

# Competition Images of Media Platforms

*A qualitative study of market images and perceived competition structures of digital media platforms*

## Abstract

The field of competition is extensively studied, however little research has been done on competition from an endogenous perspective. As a result, organisational scholars know much about how firms should compete among themselves but very little about how firms define their competition. Simultaneously, as digitalisation has spurred new consumer behaviour which has paved the way for new business models to emerge, conventional methods for analysing competition are not fully conformed with markets of today. By exploring four seemingly distinct market categories among digital media platforms, namely *news*, *music and podcasts*, *audiobooks* and *films and series*, this thesis aims to i) explore how digital media platforms define their competition and ii) illustrate how an endogenous perspective can contribute with new insights on competition. Firstly, the study shows that the categories perceive the market differently, identifying diverse ideas of the competition structure as a result of varied market images. Secondly, by analysing the empirical results through the lens of social constructivist theory, an endogenous competition analysis was conducted. By putting the analysis in contrast to a conventional view of markets, the results of this study indicate that endogenous methods can contribute with new insights on competition, and be especially useful for analysing platform markets.

## Keywords

*Competition analysis, market definition, social constructivism, endogenous competition analysis, platform markets*

Author  
Ebba Gauffin, 50415

Supervisor  
Anders Liljenberg

Presentation date  
2 June 2020

Examiner  
Peter Hagström

# Acknowledgements

Thank you to my supervisor Anders Liljenberg for introducing me to the subject which inspired me to write this thesis, and for your guidance and support throughout the process of conducting this study. A great thank you to everyone who took their time to participate in this study, your insights about the digital media platform market have been invaluable. Lastly, I would like to express appreciation to friends and family who have supported me during the time that I have spent writing this thesis.

# Table of Contents

<b>LIST OF DEFINITIONS.....</b>	<b>4</b>
<b>1. INTRODUCTION.....</b>	<b>5</b>
1.1 BACKGROUND .....	5
1.2 PURPOSE & RESEARCH QUESTIONS .....	7
1.3 DELIMITATIONS .....	8
1.4 THESIS STRUCTURE.....	8
<b>2. THEORETICAL FRAMEWORK AND LITERATURE REVIEW .....</b>	<b>10</b>
2.1 STRATEGIC MARKETING THEORY .....	12
2.1.1 <i>Fundamentals of marketing</i> .....	12
2.1.2 <i>Market definition</i> .....	14
2.1.3 <i>Implications of strategic marketing</i> .....	14
2.2 AN EXOGENOUS VIEW ON COMPETITION .....	15
2.2.1 <i>Porter's Five Forces Framework</i> .....	16
2.2.2 <i>Resource-based view</i> .....	17
2.2.3 <i>Adoption of the exogenous view on competition</i> .....	19
2.3 AN ENDOGENOUS VIEW ON COMPETITION .....	20
2.3.1 <i>Markets as social constructions</i> .....	20
2.3.2 <i>Competition from an endogenous viewpoint</i> .....	21
2.3.3 <i>Adoption of an endogenous view on competition</i> .....	22
2.4 PLATFORMS AND MULTI-SIDED MARKETS .....	23
2.4.1 <i>Competition in platform markets</i> .....	24
2.5 SYNTHESIS OF LITERATURE REVIEW.....	25
<b>3. METHODOLOGY .....</b>	<b>28</b>
3.1 PRE-STUDY .....	28
3.2 MAIN STUDY RESEARCH DESIGN AND APPROACH.....	30
3.2.1 <i>Exploratory research with a qualitative research strategy</i> .....	30
3.2.2 <i>Data collection</i> .....	32
3.2.3 <i>Data analysis</i> .....	36
3.2.4 <i>Researcher's position</i> .....	36
3.3 QUALITY OF THE STUDY .....	37
3.3.1 <i>Trustworthiness</i> .....	37
3.3.2 <i>Authenticity</i> .....	39
<b>4. EMPIRICAL FINDINGS.....</b>	<b>40</b>
4.1 PERCEIVED COMPETITION STRUCTURES AND MARKET IMAGES .....	40
4.1.1 <i>Symmetry within categories and between audio content services</i> .....	42
4.1.2 <i>Asymmetry between News and the other market categories</i> .....	42
4.1.3 <i>Audio services have a broad market image</i> .....	44
4.1.4 <i>Films &amp; Series emphasises distinction between audio and video content services</i> .....	45
4.2 TIME AS THE KEY RESOURCE CAUSING COMPETITION.....	46
4.2.1 <i>Money as a resource</i> .....	47
4.3 SIMILARITIES AND DIFFERENCES .....	48
4.3.1 <i>Key similarities</i> .....	48
4.3.2 <i>Key differences</i> .....	50
4.4 MARKET IN CHANGE.....	51
4.4.1 <i>Maturing market</i> .....	52
4.4.2 <i>The power of consumers</i> .....	53
4.5 SUMMARY OF EMPIRICAL FINDINGS.....	54

<b>5. DISCUSSION .....</b>	<b>56</b>
5.1 AN ENDOGENOUS COMPETITION ANALYSIS OF DIGITAL MEDIA PLATFORMS.....	56
5.1.1 <i>How do the empirical findings translate to a social constructivist perspective?</i> .....	56
5.1.2 <i>Platform markets as an empirical snapshot</i> .....	58
5.2 HOW THE ENDOGENOUS COMPETITION ANALYSIS OF PLATFORM MARKETS DIFFERS FROM AN EXOGENOUS ANALYSIS.....	60
5.2.1 <i>Why is the endogenous view not as commonly adopted as the exogenous view?</i> .....	61
<b>6. CONCLUSIONS.....</b>	<b>62</b>
6.1 THEORETICAL CONTRIBUTIONS .....	63
6.2 MANAGERIAL IMPLICATIONS .....	63
6.3 CRITIQUE AND LIMITATIONS .....	64
6.4 FUTURE RESEARCH .....	66
<b>7. REFERENCES.....</b>	<b>67</b>
<b>8. APPENDICES.....</b>	<b>79</b>
APPENDIX A: RESULTS FROM PRE-STUDY .....	79
<i>Appendix A1: Main list of digital subscription services from pre-study</i> .....	79
<i>Appendix A2: Suggested categories from pre-study</i> .....	80
APPENDIX B: INTERVIEW PROTOCOL MAIN STUDY .....	80
APPENDIX C: ADDITIONAL QUOTES TO SUPPORT EMPIRICAL FINDINGS.....	81

# List of Definitions

<i>Audiobook platforms</i>	Digital media platforms offering audiobook content. Platforms enabling users to stream a great selection of recordings of books, typically novels, being read aloud.
<i>Competition symmetry</i>	Mutual recognition of competition between firms. <i>Competition asymmetry</i> is hence defined as non-mutual recognition of competition between firms.
<i>Competitive structure</i>	Description of the current state of a product or service's market indicating, among other items of information, the number of competitors. (Business Dictionary, 2020)
<i>Digital media platforms</i>	Services offering information broadcasted through a screen. Information can include text, audio, video, and graphics.
<i>Endogenous</i>	Found or coming from within something. Used in economics to describe something that is inside a particular system, rather than outside that system. (Cambridge Dictionary, 2020)
<i>Exogenous</i>	Found or coming from outside something. Opposite to <i>endogenous</i> . (Cambridge Dictionary, 2020)
<i>Films and series platforms</i>	Digital media platforms offering films and series content. Platforms enabling users to stream a great selection of video content such as films, series or documentaries.
<i>Market image</i>	A firm's endogenous definition of its own market.
<i>Music and podcasts platforms</i>	Digital media platforms offering music and podcast content. Platforms enabling users to stream a great selection of music and podcasts from various artists.
<i>News platforms</i>	Digital media platforms offering news content. Platforms enabling users to read, watch or listen to news reports, including digital newspapers, news streaming services and news applications.

# 1. Introduction

*This chapter gives an introduction to this thesis. First, the background of the subject is presented in order to give a short introduction to competition and platform markets. Thereafter, the purpose and research questions of the thesis are explained, followed by an account for the study's delimitations. The chapter ends with a practical description of the thesis' structure.*

## 1.1 Background

Imagine a person commuting to work. During the commute there is time to spend, so the person decides to open her smartphone to be entertained. Scrolling through apps, deciding on where to spend her time, this person is in total control. In this moment, the person holds the power of which entertainment service will be chosen over the others, and she is the one to make that decision. Unaware of the tough competition going on in front of her eyes, the battle between firms competing for her attention, she clicks on an app and presses play. *And we have a winner.* This scenario illustrates a new kind of demand-driven competition where firms compete with each other in real time. As a result of the technological development and changing consumer behaviour, competition can now unfold in the hands of consumers, literally speaking. On one hand, this creates endless opportunities for firms as the accessibility of their services increases considerably. On the other hand, the accessibility puts consumers in the driver's seat of competition and raises questions of who really competes with whom.

For most firms, competition is a fundamental part of the business setting and the measuring stick for how they perform in the market. Understanding competition is therefore important as it shapes firms' strategic actions. In theory, the mechanisms of competition are simple, and when imagining competition one usually thinks of it as supply-driven. Each firm develops a marketing strategy for how to approach customers and the firm who succeeds best is the one who creates superior value to consumers. This entails that competition is fostered between firms as they approach customers with an offering. In competition, it is therefore key to differentiate and stand out among competing firms by proposing a unique offer providing superior value to consumers.

