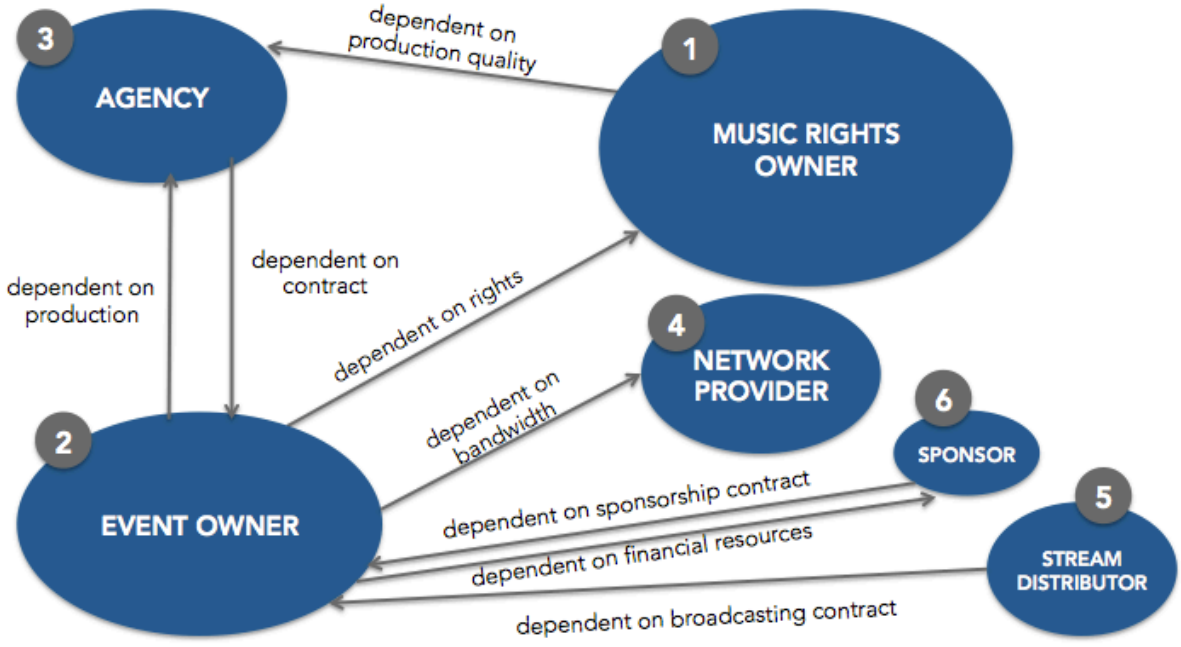

Figure 7: Stakeholder Network Power Distribution

Generally, this power also corresponds with the performative power, which is part of the theoretical framework (see 2.4.2) that will be analyzed. Also, potential sources for tensions among the stakeholders can be derived from the figure. However, it is important to note that the power of a single actor is being analyzed instead of the power of the stakeholder as a whole.

This means that e.g. the power of the Sponsor Toyota may be low because it is easily interchangeable for another Sponsor, whereas the power of the Sponsor as a stakeholder may be high since otherwise the live stream may not be possible due to a lack of financial resources.

Music Rights Owners have the highest power in the stakeholder network for festival live streaming since almost all other stakeholders named the Rights Owner as the most powerful counterpart in order to enable a live stream (Agency 1&2, 2015; Stream Distributor 1, 2015; Event Owner 1 & 2, 2015). The main argument for the superior power is that *"the Rights Owner has the last say regarding the live stream and the Event Owner depends on the artist's agreement in order to live stream the performance"* (Stream Distributor 1, 2015). Therefore, the artist (management) can decide mostly independent from the record label and publisher and the Event Owner tries to secure the live streaming rights contractually already when the artist is signed for the festival (Event Owner 1, 2015). Since the Rights Owner is crucial for the live stream, the power distribution among the different Rights Owners (see 5.1.2) will be exemplified, as well. Here, clearly the artist and the artist management have a high performative power over the record label and the publisher since it is in their interest to allow live streams to create buzz around the artist.

Event Owners also have a high performative power towards the other stakeholders in case the agreement about the live stream with the Rights Owner is already made when the artist is signed for the festival. Also, a big festival brand will attract artists and improve the festival's negotiation position (Event Owner 1, 2015). Moreover, all stakeholders except for the Music Rights Owner can be viewed as suppliers on which the Event Owner is more or less dependable and therefore, the Event Owner can vastly influence the specifications of the live stream through the performative power.

Further, the Agency has a relatively high power since it offers a very specialized service including the production and broadcasting that only few Agencies can carry out (Event Owner, 1; Stream Distributor 1, 2015). Therefore, the Event Owner depends on the professional content production that can only be done by a specialized Agency (Agency 2, 2015) and also the Music Rights Owner depends on the Agency regarding the live stream quality since the artist does not want to be presented in a low quality context (Stream Distributor 1, 2015). However, the Agency's performative power is not as high since there is not only one Agency holding a monopoly so that the Agency needs to adapt to the Event Owner's requirements.

Next, *"we [the Network Provider] have an increasingly important role within festival live streams due to the increasing demands towards quality and features"* (Network Provider 2, 2015). The Event Owner clearly depends on the Network Provider in order to provide sufficient bandwidth to enable the live stream (Network Provider 3, 2015). Similar to the reasoning for the Agency, the Network Provider offers a specialized service but at the same time has to adapt to the requirements of the Event Owner. Stream Distributors have an even smaller performative power towards the stakeholder network since their service to host the live stream is mostly generic and can even be carried out as white label solutions (Event Owner 2, 2015). However, *"specific Stream Distributors such as YouTube can offer a higher reach through their existing customer base which helps to differentiate against other Stream Distributors"* (Event Owner 1, 2015).