However, over the last years we have witnessed rapid development of technology which have resulted in fundamental changes of conditions for firms and the way they compete. (Alstyne et al., 2016) As a result of this development, a new kind of multi-sided markets have emerged, using digital platforms in order to facilitate transactions between multiple groups of actors. The phenomenon of platforms is common among various industries, and not least in entertainment, where streaming services distribute entertaining content to consumers. In order to analyse competition in such markets, methods are needed that are adapted to the nature of platforms. Given its high level of accessibility, platforms' competition is predominantly about winning battles of consumers' time. Thus, in order to understand this competition, this calls for analysing measures which go beyond what is usually taken for granted about markets.

Despite of this, literature on competition has been dominated by a single narrative: how rivals can and should compete among themselves. Firms and markets are considered conventional and analysed from an outside perspective with, what in this thesis is referred to as, exogenous methods. As a result, a great part of the research studying competition is based on objective assumptions about markets and categorises firms based on conventional understandings. Still, setting exogenous standards and defining market borders is not that simple, and often there is not one sole answer as to how to do it. To illustrate, the decisions on case AT.39740 of the EU Commission (EUR-Lex, 2017), wherein the Commission decides to fine Google, illustrates difficulties of defining digital markets as it concerns non-monetised exchange. While Google contended with a broad market definition claiming to be innocent, the Commission decided a narrower market definition which determined Google a dominant actor and guilty of abusing its position on the market. In the decision process, the non-monetised exchange prevented the Commission from using routine measures of defining the relevant market, such as calculating price elasticities or conducting SSNIP tests (EUR-Lex, 1997). Like so, this case exemplifies how digitalisation challenges conventional measures of assessing markets and it is not the only example. In fact, there are several recent heated debates on regulation of competition law which further underlines the difficulties in defining digital markets (UN, 2019).

Thus, given the difficulties of defining digital markets and the logic of platforms, there is reason to believe that there is more to know about the competition in these markets than what can be told from an exogenous observation. The battles of consumers' time, the technology base and the increased accessibility blur the borders of platform markets and open up for interpretations of who really

competes with whom. As competition forms the basis of strategic action with the goal of achieving commercial advantage over others, the way competition is considered is crucial to understand. Thus, as these markets depart from the conventional way of doing business, this sparks questions of whether one should seek new ways to consider competition. Instead of looking at these markets from the outside, this thesis wants to go inside to see how platform firms themselves consider the competitive structure of their market.

## 1.2 Purpose & Research Questions

By adopting an endogenous perspective on competition, the purpose of this thesis is to explore *how digital media platforms define their competition*. Thus, this study will examine how platform firms themselves interpret their competition structure, as well as the rationale behind these interpretations. By conducting this study, the thesis aims to map the perceived competition of examined firms in order to illustrate competition images and complexities when defining boundaries of platform markets.

---

Research question 1	<i>How do digital media platforms define their competition?</i>
---------------------	-----------------------------------------------------------------

---

Furthermore, the purpose of this thesis is to illustrate *how an endogenous perspective can contribute with new insights on competition*, using digital media platforms as an empirical snapshot. By examining how firms define themselves and their market, and using social constructivist theory as a theoretical lens, this thesis functions as a camera to explore what insights can be captured from such a snapshot. Given the difficulties of market definition, this thesis aims to bring a different perspective to the debate and explore the relevance of adopting the endogenous perspective when analysing competition. By illustrating how the endogenous analysis can contribute with insights on digital media platforms, hopefully this thesis will inspire future research to further explore the full potential of an endogenous perspective on competition.

---

Research question 2	<i>How can an endogenous perspective contribute with new insights on competition?</i>
---------------------	---------------------------------------------------------------------------------------

---



## 1.3 Delimitations

As this study explores the market of digital media platforms, it examines only the four market categories *News*, *Music & Podcasts*, *Audiobooks* and *Films & Series*. This choice of market categories is substantiated by a focus group pre-study and further motivated in section 3.1, nevertheless this establishes a delimitation to the study.

Additionally, the main study is delimited by its methodology of semi-structured interviews with representatives of key firms. Within the scope of this study, it did not fit to include all firms acting within the four market categories, nor to interview several representatives from each firm. Instead, the focus is to interview key people in key firms in order to obtain as insightful answers as possible. Furthermore, this study is delimited by the focus on firms' self-image and perceived competition in the interviews. Interviews in the main study mainly concern questions on how firms perceive their value proposition to consumers and how they identify competition which delimits the findings, and so also the analysis, to these subjects. The study is further geographically delimited to Sweden. Despite that some of the firms participating in this study are international, the respondents' professional roles all focus on the Swedish market and that is also what was discussed and referred to in the interviews.

Lastly, as this thesis compares an endogenous view of competition to an exogenous view, the theoretical framework is delimited to include only a few selected frameworks to each perspective. For instance, as the chapter reviewing the exogenous view on competition could be expanded to the size of a full thesis by itself, it had to be delimited in order to fit the scope of this thesis. The same applies to all parts of the theoretical framework, where simplifications and selections of frameworks were necessary in order to fit the scope and enable comparison between perspectives.

## 1.4 Thesis Structure

This thesis contains six main chapters: *Introduction*, *Theoretical Framework and Literature Review*, *Methodology*, *Empirical Findings*, *Discussion* and *Conclusions*. The *Introduction* chapter gives an introduction and description of the subject of this thesis, explaining the relevance of the study. Subsequently, the *Theoretical Framework and Literature Review* presents the theoretical framework of the study. In this

chapter, existing literature within the relevant research fields is reviewed. The following chapter is *Methodology*, in which the methodological choices of the study are presented and motivated. The chapter further explains how the study was conducted and which measures were used to collect data. Thereafter, the *Empirical Findings* chapter presents the results of the collected data. These findings are further discussed through the lens of the theoretical framework in the following chapter *Discussion*. Lastly, the *Conclusions* chapter concludes the thesis with overall reflections of the conducted study and its potential implications.

## 2. Theoretical Framework and Literature Review

*This chapter outlines the theoretical framework of this study. The theoretical framework is composed of four main parts; fundamental theory of strategic marketing (2.1), an overview of the exogenous view on competition (2.2), a description of the endogenous view on competition (2.3) and literature on platforms and multi-sided markets (2.4). Ultimately, the last part of this chapter links the theories together and presents the synthesis of the theoretical framework (2.5).*

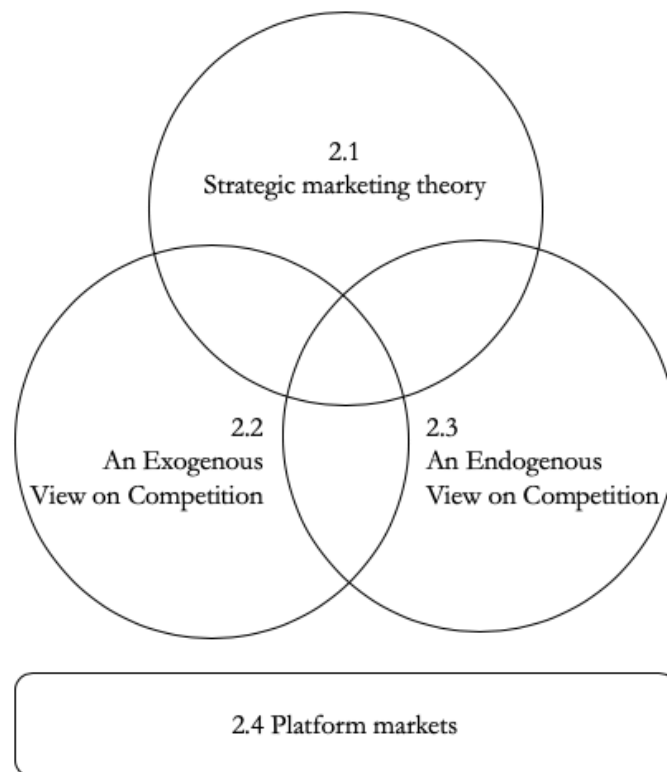
There are numerous different ways to approach the subjects of market definition and competition. In the literature, scholars of various academic orientations share their views arguing that markets can for instance be seen as institutions (Fligstein, 1996; Loasby, 2000; North, 1991; Roth, 2007), as processes (Boettke, 2014; Dickson, 1992; Jacobson, 1992; Kirzner, 1997), networks (Granovetter, 1985; Granovetter & McGuire, 1998; Richardson, 1972; Uzzi, 1997), social constructions (Porac et al., 1995; Rinallo & Golfetto, 2006; Rindova, 2006; Rosa et al. 1999) or as practices (Callon, 1998; Callon et al., 2002; Kjellberg & Helgesson, 2007). Hence, depending on a researcher's point of view and undertaken epistemology, market analyses and studies of competition can vary significantly. These diverse views illustrate that markets as a phenomenon should not be taken for granted or seen as conventional. In fact, markets can be viewed in many different ways depending on the standpoint of the viewer. This supports a fundamental assumption in this thesis which is that *markets are not given, they are constructed*.

In this thesis, strategic marketing theory constitutes a fundamental building block of the theoretical framework, anchoring the subsequent reasoning of competition to a market context. Focusing on competition, this thesis distinguishes an exogenous view from an endogenous view. The exogenous view is commonly adopted among both researchers and business professionals and focuses on externally identified attributes affecting a firm's competitive setting. This perspective includes frameworks of industry analysis such as Porter's five forces (Porter, 1979) and internal analysis from the Resource-based view (Penrose, 1959; Lippman and Rumelt, 1982; Teece, 1980, 1982; Rumelt, 1984, 1987; Wernerfelt, 1984; Barney, 1986, 1991, etc.) which have both had major impact on how competition is assessed today. Still, despite the great impact of this perspective, recent development of markets complicate sole application of exogenous frameworks as they risk to oversee nuances and simplify complexities. (Gluck et al., 2014) While all efforts to understand markets make simplifications of some sort, the simplifications differ. This thesis argues that the exogenous simplifications might not be the only ones relevant to consider when assessing markets such as platforms.

Thus, by introducing an endogenous perspective and the epistemology of social constructivism, this thesis allows the reader to see competition from a different point of view in which markets are considered to be socially constructed. In contrast to the exogenous view on competition, social constructivism shifts the focus toward subjective endogenous evaluations of markets. In this manner, competition structure is viewed as an endogenous product *of* managerial minds rather than an exogenous force acting *on* managerial minds (Porac et al., 1995). The concept is based on theories of intersubjectivism and actors' shared knowledge, allowing for a deeper understanding of the complexities of platform markets.

As illustrated in Figure 1, the theoretical framework of this thesis first reviews strategic marketing theory elaborating on the central role of customers in competition. Subsequent, literature and frameworks of the exogenous view of competition are presented, followed by a review of the endogenous view represented by social constructivism. Finally, literature on platforms and multi-sided markets is presented focusing on the nature of these markets and their competition.

Figure 1. Venn diagram illustrating the theoretical framework



## 2.1 Strategic Marketing Theory

This section reviews the fundamentals of strategic marketing theory. As mentioned in the previous section, a basic assumption in this thesis is that markets are constructed and not to be seen as conventional. Understanding marketing mechanisms and the role of customers is therefore an important building block for comprehending how competition and markets are shaped.

### 2.1.1 Fundamentals of marketing

#### *Defining marketing*

Baines et al. (2017) present definitions of marketing proposed by the Chartered Institute of Marketing (CIM) and the American Marketing Association (AMA). CIM (2015) defines marketing as ‘the management process responsible for identifying, anticipating and satisfying customer requirements profitably’ while AMA’s (2017) definition is ‘the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large’. CIM’s and AMA’s definitions are rather similar and both define marketing as a management process or an activity (Baines et al., 2017). However, this is not necessarily the only way to see it and some argue that marketing is strategic rather than functional (McDonald, 1989; Drucker, 1973; Wilson and Gillian, 2013). For instance, marketing can be seen as a management process wherein resources from the whole organisation are utilised to satisfy consumers’ needs. Like so, marketing is mainly seen as an attitude of mind rather than functional activities. (McDonald, 1989) Similarly, Drucker (1973) argues that marketing is the final results of the whole business seen from the viewpoint of customers.

Additionally, Lendrevie and Lévy (2014) define marketing as ‘the strategy of adaptation of organisations to competitive markets in order for them to influence the behaviour of the publics on which they depend, though an offering whose perceived value is durably superior to that of competitors. In the commercial sector, the role of marketing is to create economic value for the company by creating value as perceived by customers.’ Correspondingly to CIM and AMA, the definition stresses the importance of considering customers. However, while CIM and AMA refer to understanding and meeting customers’ requirements or needs, Lendrevie and Lévy (2014) refer to

developing an offer that is of superior value. In fact, this emphasis of the competitive positioning has become more commonly adopted (Wilson and Gillian, 2013). Like so, marketing can be considered the managerial orientation which recognises that success of a firm depends on identifying customer needs and developing offerings which match these better than those of competitors (Doyle, 1987; Wilson and Gillian, 2013).

#### *Customer needs and value proposition*

Thus, given the definitions, the basics of marketing are rooted in how firms approach customers with a proposal (AMA, 2017; Lendrevie and Lévy; 2014 CIM, 2015, etc.). This proposal is based on an initial need of customers or some sort of value which can be offered by the firm. Customer needs refer to problems that customers intend to solve with the purchase of a good or a service (Business Dictionary, 2020), for instance problems related to Maslow's (1943) hierarchy of needs: *physiological, safety, belongingness, esteem* and *self-actualisation*. Therefore, firms integrate benefits in their offerings in order to meet customers' needs. (Baines et al., 2017)

Correspondingly, a customer value proposition is the total sum of benefits which a firm offers to a customer in return for purchasing the product or service. Thus, it summarizes why the customer should buy a product or a service. (Twin, 2019) However, firms will not succeed by simply developing an offer which they *believe* will create value for customers. That is why perceived value, i.e. what customers perceive the value of a product or service to be, is crucial for customer satisfaction (Ulaga and Eggert, 2005).

As a result, competition develops as firms' value propositions try to convince potential consumers that this particular product or service will add more value or better solve a problem for them than other similar offerings will. (Twin, 2019) Thus, firms approach customers with different value propositions and the one with superior perceived value triumphs its competition. So, by improving the overall value that customers perceive in an offering relative to competing products or services, it is possible to develop competitive advantage. (Baines et al., 2017)

### 2.1.2 Market definition

As marketing essentially covers how suppliers meet customers in a way that creates value, this raises questions about which customers are met and with what, relating to market definition. Day (1981) emphasises the importance of this, arguing that an effective strategy analysis hinges on the proper definition of the market. Hence, Day (1981) combine marketing and strategy in a multidimensional view arguing that a requirement for successful marketing strategy is to properly define the relevant market.

Still, defining a market is not necessarily as simple as a choice of a product. Instead, Abell (1980) suggests that a product can be seen as a physical manifestation of the application of a particular *technology* to be used for a specific *function* for a particular *customer group*. (Day, 1981) Adding the fourth dimension *level of distribution/production* (Buzzell, 1979), choices along all of these four dimensions are what define a market according to Day (1981). Adopting this viewpoint, simultaneous consideration of customers, technologies and functions is what is required for a total market definition. However, Day (1981) argues that market definition can be made from two directions: top-down or bottom-up. While the top-down approach focuses on assets of the firm such as capabilities and resources, the bottom-up approach puts the customer at the core and sees to what they want. (Day, 1981) Hence, given that there are different possible market definitions, different strategic purposes are needed. Santos and Eisenhardt (2009) examine how suppliers can shape organisational boundaries and construct markets. The authors show how entrepreneurs, despite initially weak resources, have the ability to change established players, construct a favourable market structure and achieve dominance through clever use of power. Similarly, Holloway and Sebastiao (2010) illustrate how business models influence the market structure in new markets and how market shaping is aligned with strategic visions and efforts of entrepreneurs. Correspondingly to the reasoning of Day (1981), this highlights how marketing and strategy are interrelated and affect market construction.

### 2.1.3 Implications of strategic marketing

### *Strategic marketing theory in practice*

The fields of marketing and strategy include numerous frameworks and theories of how suppliers can and should act in a market in order to successfully approach customers (Kotler and Keller, 2015; Baines et al., 2017; Johnson et al., 2017; etc.). Segmentation, positioning and resource allocation are some of the core activities of marketing (Baines et al., 2017) and in practice, decisions and actions within these activities decides how a firm do business and in which market. In the intersection of marketing and strategy, action is taken to build strength in those elements that are critical to achieving superiority in areas deemed important by customers (Wilson and Gillian, 2013).

### *Strategic marketing theory in this thesis*

In this thesis, strategic marketing theory constitutes a fundamental building block of the theoretical framework, anchoring the reasoning of competition in sections 2.2 and 2.3 to a market context. As strategic marketing illustrates the basic mechanisms of markets in the relationship between suppliers and customers, it highlights the central role of customers in the shaping of markets (AMA, 2017; Lendrevie and Lévy, 2014; CIM, 2015; Baines et al., 2017, etc.). Marketing also explains the basic mechanisms of competition in a market as suppliers compete to create superior perceived value to customers (Doyle, 1987; Wilson and Gillian, 2013; Lendrevie and Lévy, 2014) which is fundamental for the study in this thesis. Moreover, Day's (1981) reasoning that effective strategy analysis hinges on the proper definition of the market highlights the importance of understanding the market and allows for ideas of how marketing and strategy efforts shape markets (Santos and Eisenhardt, 2009; Holloway and Sebastiao, 2010). Together, this forms the groundwork enabling application of the epistemology of social constructivism (2.3) and viewing markets through the lens of its theory.

## 2.2 An Exogenous View on Competition

This part of the chapter reviews the exogenous view on competition represented by two classical approaches: industry analysis (here represented by *Porter's Five Forces*) and the *Resource-based view*. The exogenous view on competition focuses on analysing externally identified and objective attributes shaping a firm's competitive arena.