Therefore, the Event Owner depends on the Stream Distributor only if additional motives such as the intention to maximize user attention are involved. Finally, the Sponsor has the lowest performative power within the stakeholder network since they are highly interchangeable and *"rarely offer value except for financial resources to the network"* (Agency 2, 2015). Apart from that, the Sponsor also needs to adapt to restrictions since often on-site Sponsors demand vertical exclusivity, i.e. that Sponsors cannot be from the same industry, even if one is an on-site and the other is an off-site (e.g. live stream) Sponsor (Agency 2, 2015).

In conclusion, the Music Rights Owner, especially the artist and artist management, as well as the Event Owner have a high performative power. The Agency and the Network Provider also have limited performative power since their services are specialized so that only few suppliers can provide the service in the required quality. Finally, the Stream Distributor and the Sponsor have low performative power and are easily interchangeable.

5.4.2 Tensions in The Stakeholder Network

Focusing on tensions within the stakeholder network, the Music Rights Owner's power is also a potential source for tensions both on an inter-stakeholder level within the stakeholder network and on an intra-stakeholder level among the artist, artist management, record label and publisher. Especially if no contract exists and the live stream rights are being discussed right before the performance, tensions can occur if e.g. the artist has special requests regarding the specifications of the live stream that cannot be met by the Event Owner (Agency 1, 2015). This in turn can lead to tensions towards the Sponsor since this stakeholder expects a high-quality stream, both in terms of video and audio quality but also in terms of performing artists. Focusing on the intra-stakeholder level, tensions may occur if the artist opposes a live stream while the artist's record label and publisher favor the live stream in order to generate buzz (Music Rights Owner 1, 2015).

Therefore, the artist may face a constant tension to on the one hand strengthen the artist brand and on the other hand consider the intentions on the inter- and intra-stakeholder level.

5.5 The Network-Centric Business Model for Live Streaming Solutions at Music Festivals

In order to define the business model for our case, which as being outlined in terms of the Value Proposition, Value Network and Value Architecture in the previous sections, this section intends to add the financial transactions that occur and constitute the revenue model for a music festival live streaming solution. Hereby, we combine those financial transactions with the intangible values that are being captured as the definition of the core values constituting the Value Finance pillar of the theoretical framework (see 2.4.1). Also, the configurational fit and core values are being discussed as part of the theoretical framework regarding value co-creation (see 2.4.2).

5.5.1 Business Model Approach

Based on the previous sections, the business model is illustrated below with the resources and capabilities that each actor integrates to the solution in form of value propositions, the intentions of each actor, as well as the power distribution between the different actors and, as mentioned above, the flow of financial transactions:

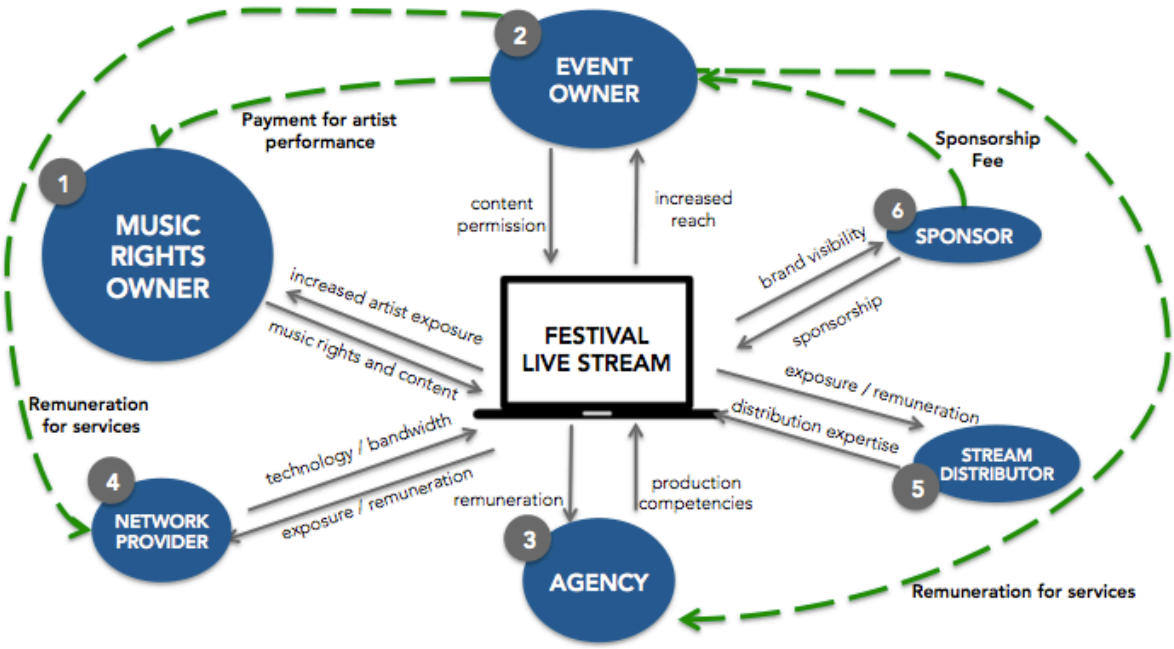

Figure 8: Network-Centric Business Model

Given that in most cases there is a brand that sponsors a live stream in order to increase their brand exposure, there is a fee that is used to finance the cost of providing a live stream.

It can be seen above that all outgoing financial transactions, except the payment of that sponsorship fee , center around the Event Owner. Usually, the artist demands an additional remuneration for his performance being featured in a live-stream. Also, the Agency demands remuneration for their service. The Network Provider however does not necessarily demand that, since, as outlined in 5.3.1, their intention can also be to use a live stream as a marketing tool in order to *"showcase the technology or the importance of sophisticated bandwidth and network technology"* (Network Provider 3, 2015).

5.5.2 Core Values of The Stakeholder Network

As mentioned before in 2.4.2, Abela & Murphy (2008) distinguish between increasing company value, which allows for horizontal value co-creation, and profit maximization, which potentially increases tensions among the stakeholders (Frow & Payne, 2011). Thus, the alignment of the stakeholders' core values towards the increase of company value is important to enable value co-creation since a sole profit maximization focus would substantially hinder value co-creation. This aspect of value co-creation is closely connected to the Value Finance pillar of the network-centric business model since the allowance of intangible value as rewards for resource integration fosters horizontal value co-creation. For all stakeholders, also intangible intentions have been identified, such as an increase of attention and buzz for the artist or a differentiation towards other festivals for the Event Owner. Therefore, it can be concluded that the core value for all stakeholders is to increase the company value and that horizontal value co-creation in the described stakeholder network is being fostered.

Therefore, based on the identified core value, the business model currently works without a concrete revenue model as all parties involved do not have the intention to maximize their financial turnover but that they all have the same intangible core values in providing a music festival live stream.

5.5.3 Configurational Fit of The Business Model

The configurational fit can be seen rather as a precondition to achieve and foster horizontal value co-creation and therefore affects all four pillars of the network-centric business model. The analysis indicates that stakeholders intend to create horizontal value co-creation opportunities in the stakeholder network, so that value co-creation can be seen as the over-riding theme for the network-centric business model to which all stakeholders align their resources and capabilities. Therefore, it can be discussed if an inter-actor configurational fit exists among the stakeholders to increase resource density and eventually to foster horizontal value co-creation.

In general, there is an inter-actor configurational fit since all stakeholders dedicate their unique resources in order to enable the live stream. However, the degree of configurational fit within the stakeholder network is rather low since it relates to the degree of fulfillment of the stakeholders' unique intentions that can be both tangible (e.g. simple remuneration for the Agency) and intangible (e.g. increased exposure for the Music Rights Owner) which both have not been fully exploited. For example, the Music Rights Owner will be more willing to dedicate more resources to the stakeholder network and thereby develop a higher degree of configurational fit if the expected exposure is sufficiently high. Similarly, the Sponsor will dedicate more resources within the network-centric business model if a high brand visibility is to be expected for the Sponsor.

5.5.4 Revenue Model Scenario

Additionally, the scenario that the live stream becomes profitable, altering the stakeholder network and the business model for festival live streams, can be discussed. This scenario could be achieved if users are to pay for the live stream instead of accessing it for free so that the financial resources would come directly from the users and would also potentially be a lot higher, as illustrated below:

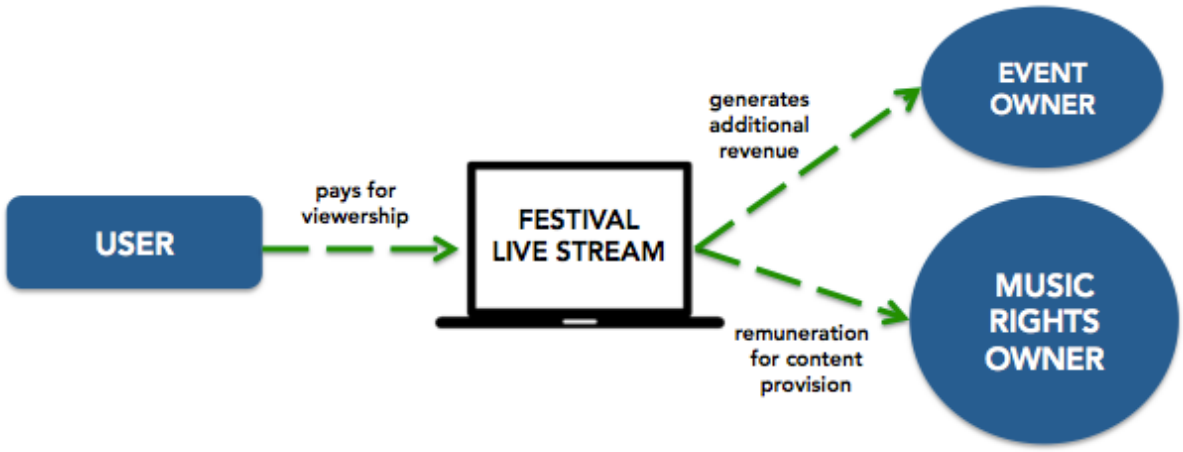

Figure 9: Revenue Model Scenario

However, this scenario clearly has consequences for the involved stakeholders. First, the Music Rights Owner does not generate the same buzz anymore and will therefore try to turn towards a profit maximization strategy for the live stream by trying to generate money through the live stream (Music Rights Owner 1 & 2, 2015). Additionally, the Sponsor will have lower brand exposure and thus either decrease the financial resources or drop out of the live stream altogether.

Moreover, the Event Owner only has limited leverage to use the live stream as a differentiation strategy if the reach decreases considerably which turns the Event Owner's core value for the live stream towards profit maximization, as well. However, the Event Owner's profit opportunities are limited due to the Music Rights Owner's profit maximization intention. The other stakeholders do not have enough performative power to demand a significant share of the revenue generated through charging the viewers (Agency 2, 2015). Therefore, a scenario in which the user is to pay to see a festival live stream clearly decreases horizontal value co-creation.