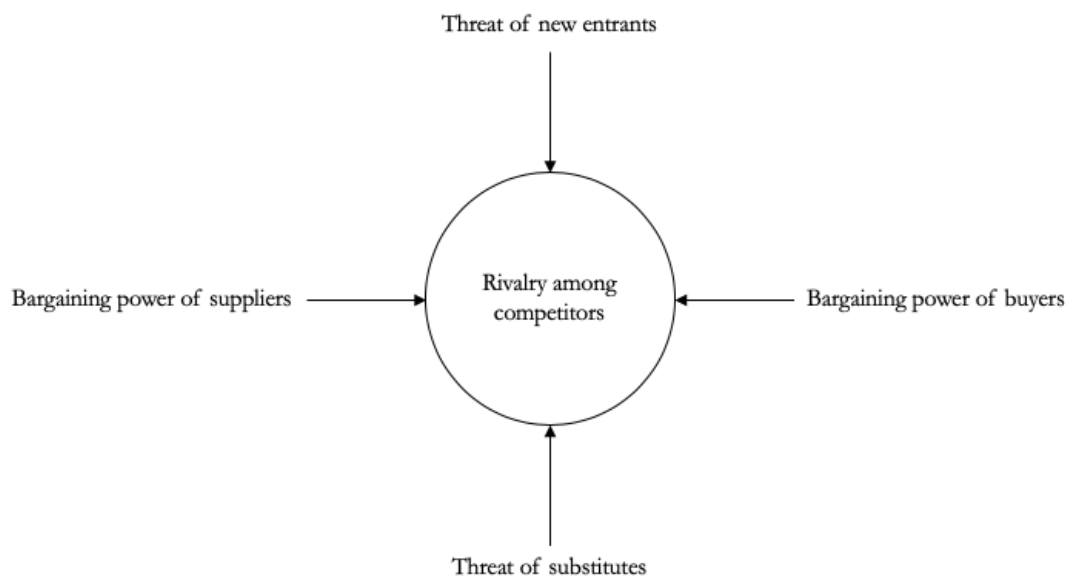


### 2.2.1 Porter's Five Forces Framework

One of the most acknowledged methods for analysing competition in a business is using the industry analysis framework Porter's Five Forces. Indeed, there are several other frameworks for conducting an industry analysis (Johnson et al., 2017), however this approach is represented by the five forces framework in this thesis. The framework was first published in *Harvard Business Review* by Michael E. Porter in 1979 and it started a revolution in the strategy field (Porter, 2008).

Porter's Five Forces Framework presents five forces which define an industry's structure and shape the nature of competitive interaction within an industry (Porter, 2008). The framework helps to analyse an industry and identify the attractiveness of it in terms of the competitive forces (Johnson et al., 2017). The forces presented by Porter are *Rivalry among existing competitors*, *Threat of new entrants*, *Threat of substitute products or services*, *Bargaining power of suppliers* and *Bargaining power of buyers* and are illustrated below in Figure 2. By analysing these five forces, the framework goes beyond established industry rivals and also includes external forces affecting the industry. (Porter, 2008)

Figure 2. Porter's Five Forces Framework (Porter, 1979)



The five forces framework is composed to be used on an industry level, namely markets where similar or closely related products or services are sold to buyers (Porter, 2008). According to Porter, the forces

evaluate the microenvironment of a firm and its ability to make profit. (Porter, 2008) When using the five forces framework, the objective is more than simply listing the strength of the forces and its underlying driving factors. The aim is rather to assess the attractiveness of an industry and possibilities to manage strategies in relation to the forces in order for the firm to gain competitive advantage and long-term survival. (Johnson et al., 2017)

### 2.2.2 Resource-based view

Another exogenous approach for analysing competition is the Resource-based view arguing that sustainable competitive advantage derives from developing superior resources and capabilities. Hence, the resources and capabilities of a firm contribute to its long-term survival and competitive strength. (Johnson et al., 2017) Resources are defined as the assets that firms have or can call upon and capabilities as the way those assets are used or deployed (Johnson et al., 2017). In contrast to Porter's (1979) five forces framework discussed in 2.2.1, the Resource-based view focuses on variations between firms within the same industry (Johnson et al., 2017) instead of focusing on the industry itself. Although resources and capabilities are internal assets of a firm, the resource-based view is still considered exogenous in this thesis as these assets are objectively and externally identified.

The centrality of resources and capabilities as sources to competitive advantage has been discussed by scholars for many years. Ideas of the resource-based view dates back to the 1950's and the work of Edith Penrose (1959) (Kor and Mahoney, 2000; 2004; Pitelis, 2002; 2004; Rugman and Verbeke, 2002, etc.) but the method of analysis truly became established in the 1990's. Important contributors to the development include Lippman and Rumelt (1982), Teece (1980, 1982), Rumelt (1984, 1987), Wernerfelt (1984), Barney (1986, 1991), Castanias and Helfat (1991), Connor (1991), and Mahoney and Pandian (1992). Especially Barney (1991) has contributed to the practical implication of the resource-based view among firms by introducing the VRIO (also referred to as VRIN) framework.

Adopting the resource-based view, there are several frameworks that firms can use to analyse competition. For instance, the VRIO framework introduced by Barney (1991) is used to assess which resources and capabilities can provide a basis for competitive advantage. In addition, the SWOT

framework provides a general summary of strengths and weaknesses identified in the analysis of resources and capabilities. (Johnson et al., 2017)

First, the VRIO framework considers four key criteria by which resources and capabilities can be assessed regarding if they can provide a basis for achieving competitive advantage: *Value*, *Rarity*, *Inimitability* and *Organisational support* (Johnson et al., 2017). Originally, the framework has been referred to as VRIN to emphasise non-substitutability in the fourth criterion (Barney, 1991), however this is now encompassed in the inimitability criterion (Johnson et al., 2017). Each of the four criteria poses a question (illustrated in Figure 3) which should be considered by firms when evaluating its resources and capabilities. By considering these questions, the VRIO framework helps to assess if, how and to what extent a firm has resources or capabilities that are i) valuable, ii) rare, iii) inimitable and iv) supported by the organisation. By extension, this informs about a firm's competitive strength as resources and capabilities provide sustainable bases of competitive advantage the more they meet all four criteria. (Johnson et al., 2017)

Figure 3. VRIO (Johnson et al., 2017)

<b>V</b>	<b>Value:</b> Do resources and capabilities exist that are valued by customers and enable the organisation to respond to environmental opportunities or threats?
<b>R</b>	<b>Rarity:</b> Do resources and capabilities exist that no (or few) competitors possess?
<b>I</b>	<b>Inimitability:</b> Are resources and capabilities difficult and costly for competitors to obtain and imitate?
<b>O</b>	<b>Organisational support:</b> Is the organisation appropriately organised to exploit the resources and capabilities?

Moreover, the SWOT framework connects the resource-based view with the industry analysis as it provides a general summary of the *Strengths* and *Weaknesses* identified in an assessment of a firm's resources and capabilities as well as the *Opportunities* and *Threats* explored in an analysis of its environment. (Johnson et al., 2017) Despite being subject to critique for being ambiguous and generating a one-dimensional analysis, the SWOT framework has been widely recognised by both scholars and business professionals for many years (Tilles, 1968; Hill and Westbrook, 1997; Jacobs et al., 1998; Helms and Nixon, 2010).

### 2.2.3 Adoption of the exogenous view on competition

Although ideas behind the exogenous frameworks presented in this section are over 40 years old, they are still frequently used today. For instance, the strategic management book *Exploring Strategy* by Whittington et al. (2019) with twelve published editions still emphasises both Porter's five forces and the Resource-based view as fundamental strategic frameworks. The book has over one million copies sold worldwide and is actively used as course literature in strategy courses at business schools around the globe. Still, these frameworks are not only used in academia. They are also known and frequently used by business consultants (Bradley et al., 2011) and researchers (Cheng, 2013; Cernusca et al., 2012; etc.). Some of the frameworks, for instance Porter's competitive forces and the SWOT analysis, are also regularly referred to in business magazines such as Financial Times and The Economist (Ninan, 2007; Gaspar et al., 2015; etc.). Still, despite that the exogenous view and its frameworks are evidently valuable for analysing competition and have been extensively adopted by scholars and business professionals through the ages, there are two main reasons to question the general exclusion of an endogenous view.

First, the reviewed exogenous frameworks focus on objective assumptions about markets and are based on simplifications of market mechanisms (Gluck et al., 2014). Thus, the analyses are based on an objective assessment of the market, essentially related to tangible market attributes and resources. This results in the frameworks being easy to interpret and apply, and there are indeed great advantages related to that. (Gluck et al., 2014) In fact, the high level of simplicity is most likely a compelling factor behind the great recognition of the frameworks and an important reason for the widespread usage. However, high level of simplicity also generates the risk of simplifying reality which might result in exclusion of complexities and important nuances of markets.

Second, the discussed frameworks derive from a time when business landscapes were different from today (Hill and Westbrook, 1997). They are developed to analyse more stable and solid competitive landscapes than what can be observed in most of today's markets (Harrysson et al., 2012; Jacobides, 2014). For instance, digitalisation has brought great changes to firms, and many are forced to redefine their markets and thus reconsider the competitive arena. In current times, business is more dynamic and changeable (Jacobides, 2014), and there is growing transparency and accessibility of offerings. Naturally, this affects competition in these markets. As a result, these developments complicate sole

application of exogenous frameworks as they are developed for different competitive landscapes than of today's markets.

## 2.3 An Endogenous View on Competition

As an attempt to capture market complexities overseen by exogenous measures, this thesis explores an endogenous perspective. However, in order to fully understand the endogenous view on competition, one must first understand the basis of social constructivist theory and its market definition. This part of the chapter thus explains the basic assumptions of social constructivism and how it can be applied onto a market context. Moreover, in order to be able to compare the theory with exogenous frameworks, the phenomenon of competition is reviewed from an endogenous viewpoint.