5.6 Defining a Concept for Network-Centric Business Models

In 5.1 to 5.5, we outlined the several pillars of the business model (see 2.4.1) for creating a live streaming solution for music festivals and discussed the relevant aspects of horizontal value co-creation introduced in the theoretical framework in 2.4.2. This section focuses on the points of intersection between both theoretical concepts, thus introducing a framework that integrates horizontal value co-creation processes into the business model, thereby forming a new, network-centric business model framework. The figure below summarizes this framework:

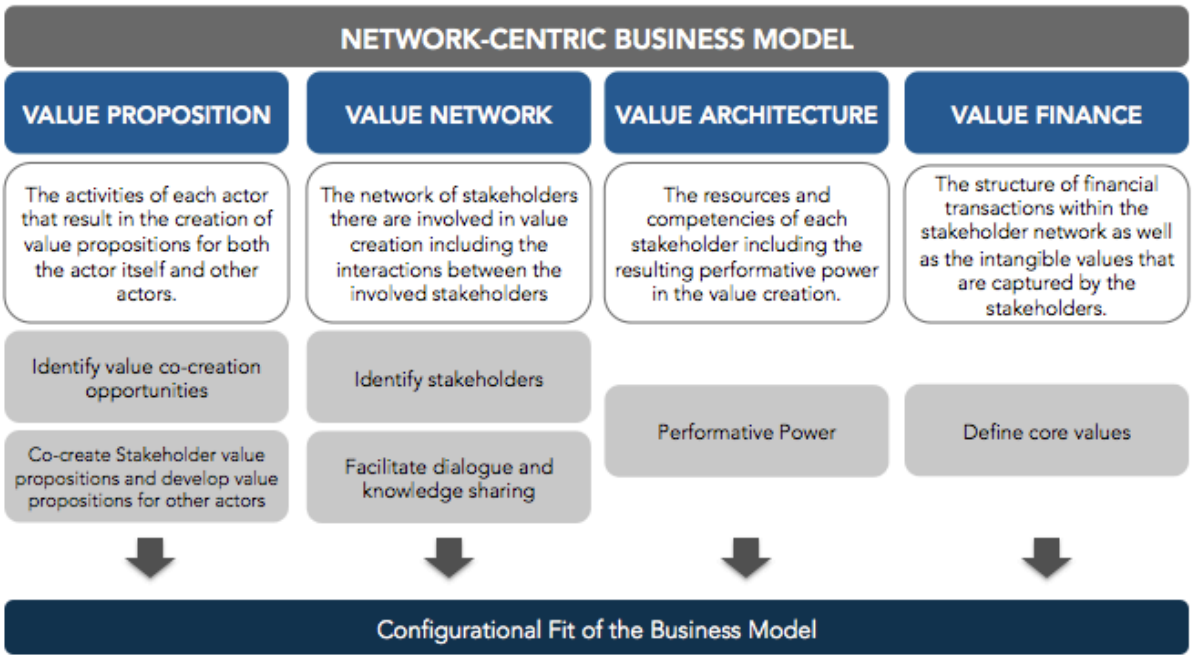

Figure 10: Concept for Network-Centric Business Models

Since both the four business model pillars (see 2.4.1) and the value co-creation aspects (see 2.4.2) have already been introduced before, this part intends to analyze both the connection between each pillar and the value co-creation aspects connected to that pillar as well as the occurring processes.

Within the **Value Proposition** pillar, the stakeholders first identify value co-creation opportunities. Taking our case example, these can be realized since the Network Provider, Stream Distributor and Agency depend on the Event Owner to enable a live stream and the Event Owner depends on the mentioned suppliers to integrate their unique resources. Thus, value needs to be co-created in order for all stakeholders to enable the live stream together. Later, stakeholders develop value propositions for themselves and others in order to foster horizontal value co-creation. Here, the Event Owner develops value propositions for the three aforementioned suppliers since their unique capabilities increase the resource density at this specific context.

In order to foster the **Value Network**, all relevant stakeholders have to be identified within the stakeholder network. In our case, the empirics prove that each stakeholder has identified the relevant stakeholder network independent from one another. Further, the stakeholders establish dialogue and knowledge sharing within their interactions on different levels. While dialogue is established among almost all stakeholder, the constantly changing and evolving stakeholder network can only establish a certain level of knowledge sharing since not all stakeholders are involved in long-term relationships and stakeholder networks differ for every new festival live stream.

Further, to achieve a beneficial **Value Architecture**, stakeholders strive for performative power towards the other stakeholders as long as this performative power fosters instead of hinders horizontal value co-creation. In our case, this is being achieved mostly by the Event Owner and the Music Rights Owner since the other stakeholders rely on the Event Owner to enable the live stream and on the Music Rights Owner to permit the rights to stream the artist performance.

Moreover, as exemplified before, successful horizontal value co-creation is only possible if the stakeholders incorporate the increase of company value over profit maximization as their core value. Therefore, this aspect of value co-creation is closely connected to the **Value Finance** pillar of the network-centric business model since the allowance of intangible value as rewards for resource integration is a prerequisite for horizontal value co-creation. Section 5.5.2 proves for our case, that all stakeholders share the core values to foster horizontal value co-creation. However, section 5.5.4 simulates the scenario that the user pays to see the live stream, which leads to tensions since the Music Rights Owner might then pursue profit maximization.

Finally, **Configurational Fit** is important for all pillars of the network-centric business model based on our empirics, which show that the alignment of the stakeholders' resources and capabilities is a precondition to achieve and foster horizontal value co-creation.

The configurational fit can be further increased if the stakeholder network makes the fulfillment of stakeholder intentions a priority to motivate each actor to further integrate resources within the network.

6. Conclusion

The purpose of the thesis was to contribute to research by analyzing horizontal value co-creation, evaluating the business model concept from a network perspective as well as the intersection of both areas in the context of a music festival live stream. Therefore, three research questions have been posed and answered in the analysis in section 5. This chapter intends to summarize the answers to the research questions and thereby conclude the thesis.

RQ1: Which relevant stakeholders can be identified and how are value propositions and interactions being developed?

The first research questions was mainly posed to exemplify which stakeholders are relevant for the network and how their value propositions and intentions as well as the interactions within the stakeholder network differ in order to allow for a in-depth analysis. Figures 5&6 illustrate both the interactions and the value propositions and intentions for each stakeholder in the network.

RQ2: How do the stakeholders engage in horizontal value co-creation?

In 2.4.2, a theoretical framework has been developed that serves to analyze how the different stakeholders act and interact in order to co-create value. The analysis clearly showed that horizontal value co-creation takes place in the stakeholder network and that value is necessarily co-created by the stakeholders because the contribution of every single stakeholder is crucial to enable the live stream. Furthermore, the different forms of value co-creation in the stakeholder network have been discussed by evaluating the interdependencies and power distribution within the stakeholder network. This indicated that the Music Rights Owner and the Event Owner have the highest performative power in the network, and therefore they generate the majority of value co-creation opportunities.

RQ3: How is horizontal value co-creation integrated into a network-centric business model?

This research question was posed to illustrate the network-centric business model, which has been done in 5.5, and eventually to observe several value co-creation opportunities within different pillars of a network-centric business model, which has been shown in 5.6.

Thereby, the possibility to enable horizontal value co-creation depends on the existence of a network-centric business model in order to foster value co-creation. At the same time, the network-centric business model can be improved if the stakeholders engage in horizontal value co-creation. Therefore, the two concepts are strongly intertwined and partly even overlap. For example, both concepts describe the processes regarding the development of value propositions not only for the stakeholder itself but also for other stakeholders.

7. Discussion

Based on the empirical findings presented in section 5, this section offers managerial implications for the observed stakeholders both on a network and individual actor level. Further, the contributions to research and the resulting suggestions for future research will be discussed. Lastly, a critical reflection on the concept of horizontal co-creation is being presented.

7.1 Managerial Implications

7.1.1 Network Level

This section intends to give managerial implications on a network level, while implications for each stakeholder are being discussed afterwards in 7.1.2. In the analysis, the stakeholder network was evaluated regarding the question if horizontal value co-creation within a network-centric business model is being enabled and fostered, based on the theoretical framework in 2.4.2. First, it was shown that the relevant stakeholders have been identified by the actors (see 5.1) and it was detected that while the stakeholders have active dialogue with one another, the knowledge sharing as well as the level of trust, learning and adaptation could still be increased (see 5.2). In order to improve the knowledge sharing, the stakeholders should engage in more long-term cooperation since the knowledge sharing opportunities are rather limited if the stakeholders only work together for one single festival. Also, trust can be increased if the stakeholders develop even closer ties in their business relations, possibly even leading to a stakeholder joint venture, which would be the optimal form to maximize trust.

Further, learning among the stakeholders could be improved if all stakeholders shared their insights from previous projects in order to establish a best practice solution. This is especially important since stakeholders vary for each project so that they might not feel the need to compose joint insights after the festival. To improve the adaptation potential, the stakeholders need to constantly anticipate the technological developments and adapt the network-centric business model. This could potentially mean to include new actors in the future or change the business model altogether, e.g. if the trend towards user-generated content continues to gain momentum.

Another implication on the network level is to view the Network Provider, Stream Distributor, Agency and Sponsor more like equal partners instead of solely suppliers of specialized services. By achieving this, further value co-creation opportunities would unfold and increase the value for the whole stakeholder network, so that every stakeholder would benefit eventually.

This is also reflected in the framework in 5.6 that connects the concepts of horizontal value co-creation and a network-centric business model based on theory and empirical findings. Also, the degree of configurational fit of the business model can be increased if the stakeholders can expect that their intentions will be met and therefore dedicate more resources and capabilities to the stakeholder network. To increase the likelihood for these intentions to be met, the stakeholders need to focus on these intentions when they develop value propositions for one another. Using the same example as before, the stakeholders need to work together to increase the quality and user experience of the live stream to ensure a sufficient artist exposure and brand visibility, which results in a higher configurational fit.

7.1.2 Actor Level

While the previous chapter offered implications on a network level, this chapter gives specific implications for each actor in order to improve the horizontal value co-creation within a network-centric business model. The **Sponsor** could improve horizontal value co-creation by getting the chance to interact with the user in the live stream, e.g. through a social integration. This would be a chance for the Sponsor to reach the relevant Millennial target group, while becoming a more important actor in the stakeholder network. In return, the Sponsor distributes more financial resources to the Event Owner and therefore improves the horizontal co-creation for the whole stakeholder network.

Also, the **Agency** can be further integrated in the stakeholder network in order to improve horizontal co-creation. Either, the Event Owner can engage in more long-term relations with the Agency in order to foster mutual knowledge sharing and learning, or the Agency can be given additional tasks within the stakeholder network, such as helping to find a suitable Sponsor for the live stream since some Agencies already have Sponsor contacts from advertising projects they were involved in. These implications improve the horizontal co-creation and thereby the resource density within the stakeholder network.