### 2.3.1 Markets as social constructions

Social constructivism is a sociological theory of knowledge emphasising the importance of culture and context in understanding what occurs in society (Derry, 1999) and argues that knowledge is constructed through interactions with others (McKinley, 2015). In this thesis, the endogenous perspective, i.e. seeing markets from the inside, is based on social constructivism arguing that markets are socially constructed.

Social constructivism is based on assumptions about three basic phenomena: *reality*, *knowledge* and *learning*. First, reality is constructed by human activity as members of society together invent the properties of the world (Kukla, 2000). Second, knowledge is a socially constructed human product constructed through interaction with others. Social constructivism pays interest to the shaping and emergence of social 'shared' knowledge as individuals create meaning through interactions and their cultural context (Kukla, 2000). Third, learning is viewed as a social process where human development is socially situated and meaningful learning occurs when individuals are engaged in social activities (Kim, 2001).

### *Intersubjectivity and signifiers*

A key feature of social constructivism is intersubjectivity which is defined as ‘the process and product of sharing experiences, knowledge, understanding and expectations with others’ (Oxford Reference, 2020). Thus, things and their meanings are intersubjective to the extent that there are shared common understandings of them.

Related to this, *signifiers* constitute a fundamental part of the social constructivist theory. (Berger and Luckmann, 1966) Signifiers are representations in the form of for instance signs or symbols carrying intersubjective meaning (Cambridge Dictionary, 2020). As cognitive processes such as understanding, sense-making and signification are collective and shared processes, representations are fundamental. Representations are necessary as they carry the meaning of socially shared knowledge which otherwise would be meaningless. (Kukla, 2000) This concept can be applied to a market context, where shared knowledge of the market is fundamental for its mere existence.

### *Market images*

Taking on the endogenous social constructivist approach when assessing markets, this thesis focuses on market images rather than market definitions. Applying the basic assumptions of social constructivism onto the context of markets, intersubjective constructions of reality is what shapes markets into the shape which we perceive them to have. When perceptions, interactions and co-created knowledge are in focus, markets can be considered a product of shared cognitive understandings. (Rosa et al., 1999) Markets are argued to be created through human perceptions and this includes all market components such as product categories and competitors.

## 2.3.2 Competition from an endogenous viewpoint

From a social constructivist perspective, the question of “Who competes with whom?” can be transformed into “Who defines whom as a rival?” (Porac et al., 1995) which makes competition and market boundaries a product of intersubjectivity. By taking on this viewpoint, objective measures become less important in competition analysis and it allows actors to look beyond similarities connected to the physical product when identifying competitors. Instead, it is socially constructed similarities, and not similarities per se, that structures competition (Porac et al., 1995).

Accordingly, when studying competition from a social constructivist perspective, organisational classification is transformed into traceable cognitive problems. Firms' interpretations are fundamental in this as only the attributes which actors themselves draw on in order to make sense of organisational variation matter (Porac et al., 1989; Porac and Thomas, 1990; Porac et al., 1995). Although quite little research has been done in the field, a social constructivist perspective of markets raises questions of how firms make sense of interorganisational similarities and differences as well as how competition arises from these understandings (Porac et al., 1995). Hence, the social constructivist definition of competition is explicitly actor-centred (Porac and Thomas, 1990; Porac et al., 1995) and fundamental for this kind of research is therefore the methodology of approaching firms in order to understand their own perceptions of the market.

Previous studies of competition from a social constructivist perspective have purposely been conducted on stable markets. For instance, Porac et al. (1989, 1995) examine the industry model and competition in the Scottish knitwear market. The authors mention four specific features of the market that are considered useful in order to study the collective representation of its structure. First, the industry is old and institutionalised, providing a stable context of constant transactions across the value chain and set organisational routines. Second, market fragmentation connected to distribution channels provides opportunities for organisational differentiation. Third, Scottish knitwear producers are small firms which direct the task of market definition to one or two top managers. Lastly, the boundaries of the industry are well defined as the competitive focus is geographically isolated. (Porac et al., 1995) Based on these arguments, stable markets could be preferred for conducting an endogenous competition analysis. However, there is no reason to believe that it would not be possible to conduct a similar study on more unstable markets such as platforms. Thus, this thesis explores a new application of endogenous competition analysis, applying the concept onto a more dynamic market than what has been studied in previous research.

### 2.3.3 Adoption of an endogenous view on competition

Compared to the exogenous view, the endogenous view on competition is much less adopted in research and in practice. Despite that the endogenous view seems to contribute with interesting

insights about competition structures, little research is conducted in the field. Still, there are exceptions and for instance professor Joseph Porac study how social and cognitive processes shape organisational and interorganisational action (NYU Stern, 2020). His and his colleagues' work has inspired the study in this thesis as there are few other researchers addressing the question of how markets stabilise around shared definitions of products and how this affects competition structures (Porac et al., 1989, 1990, 1995). Other social constructivist research on markets focus for instance on knowledge structures giving meaning to products (Rosa et al., 1999), representation in market creation (Rinallo and Golfetto, 2006) or celebrity firms (Rindova, 2006). Although these studies are not directly linked to competition, they support that there is an academic interest in endogenous studies of market mechanisms.

## 2.4 Platforms and Multi-Sided Markets

Ideas about conventional strategy, for instance the exogenous frameworks presented in 2.2, are based around a linear value chain approach which considers suppliers adding value as a product or service moves along a chain to be consumed by end-users. (Baines et al., 2017) This causes problems as increasingly more firms today combine this approach with a new platform strategy (Baines et al., 2017) which is not taken into account by conventional strategy theory. Fundamental for platform strategy is that it generates value in at least two directions by facilitating business between groups (Baines et al., 2017), and that value increases as the groups grow larger (Alstyre et al., 2016).

Defining platforms, Gawer and Cusumano (2014) make a distinction between internal platforms and industry platforms. The authors define *internal platforms* as 'a set of assets organised in a common structure from which a company can efficiently develop and produce a stream of derivative products'. *Industry platforms* are instead defined as 'products, services or technologies that act as a foundation upon which external innovators, organised as an innovative business ecosystem, can develop their own complementary products, technologies or services'. One of the most critical distinguishing features of external platforms compared to internal is its potential creation of *network effects*, entailing that as the number of users increases the more valuable the platform becomes to both the platform owner and its users. (Gawer and Cusumano, 2014) Facebook illustrates an example of network effects in platforms. For Facebook, the users constitute nearly the entire product, and the platform itself is of no value without its users. In fact, users gain perceived value from interacting with each other on the



platform. Therefore, an increase in users will increase value both for the users themselves and for Facebook who can earn money from collecting users' personal data and sell advertising placements.

In addition to platform markets, there is something called *multi-sided markets* which are closely connected to, but not to be confused with, industry platforms. In multi-sided markets, companies have innovated business models where they charge different sides of the market and make money from their platform or from complements and different kinds of transactions or advertising (Gawer and Cusumano, 2014; Eisenmann et al., 2006). In the same vein as industry platforms, multi-sided markets can benefit from network effects across the different sides as they provide goods or services to several distinct groups of customers who all need each other and rely on the platform to mediate their transactions (Evans, 2003; Rochet and Tirole, 2003, 2006).

Still, not all multi-sided markets are industry platforms (Gawer and Cusumano, 2014). For instance, markets where 'the role of the platform is purely to facilitate exchange and trade, without the possibility for other players to innovate on complementary markets', are assigned to the supply-chain category of internal platforms. (Gawer and Cusumano, 2014) An example of this could be what is examined in this study, namely digital media platforms. A music streaming service, for instance, facilitates transactions between users and music labels but there is no need for complementary innovations facilitated by the existence of the platform.

#### 2.4.1 Competition in platform markets

The nature of multi-sided markets affects their competitive landscape. Based on the idea that these markets involve two groups of agents who interact via platforms, where one group's benefit from joining a platform depends on the size of the other group that joins the platform, Armstrong (2006) presents relevant models of competition. This idea of dependence between groups is exemplified by a heterosexual dating agency which can only do well if it attracts business from both men and women. The same applies to for instance a credit card business which will attract more users if it is accepted widely by retailers while retailers are more likely to accept the credit card if it is used by many customers. (Armstrong, 2006) More examples of such markets are given by Rochet and Tirole (2003) and it also applies to digital media platforms mediating exchange between media content creators and

users. This nature of platform markets entails that firms tailor their offerings to increase value for multiple groups in order to compete successfully.