The **Network Provider** can improve horizontal value co-creation by altering the positioning within the network-centric business model from a pure bandwidth supplier towards a digital experience Sponsor. Then, the Network Provider would not get remunerated for its services, but rather act as a Sponsor, possibly even making an additional Sponsor obsolete. For the Network Provider, this is an impactful way to showcase the future of media and thus convince potential clients (e.g. mobile-network operators) to purchase their services by emphasize the increasing demands towards mobile data usage and thus data bandwidth.

In return, the Network Provider offers financial resources, which enable the Event Owner to improve the quality and overall experience of the stream, which consequently increases the horizontal value co-creation within the stakeholder network.

Moreover, further intentions for the **Music Rights Owner** can be developed by the stakeholder network in order to increase the likelihood for the Music Rights Owner to allow a live stream. Since the Music Rights Owner perceives the live stream as a possibility to increase buzz around the artist, the other stakeholders can influence the Music Rights Owner's intention by improving the overall quality and user experience of the live stream. Therefore, an implication is for the Agency to improve both the quality and the user experience of the stream while the Stream Distributor and the Network Provider enable these changes by providing more bandwidth and hosting the high-quality stream. As a result, the horizontal value co-creation is being improved since the Music Rights Owner's intentions, which are mainly to create buzz, are being met.

Finally, the **Event Owner** as the core of the stakeholder network is crucial for the improvement of horizontal value co-creation. As outlined above, most of the value co-creation opportunities are being enabled by the Event Owner when developing additional value propositions for the other stakeholders. In return, the Event Owner's intention is to use the high-quality and engaging live stream as a differentiation tool to turn live stream viewers into festival attendees since the festival market is already saturated and the festivals compete for the same target group. Thus, Event Owners should aim to secure the artist's agreement for a live stream already when the general contract to perform at the festival is signed. At this point, the Event Owner has a much higher leverage towards the artist since up to a certain degree, the Event Owner can make the agreement a precondition to book the artist, whereas after the artist is booked, the leverage lies on the artist's side to either agree or reject the live stream agreement. Therefore, this implication would lead to a more balanced power distribution within the stakeholder network (see 5.4).

7.2 Contributions to Research

This thesis contributes to research in three different areas. First, horizontal value co-creation has been discussed in-depth and a theoretical framework has been developed in 2.4.1 that serves as a checklist to examine the degree of value co-creation in a specific stakeholder network. The empirical findings in section 5 contribute to research since before the majority of research has been conducted on vertical value co-creation with a focus on B2C interactions (Vargo & Lusch, 2004; Vargo & Akaka, 2012).

Second, an existing view on the business model concept has been extended and refined into a network-centric approach since the majority of existing research takes a firm-centric approach towards business models (Amit & Zott, 2001; Magretta, 2002; Osterwalder et al., 2005; Al-Debei & Avison, 2010). A network-centric business model framework has been introduced in 5.6, the framework has been used to analyze and draw conclusions from our empirical findings.

Finally, the two approaches outlined before have been combined in order to create a framework that integrates the possibilities horizontal value co-creation into several parts of a network-centric business model. The framework, outlined in 5.6, combines the theoretical frameworks with the empirics of the thesis to create a combined approach towards a co-created and network-centric business model. This is a new approach and therefore contributes to theory since it offers theoretical and managerial advice on how a network-centric business model can be designed and on which aspects to focus within the different pillars of the business model.

7.3 Suggestions For Future Research

As described earlier, the thesis has increased the understanding of horizontal value co-creation, the network-centric business model concept as well as the intersection of both concepts in the context of music festival live streaming. However, as stated in the delimitations of this thesis in 1.6 and in the methodological delimitations in 3.5, a narrow focus has been chosen in order to enable an in-depth analysis. Therefore, future research should be conducted in order to broaden the knowledge within the described research area. In order to achieve this, the business model for festival live streaming should be analyzed on an individual stakeholder level instead of a network level. Similarly, festival live streaming should be analyzed based on vertical value co-creation, thus focusing on the customer and the possibilities to co-create value with the customer. This could be achieved by conducting quantitative research among potential users of festival live streams in order to understand user expectations towards a festival live stream.

Moreover, we suggest to conduct an analysis of the case for another geographical markets, since this thesis mostly focuses on Sweden, Denmark and the US. Here, emerging markets such as Brazil, India or China would be an interesting complement since the technological sophistication in these markets is on a different stage. Also, this could help to test the network-centric business model framework in a different scenario to verify the relevance of the framework.

Lastly, an interesting approach for future research is to focus on a different industry that is also disrupted due to the sophistication of technology, using the theoretical framework from this thesis in order to allow for comparisons between the industries. Relevant industries include sports or e-sports live streams as well as live streaming of other events such as conferences. Clearly, the stakeholder network for e-sports live streaming would vary from the stakeholder network introduced in this thesis, but some of the introduced stakeholders would still be relevant. For example, the Network Provider as well as the Stream Distributor are still needed to enable the stream, while the Agency might be obsolete since within e-sports, the content is already being produced digitally by the gamers. Also, the Music Rights Owner would not be divided into artist, record label and publisher, but in gamers and the organizations/teams they form since those potentially hold the rights to the produced content. Finally, for e-sports the biggest markets will be found in Asia instead of the US so that also cultural differences can be discussed when observing the interactions and interdependencies within the stakeholder network.

7.4 Critical Reflection on Horizontal Co-Creation

This thesis distinguishes horizontal (B2B) from vertical (B2C) value co-creation. Thus, all B2B interaction in the thesis context is labeled as horizontal value co-creation, thereby not differentiating between different levels of value co-creation among the stakeholders in the terminology. However, the analysis of the performative power distribution, which is being conducted in 5.4, clarifies that not all horizontal value co-creation occurs on an equal level. Rather, stakeholders such as the Music Rights Owner and the Event Owner leverage their power towards the other stakeholders, which can be mostly perceived as suppliers. Thus, a third terminology aside horizontal and vertical value co-creation could have been introduced to describe these unequal forms of value co-creation between a powerful stakeholder and a supplier. We have chosen to stick to the two main concepts of horizontal and vertical value co-creation to emphasize the distinction between value co-creation with and without the involvement of the end consumer. Still, horizontal value co-creation is being presented in different forms as pointed out before, even though the same terminology is being used.

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9. Appendix

9.1 Terminology and Abbreviations

Terminology	Definition
B2B	Business to Business
B2C	Business to Consumer
CAGR	Compound Annual Growth Rate
E-Sports	Multiplayer video games often played by professional gamers in competitive matches and viewed online via streaming
EDM	Electronic Dance Music
Festival Live Stream	Live transmission of an event incl. audio and video over the Internet
G-D logic	Goods-Dominant logic
Ibid.	(Latin, short for ibidem, meaning "in the same place")
Music Festival	Entertainment event incl. a number of musical artists of a certain genre or centered on a theme
Off-site	Located outside the festival venue, in the case of live streaming mostly at home
On-Site	Located at the festival venue, attending the festival
S-D logic	Service-Dominant logic

9.2 Study Participants

Category / Reference	Company	Position	Country	Date	Type	Company description
Agency 1	Solur Me	CEO	Sweden	2015-10-14	Meeting	Digital Consultancy
Agency 2	Bull Dog Digital Media	CEO	USA	2015-10-23	Phone	Digital Execution Agency, involved in streaming several of the biggest Music Festivals in the US
Event Owner 1	Live Nation	Marketing Partnership Manager Nordics	Sweden	2015-10-28	Meeting	World's largest live entertainment company and in possession of organizing the world's most known Music Festivals
Event Owner 2	Roskilde Festival	Head of Marketing	Denmark	2015-11-02	Phone	Largest music festival in the Nordic region with over 120,000 attendants
Network Provider 1	Ericsson	Knowledge Manager Industry & Society	Sweden	2015-09-18	Meeting	Leading global telecommunications provider
Network Provider 2	Ericsson	Strategy and Portfolio Manager	Sweden	2015-09-18	Meeting	Leading global telecommunications provider
Network Provider 3	Ericsson	Director of System & Technology	Sweden	2015-10-15	Phone	Leading global telecommunications provider
Music Rights Owner 1	Universal Music Group Sweden	Head of Digital Strategy	Sweden	2015-10-15	Meeting	One of the world's three largest global record labels
Music Rights Owner 2	Universal Music Group Sweden	Head of Universal Music and Brands	Sweden	2015-10-15	Meeting	One of the world's three largest global record labels
Sponsor 1	Ericsson	Head of Marketing and Communication Strategies for Global Services and Operations	Sweden	2015-10-20	Phone	Leading global telecommunications provider
Stream Distributor 1	Live Media Group	CEO	USA	2015-10-27	Phone	Platform Host, involved in streaming major Music Festivals such as the Tomorrowworld Festival in Brazil

9.3 Emergence of the Business Model Concept

Although business models have been also present in traditional industries and early economic development (Teece, 2010), the business model concept is a rather young area in academic research as also the term "business model" has its origins mainly in the end of the 1990s and its roots are at least associated partly with the rise of technologically-heavy companies and e-businesses (Osterwalder et al., 2005). The term e-business hereby refers to firms conducting commercial transactions with their partners and customers via the Internet (Mahadevan, 2000). As also touched upon in 1.1, developments of communication & technology as well as the rise of the internet and the connected decrease in transaction costs allows firms to not only enable new ways of value creation and new exchange mechanisms (Amit & Zott, 2001) but also provide consumers with an increased number of choices, higher quality of information and more transparency (Teece, 2010). These developments in the global economy have changed the relationship between customers and suppliers and raised questions on how firms should adapt to be both able to deliver value to their customers and also still capture value for themselves which imposed to be an increased challenges for many firms acting especially in the digital area. Given the fact that the dot-com bubble caused many businesses to go down while others were doing pretty well gave rise to the question on how exactly these firms were performing so well, thus what their business model was (Burkhart et al., 2011).

Since then, the business model concept has evolved in different, yet not mutually exclusive directions but there is however, still not a unified definition of the business model concept existent (Zott et al., 2012) and the knowledge of the concept is still rather fragmented due to the fact that it comes from diverse and new sectors in the e-commerce & technology area (Al-Debei & Avison, 2010). Zott et al. (2012: 1023) for example, agree in that and also put emphasis on the recent technological developments outlined above and conclude in their work that the research on business models tries to explain three different phenomena: E-Business and the use of IT, strategic issues such as value creation, competitive advantage; firm performance and innovation and technology management.

9.4 Solutions for Live User Generated Content at Music Festivals

Apart from professional live streaming, user generated content is another form of live content. However, the focus for the thesis lies on the professional live streaming and the evolving stakeholder network, so that this chapter mainly serves as background information and is presented in the appendix. As already outlined in 1.1 and 4.1.2, consumer behavior in terms of media has changed tremendously with a shift towards an intense usage of mobile devices. Live user generated content means that at a music festival means that video content is being produced by the audience during festivals and transformed into a live stream. In contrast to the professional form of live-streaming outlined in 4.1.1, this form tends to be less professional in terms of quality and in many cases the rights ownership for the content is not clear, especially when an artist is filmed directly (Agency 2, 2015; Music Rights Owner 1, 2015). These forms of live streaming usually are done via a mobile app since the content is generated on mobile devices. The most important apps in this field to mention are Snapchat, Periscope and Meerkat - all of which are not pure music festival live streaming apps, but are still increasingly tapping into this field.