Moreover, Gawer and Cusumano (2008) present two strategies to compete successfully in platform markets and emphasise the importance of taking both technology and business-related actions. First, the presented approach called *coring* is about addressing the challenges of creating a new platform where there has not existed one before. Second, *tipping* is an approach which tackles the problem of how to win platform wars by building market momentum. (Gawer and Cusumano, 2008) Thus, these strategies cover situations for players creating a new market as well as for those competing on an already existing market and suggest actions within technology and business. Focusing on established platform markets, battles between firms usually involve competition of technical standards and incompatible technologies. (Gawer and Cusumano, 2008) In order to win these wars and become platform leader, the market has to “tip” in favour of a particular technology standard or the platform embodying that standard. Firms can stimulate this through *tipping*, defined as ‘the set of activities or strategic moves that companies can use to shape market dynamics and win a platform war when at least two platform candidates compete’ (Gawer and Cusumano, 2008). These tipping moves include actions within sales, marketing, product development and coalition building. In order to be successful actions are required both on the technology and business sides of the platform. (Gawer and Cusumano, 2008)

## 2.5 Synthesis of Literature Review

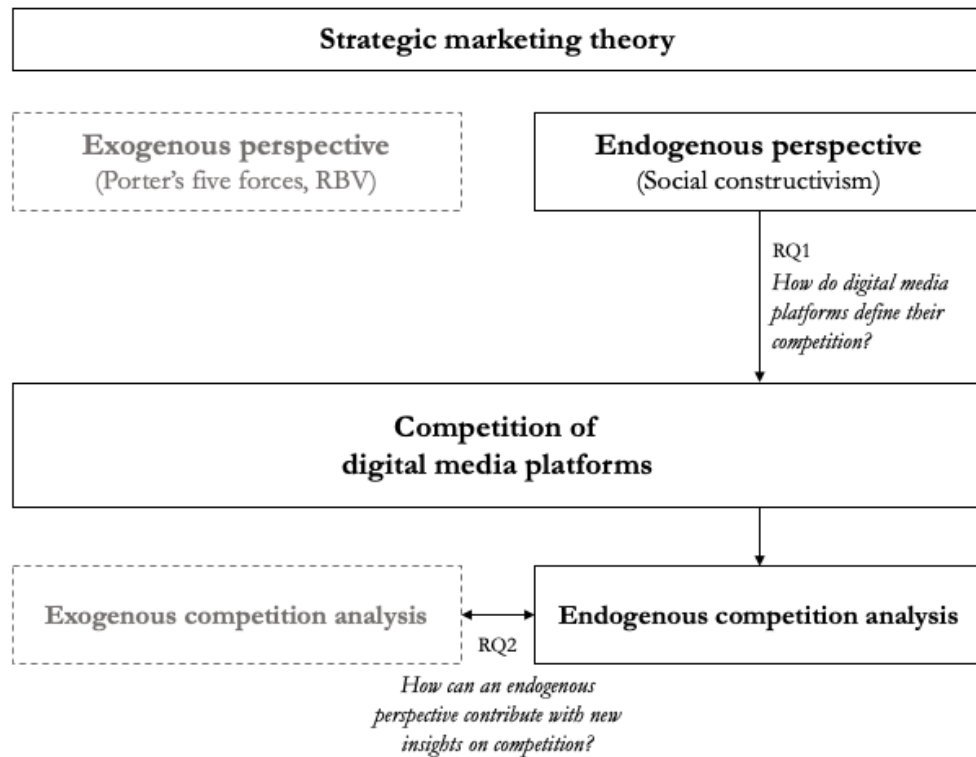
The purpose of this thesis focuses on conducting an endogenous competition analysis of a platform market and explore how an endogenous perspective can contribute with new insights on competition. Hence, its theoretical framework anchors in fundamental theory of strategic marketing, and reviews frequently adopted measures for analysing competition as well as literature on social constructivism and endogenous studies of competition. In this manner, the literature review distinguishes a positivistic understanding of competition from an interpretive view. While the positivistic exogenous perspective holds the ontological position of realism seeing that objects have an existence independent of the knower (Scotland, 2012), the ontological position of the interpretive endogenous perspective is relativism seeing that reality is subjective and differs from person to person. (Scotland, 2012)

Furthermore, the theoretical framework also includes literature on platforms in order to demonstrate the relevance of analysing competition in these specific markets, as platform strategy differs from conventional strategy.

Although the phenomenon of competition is extensively studied, little research has been done on competition from an endogenous perspective. This puts organisational scholars in the odd position of knowing much about how rivals can and should compete among themselves while knowing very little about how rivals are themselves defined. (Porac et al., 1995) Moreover, the research that has been conducted on competition from a social constructivist perspective has focused mainly on comparing firms within stable markets. This study instead examines the unstable, and partly undefined, market of digital media platforms when analysing competitive structures. By studying this market through the lens of endogenous theories, this study aims to discover new insights about digital platforms' competition structures.

Figure 4 below illustrates the theoretical framework of this study, highlighting the research questions which it aims to answer. By conducting a study from an endogenous perspective anchored in strategic marketing theory, this study intends to capture valuable details of competition in the digital media platform market. The adopted social constructivist perspective will result in an endogenous competition analysis which will show a different representation of competitive structures compared to an exogenous competition analysis using conventional strategy frameworks. As a result, this study aims to answer the research questions of *how digital media platforms define their competition* and *how an endogenous perspective can contribute with new insights on competition*.

Figure 4. Illustration of the theoretical framework



### 3. Methodology

*This chapter explains the chosen methodological reasoning behind this study. First, the pre-study is presented, followed by a discussion of the methodological fit and research approach of the main study including a description of the data collection. Furthermore, the quality of the study is critically reviewed.*

#### 3.1 Pre-Study

Prior to the main study, a qualitative pre-study was conducted. The pre-study consisted of a focus group of four independent consumers as participants. The purpose of the pre-study was to identify key players among digital platforms and ensure a correct categorisation of these players. The study was therefore divided into two steps, first identifying top-of-mind and commonly used subscriptions services and secondly dividing these actors into relevant categories.

The focus group's participants were purposively selected to be consumers in order to produce consumer-generated market categories. Based on what is known from the marketing theory, firms compete to create superior perceived value to consumers (Lendrevie and Lévy, 2014). It was therefore considered relevant to include a consumer perspective and base the main study on consumer-generated market categories. Participants in the focus group were first asked to individually write a list of all digital subscription services they currently use and list all digital platforms they would want to use if they had more money or time. The participants then shared their lists to the group which allowed them to be inspired by each other and see if they had forgotten about any services when they constructed their lists. After minor corrections and additions, all participants felt content. The participants' lists were put together into one main list (see appendix A1) where doublets were removed.

In the subsequent step, the participants were asked to individually come up with suggestions about how the main list could be divided into categories. Again, participants were asked to share their ideas with the group, and everyone decided to categorise firms based on the platforms' content. There were only slight differences between suggested categories among the participants and they were encouraged to discuss in the group in order to establish a common suggestion presented in appendix A2.

Different suggestions for the categorisation were discussed in the focus group and in the first draft, categories for gaming and cloud storage space were included. Three out of four participants included cloud storage space services in their lists of digital subscriptions they currently use and only one participant mentioned online gaming platforms. Already in the focus group, gaming was excluded as it was considered being less common. Later, the cloud storage space category was removed as the service is used in a different way and was therefore less likely to be considered as a competitor by the other categories.

Ultimately, four categories were agreed upon as the most important being i) *News*, ii) *Music & Podcasts*, iii) *Audio books* and iv) *Films & Series*, presented in Table 1. The reason behind merging music and podcasts into one category was that the key actor and main digital distributor of music also is an important player in podcasts. Moreover, there was a discussion in the focus group about creating an audio category including music, podcasts and audiobooks. However, audiobooks are consumed in a different way and were therefore separated into a category of its own. Films and series were naturally merged into one category as all listed distributors offer both.

Table 1. Results from pre-study: Four categories of digital media platforms

Main market	Identified market categories
Digital Media Platforms	i) News
	ii) Music & Podcasts
	iii) Audiobooks
	iv) Films & Series

First, the *News* category includes media platforms offering news content where users can read, watch or listen to news reports digitally. The price of a digital subscription of *News* platforms in Sweden range between 119-199 SEK per month. However, there are also platforms offering news content for free attaining revenue from advertisements. Revenues from advertisement among Swedish digital newspapers was 902 million SEK in 2018, growing by 4% compared to the year before (TU Medier i Sverige, 2019). Second, the category of *Music & Podcasts* includes platform services where users can stream music and podcasts from various artists. In Sweden, the music streaming market is dominated mainly by one company. In total, seven out of ten Swedish internet users over the age of 12 use this

streaming service, and four out of ten report to use it daily (Internetstiftelsen, 2020). Moreover, 25% of the Swedish population listened to podcasts on a weekly basis in 2019 (Kantar Sifo, 2020). While most podcasts are still available to stream for free or are included in a music streaming service, the price of a standard music subscription is 99 SEK per month in Sweden. The third category *Audiobooks* includes streaming service platforms enabling users to listen to a great selection of recordings of books being read aloud. During the first quarter of 2020, close to 2,2 million Nordic households subscribed to an audiobook streaming service, and the market penetration ranged between 18-23% on a country-by-country level in the region (Mediavision, 2020). The price of an audiobook streaming service in Sweden range between 99-169 SEK per month for a standard subscription. Lastly, the category *Films & Series* includes digital platforms enabling users to stream video content such as films, series or documentaries. At the end of 2019, 2 350 000 Swedish households (54%) had at least one *Films & Series* subscription and a growing trend of having more than one subscription per household was showing. (Mediavision, 2020) The price of a *Films & Series* subscription in Sweden range between 109-159 SEK per month.