Snapchat with roughly 150 Million active users creates, in collaboration with music festival organizers, collages of content that is shared during music festivals by Snapchat users and making it available as so-called "Live Stories" for all Snapchat users. This concept turned out to be a very powerful marketing tool for festivals, since those stories which are available only for 24 hours, are on average watched by 20 million users and, for example, the Live Story on the Coachella Festival of 2015 reached even ca. 40 Million views within only 24 hours (Re/Code, 2015).

The situation with the apps Periscope and Meerkat is somewhat different. In contrast to Snapchat, those apps are pure live streaming apps. They have an user base that by taking videos with their produce live streams from any situation / event they think is worth sharing which then is viewable by the online community. Both of the apps also recently became an increasingly popular tool for festival attendants to share their experiences with their social peers with, for example, around 1.800 live streams on Periscope and around 900 live streams on Meerkat during the Coachella Festival of 2015. The difference of Periscope to Meerkat is thereby that Periscope has a video stream available for 24 hours while in the case of Meerkat, the stream is only live and not stored.

In the beginning, both apps were possible to be connected to the user's Facebook or Twitter account but since in March 2015, with the acquisition of Periscope by Twitter, the social network cut-off the integration of account details and follower lists that was integrated on Merkaat from Twitter, due to its competing status with Periscope (The Verge, 2015).

9.5 Integrated Festival Streaming Solutions

Similar to live user generated content, integrated solutions are not the focus of the thesis. Therefore, this chapter is being presented in the appendix in order to offer background information about this form of live content. Integrated solutions for live streaming music festivals mean that those streams both include content that is produced professionally at the event venue as well as user generated content. This can for example be done by integrating a so-called social feed to the stream where viewers of the live-stream can comment directly and interact with each other next to the streaming window. This is, for example, possible with the NowLive platform, which was being used in streaming the TomorrowWorld festival in 2015 in Sao Paulo (Brazil). A more sophisticated way is combining video content from the professional cameras with the video content that users share out of the audience. This, for example is being established by some actors to be able to create an even deeper engagement of the audience and also to differentiate from the increasing amount of streamed festival content being available (Stream Distributor 1, 2015).

9.6 Music Festival Audience Characteristics

Today's music festivals are especially popular among the so-called Millennials generation, describing an age group that was born between the end of the 1980s and the 2000s, thus being the first generation that grew up with the Internet from its very beginning (Frukt, 2015). For example, out of the 32 million US Americans who are attending a music festival at least once a year, almost 14.7 Million were Millennials (Nielsen, 2015). Not surprisingly, this age group is also the heaviest consumer of electronic dance music. An analysis by Google (2015) reveals for example that a majority of subscribers to YouTube channels with electronic dance music content is below 25 years old and the largest growth in 2014 within the genre comes from the older part of the Millennials generation (25-34). This report also shows that this age group is also the most technologically savvy, most mobile connected and socially adept music audience.

Thereby, for a majority of the audience, the EDM genre goes not only beyond just listening to music but creates a lifestyle and own culture and is reflecting the Millennials generation's beliefs & values (SFX, 2015). Obviously, engaging in music festivals then is a way for this generation to live this culture and share experiences with like-minded people. Further, this audience also transports the festival experience beyond the event venue by heavily engaging in digital media about festivals without being there themselves (Eventbrite, 2014). These audience characteristics as a result, of course have also an influence on the way music festivals are experienced by this audience. The following section will discuss these effects on music festival experiences in more detail.

9.7 Table of Figures

9.8 Interview Guideline

9.8.1 Introduction

This interview is part of a qualitative study at the Stockholm School of Economics. We are researching the area of the creation of business models in the context of digital business transformation within the live entertainment industry. Thereby, we put focus on a business model is created by different stakeholders for offering live- streaming solutions at music festivals.

For the purpose of this study, we will record the interview. We guarantee that all your answers to our questions are treated absolutely confidentially, they will at no time be shared with any third party and the input will be anonymous in the thesis.

Interviewee Position / Role
What is your company's role (as a stakeholder) in creating live music experiences?
Please briefly describe your responsibilities within your company. What is your core role?
What kind of event experiences / digital solution projects are you involved in right now?
In which way have you been previously involved in the creation of digital solutions at music festivals?

9.8.2 Topic Questions: Business Models

Questions regarding Business Models
What kind of different solutions do you see available for live streaming solutions of live music experiences?
What kind of business model do you as a stakeholder have for such music festival experiences?
Which other stakeholders do you see involved?
Where do you have touch points with other stakeholders?
What are the areas in which you have to negotiate with other stakeholders?
How do you balance your own interests and the need to work together with other stakeholders in order to enable the digital solution?
Is there a particular stakeholder leading this process?
Do you recognize any tensions with other stakeholders?
How do you see the technological changes that have happened over the last years are affecting the way how you do business? Are there new partners that you have to cooperate?
Do you see any revenue model do you see for live streaming solutions at music festivals? If so, which kind of revenue model?

9.8.3 Topic Questions: Value Co-Creation

Value Co-Creation
Which unique resources /capabilities do you offer to the other stakeholders?
Which unique resources /capabilities do, in your opinion, the other stakeholders offer?
How important do you see the interaction (co-creation) with the other stakeholders?
How do you enable other stakeholders to engage in the live streaming solution?
What makes the live streaming solution unique through your contribution?