## 3.2 Main Study Research Design and Approach

### 3.2.1 Exploratory research with a qualitative research strategy

#### *Exploratory research*

The main study was conducted with exploratory research. As the aim of the study was to illustrate market images in the studied market categories and demonstrate how an endogenous view can put competition in platform markets in a new light, exploratory research was considered appropriate. Exploratory research is usually conducted for three main purposes: diagnosing a situation, screening alternatives and discovering new ideas (Zikmund, 1997). This study aspired to fulfil all three by reviewing conventional competition analysis and illustrate possible benefits of also considering endogenous qualities of competition. As there is still little research on competition from a social constructivist perspective, there is a desire for better understanding the field. Exploratory research was hence considered suitable as it is useful for satisfying researchers' curiosity when problems are in a preliminary stage (Babbie, 2007). The exploratory nature of this study resulted in the thesis illustrating a problem and suggesting areas for future research in the field. (Babbie, 2007)

### *Qualitative research strategy*

In order to reveal the subtlety and nuances of firms' competition images, qualitative research was the most appropriate research strategy for this study. The qualitative research allowed for a deeper understanding of how firms in the media platform industry perceive their market and potential reasons behind their perceptions. As the study did not aim to explore the amount, intensity or frequency of the matter, a quantitative approach was considered inappropriate (Creswell, 2015; Ketokivi and Choi, 2014). Instead, qualitative research strategy usually emphasises words rather than quantification in the collection and analysis of data (Bryman, 2012) which appeared suitable for this study.

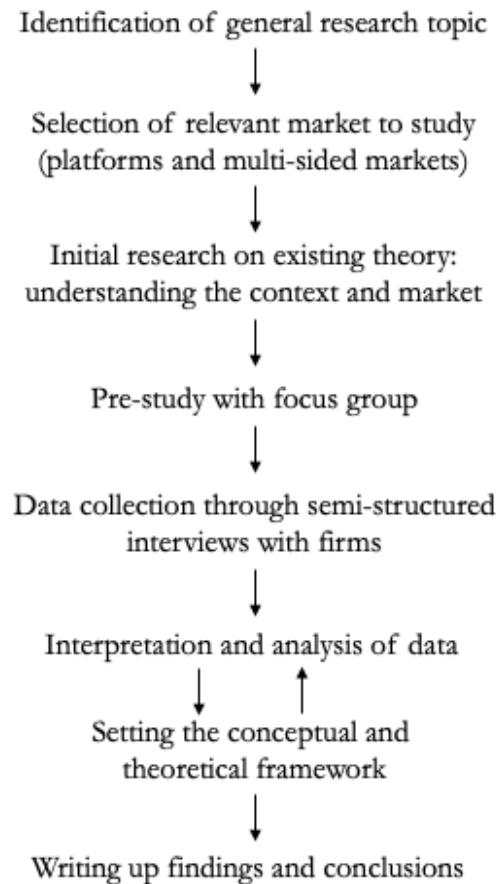
### *Research process and the role of theory*

To illustrate how digital media platforms define their competition, an exploratory main study was conducted with a qualitative strategy. The process included several steps of reviewing theory, collecting data and analysing data in order to fulfil the study's purpose and reach stimulating conclusions.

The role of theory in relation to research was abductive in this study. This entails that theory was considered and compared with observations throughout the study, arriving at a holistic understanding which harmonised particular findings with the whole (Martela, 2015). With an abductive logic, the researcher grounds a theoretical understanding of the studied context before conducting the qualitative study. (Bryman, 2012) In many ways, the research process is similar to an inductive logic but what distinguishes abduction is that the theoretical account is somewhat grounded in the context of the study (Bryman, 2012). The theoretical groundwork was important as the social constructivist theory influenced the study design and methodological approach. In this study, the abductive logic was revealed in the research process as theory was explored first, followed by data collection and after that returning to theory in order to align the theoretical framework with the analysis of the empirical findings. The research process is illustrated below in Figure 5.



Figure 5. Illustration of the research process



### 3.2.2 Data collection

#### *Semi-structured interviews*

The data for the main study was collected through qualitative interviews. Conducting interviews was considered the most suitable method in order to understand individual opinions about the digital media platforms and to capture respondents' perceptions of their market. (Bryman, 2012) By means of an abductive logic, theory of the endogenous view on competition and social constructivism was already discovered, inspiring the desire to understand how firms identify their own competition. As qualitative interviewing gives insights about what interviewees see as relevant and important and gives rich and detailed answers (Bryman, 2012), this was considered a suitable method for data collection in this study.

The interviews had a semi-structure based on an interview guide containing nine questions (see Appendix B). The interview questions were developed to answer the study's research questions and were based on reviewed theory. As marketing theory suggests a perceived customer value-based view on competition and social constructivism assume a firm-based view of the market, questions were formulated accordingly. All questions in the guide were touched upon in all interviews, but the semi-structure allowed for deeper discussions, going off topic and asking supplementary questions. Semi-structured interviews are usually used so that the researcher can keep more of an open mind about the contours of what is studied (Bryman, 2012) which was congruent with the exploratory nature of this study. It was also appropriate for abductive research as it allowed for concepts and theories to emerge out of the data (Bryman, 2012). Moreover, the semi-structure of the interviews allowed for adaption of questions to the respondents' own experiences (Merriam, 2009; Yin, 2011) which was useful as the respondents in the study had different professional roles.

#### *Purposive sampling*

In total, 16 people in management positions at digital media platform firms in Stockholm were interviewed in this study. The empirical base could have been broader if not for the Covid-19 outbreak in March 2020 which exercised an impact on this study. Participants were purposively sampled based on pre-identified qualities (Brinkmann, 2013), in this case related to their professional positions in specific firms. The participants mainly worked as managers within sales, marketing or strategy, focusing on the digital offering of the firm. Common for all participants was that they were all involved in strategic decisions regarding the digital service and had insights about consumers and the business at large. In addition, an expert interview was held with the CEO of a media consultant firm working with companies within the examined categories. The expert interview aimed to contribute with important insights to the cross-category analysis and to present an accurate overall picture.

The four categories identified in the pre-study *News*, *Music & Podcasts*, *Audio books* and *Films & Series* were all represented in the participant sampling. Between three to five of the key firms within each category participated in the study which enabled good insights of each category and the market at large. It was considered important to ensure participation of key firms in order to properly compare competitor identification and asymmetries between individual firms. This, mainly because large players usually are top of mind when firms identify competitors (Porac et al., 1995). Of the identified competitors that were brought up by the participants of the main study, all but one firm were already

represented in the study. The one that did not participate, an international firm in the *Films & Series* category, was asked to participate but declined due to company policies. Still, all categories were considered well represented.

Participants for the main study were mainly approached through email or LinkedIn. First, the right people were identified based on their professional roles in key firms based on the pre-study. This was important as their ability to contribute with relevant data relied on them to be able to define their firm and market in an accurate way. When identified, potential participants were contacted mainly via email or, when there was no email address publicly available, through LinkedIn. In total, 20 potential participants were contacted out of which 16 participated, one declined, one redirected to a co-worker and four did not respond. In two of the cases of not getting a response, another person with a similar role in the same firm was contacted which resulted in obtained participation.

The number of interviews, distributed among the four categories, were considered sufficient as it allowed for collecting enough data for various insights such as competition asymmetries and patterns. Approaching the last interviews, slight saturation was noticed in the data indicating that a maximum amount of interviews was reached. In addition, not having too many interviews allowed for efficient practical handling of the data and a richer analysis (Brinkmann, 2013).

Table 2. List of respondents in the main study

<b>Participants</b>	<b>Market category</b>	<b>Professional role</b>	<b>Interview date</b>	<b>Interview process</b>
Participant 1	News	Digital Subscriptions Manager	4 March 2020	Face-to-face
Participant 2	News	Head of Subscriptions	11 March 2020	Phone interview
Participant 3	News	Head of Digital News Development	12 March 2020	Face-to-face
Participant 4	Music & Podcasts	Project Manager – Global Premium Strategy	19 March 2020	Phone interview
Participant 5	Music & Podcasts	Senior Manager Corporate Development	11 March 2020	Face-to-face
Participant 6	Music & Podcasts	Founder and CEO	31 March 2020	Phone interview
Participant 7	Music & Podcasts	Senior Product Manager	18 March 2020	Phone interview
Participant 8	Audio books	Marketing and Sales Manager	10 March 2020	Phone interview
Participant 9	Audio books	CEO	20 March 2020	Phone interview
Participant 10	Audio books	Marketing Director	25 March 2020	Phone interview
Participant 11	Film & Series	VP SVOD	11 March 2020	Phone interview
Participant 12	Film & Series	Head of Digital	11 March 2020	Face-to-face
Participant 13	Film & Series	VP Sales and Marketing in Europe	18 March 2020	Phone interview
Participant 14	Film & Series	Head of [Streaming Service]	20 March 2020	Phone interview
Participant 15	Film & Series	VP, Head of Pay TV	27 March 2020	Phone interview
Participant 16	Expert interview	CEO	19 March 2020	Phone interview

### *Interview process*

The interviews ranged between 30 to 90 minutes and were held either in the participants' office space or over phone. Due to the severe outbreak of the Covid-19 virus during the time of the study, most of the interviews were scheduled or rescheduled to be held over phone in accordance with the firms' safety regulations. Although face-to-face interviews are preferable in order to fully grasp richer details from participants' body language and facial expressions (Brinkmann, 2013), phone interviews were here the only option and supplementary questions were instead asked in order to ensure full understanding of underlying information. All interviews were transcribed within maximum two days after the interview to ensure that all details and understanding of underlying factors were fresh in memory (Brinkmann, 2013). Moreover, all interviews were kept confidential in order to encourage

honest responses. All participants were informed in the beginning of the interview that neither their identity nor the firm's name would be disclosed in the study.

In order to answer the research questions and illustrate an endogenous view on competition, the interviews aimed to examine two main parts. First, the self-images of the interviewed firms and their perceived competitive position on the market were studied. For this, questions about the firm and its main resources were asked. Second, experienced competition between firms and the examined market categories were studied. In this part, respondents were asked to name competitors and, if not spontaneously mentioned, discuss indirect competition between digital media platforms.

### 3.2.3 Data analysis

The collected data was analysed through a process of coding and categorisation in several steps. Initially, all transcripts were closely reviewed and coded based on identified themes in the data using a data-driven approach (Brinkmann, 2013). Hence, a thematic analysis was conducted in which the data was examined to extract core themes that could be distinguished both between and within the interview transcripts (Bryman, 2012). An important part of the process of analysing qualitative data is to go through it many times and to review the codes. (Bryman, 2012) This was carefully done in this analysis. In a subsequent step, the codes and data were considered in relation to theory in order to generate theoretical ideas and link the data to existing literature. This resulted in some re-coding using relevant terminology and analysing the data through the lens of social constructivism. Succeeding, the next step in the data analysis was to assess the relevance of identified themes in the coding. In data analysis it is important to reflect on the meaning of the data and reduce the vast amount of data collected (Huberman and Miles, 1994). In this study, the relevance of identified themes was evaluated in relation to theory.

### 3.2.4 Researcher's position

In this study, the researcher was well acquainted with the examined market categories from a consumer perspective, however novice to the firm perspective. Through frequently using the services of several

of the interviewed firms, the fundamental concepts and functions of their services were understood beforehand. This was considered useful as it facilitated interpretation of the respondents' reasoning when defining the firms and competition. Moreover, the researcher's private use of the services contributed to an increased interest for understanding the market and the will to study this particular subject. However, the researcher did not have any previous knowledge regarding underlying factors affecting competition in the examined market. This allowed for asking basic questions during the interviews and exploring the market in a neutral way. To be a novice researcher was advantageous in this context as it allowed for freely understanding the market structures and to build an impression without it being affected by past experiences.

### 3.3 Quality of the Study

Evaluating the quality of a qualitative study, Lincoln and Guba (1985) and Guba and Lincoln (1994) propose that it is necessary to establish terms that are an alternative to *reliability* and *validity* which are commonly used for assessing quantitative research. (Bryman, 2012) Instead, two primary criteria for evaluating a qualitative study are proposed: *trustworthiness* and *authenticity* (Lincoln and Guba, 1988; Guba and Lincoln, 1994) which are used as quality measures for this study.

#### 3.3.1 Trustworthiness

Trustworthiness of a study is assessed based on four criteria: credibility, transferability, dependability and conformability (Bryman, 2012) reviewed in this section.

##### *Credibility*

The credibility of a study is connected to efforts made to ensure that research is carried out according to the principles of good practice and confirming that the researcher has correctly understood what has been studied. (Bryman, 2012) In this study, triangulation was performed in order to confirm proper understanding of the studied world (Bryman, 2012). According to Denzin (1970) triangulation is a technique that uses 'multiple observers, theoretical perspectives, sources of data and methodologies', however Bryman (2012) claims that the emphasis of triangulation tends to be on

different methods of investigation and sources of data. In this study, the consumer-generated market categories identified in the pre-study were challenged by representatives of firms in the main study. This resulted in two perspectives (consumers and firms) as well as two methods (focus group and interviews) contributing to the illustration of market structures in this study. Moreover, the expert interview in the main study contributed with an additional, more general, perspective which also supports the credibility of this study's findings.

### *Transferability*

As qualitative research often study a small group or individuals sharing certain characteristics, findings tend to be oriented to the specific context and aspect being studied. (Bryman, 2012) Compared to quantitative research, qualitative studies focus on depth rather than breadth which limits possibilities for the findings to be transferred onto other contexts. In response to this, Geertz (1973) encourage qualitative researchers to produce thick description which accounts for details of the studied world. In this way, others are able to make judgements about the possible transferability of the study's findings. (Lincoln and Guba, 1985) This study is still specific to the market of digital media platforms, however it aims to present a thick description which enables readers to evaluate the findings' transferability.

### *Dependability*

Dependability parallels to reliability which is commonly assessed in quantitative research. For qualitative research, dependability can for instance be evaluated through adopting an auditing approach which would entail making all parts of the research available for a third party to audit. (Bryman, 2012) However, this method is very demanding for the third part (Bryman, 2012) and considered out of scope for this study. Instead, this study shows dependability by being transparent about the research process and clearly describe all parts of reaching the empirical findings.

### *Confirmability*

By ensuring that the researcher has acted in good faith, not allowing personal values or theoretical leanings affect the conduct of the research and its findings, confirmability is evaluated. (Bryman, 2012) The study in this paper has no other intentions than to independently explore and illustrate how an endogenous view on competition can be applied to platform markets. The study was conducted by an

impartial researcher and there are no personal objectives involved that could decrease the level of confirmability of this study.

### 3.3.2 Authenticity

The second criterion proposed by Lincoln and Guba (1985) is authenticity which raises a set of issues concerning the wider political impact of research. Questions asked when assessing authenticity of a study include whether the research fairly represents different viewpoints, if the research helps members arrive at a better understanding of their setting and if it allows for them to appreciate other perspectives of it. Moreover, it asks if the research empowers and influences engagement of actions in the studied setting. (Bryman, 2012) This study did consider different perspectives and aimed to explore how competition can be viewed differently in specific markets. In some ways, the objective was by extension to inspire new perspectives among the studied firms and perhaps engage actions, however in a first step by inspiring future research.



## 4. Empirical Findings

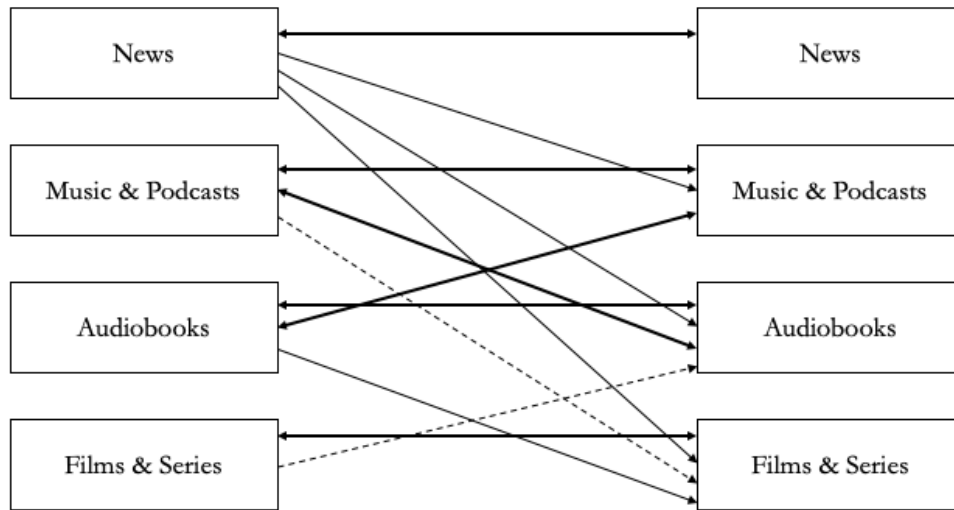
*This chapter presents the empirical findings of the study. The findings are divided into four main parts, beginning with a presentation of the firms' perceived competition images showing symmetries and asymmetries between studied categories (4.1). The reasoning behind these competition images is further elaborated by presenting time as the key resource for competition (4.2) and discovering similarities and differences between the market categories (4.3). Moreover, the findings show a changing market (4.4). Together, these empirical findings constitute the basis for the analysis in chapter 5.*

### 4.1 Perceived Competition Structures and Market Images

A key part of this study was to examine experienced competition between firms in the four studied market categories *News*, *Music & Podcasts*, *Audiobooks* and *Films & Series*. In order to illustrate firms' perceptions of their market, the studied firms were asked to name competitors. In this section, the results of the competition identification is presented and more closely described in 4.1.1-4.1.5.

In an initial step of identifying competitors, all respondents in the study identified their closest competitors within their own market category, i.e. for instance *Audiobooks* named other audiobook firms. However, in a subsequent step, almost all respondents spontaneously reflected outside of their own market category and discussed indirect competition. These discussions allowed for mapping of competition asymmetries between the examined categories illustrated in Figure 6.

Figure 6. Perceived competition structures among market categories 1



In Figure 6, the bold arrows represent mutual competition identification, i.e. competition symmetry, which was found within all market categories as well as between *Music & Podcasts* and *Audiobooks*. The light arrows show asymmetric relationships as the competition identification was expressed only by one of the categories. This was for instance found between *News* and all other market categories, where the competition identification was not mutual. Moreover, the dotted arrows represent uncertain competition identification where there were variations in the opinions of firms within the market category. For instance, while some of the *Music & Podcasts* firms identified *Films & Series* firms as competitors, others did not. Similarly, there were various opinions among *Films & Series* firms whether *Audiobooks* are competitors or not. The same empirical results are further illustrated in Figure 7 below.

Figure 7. Perceived competition structures among market categories 2

		Market categories			
		News	Music & Podcasts	Audiobooks	Films & Series
Market categories identifying other categories as competitors	News	Yes	Yes	Yes	Yes
	Music & Podcasts	No	Yes	Yes	Partially
	Audiobooks	No	Yes	Yes	Yes
	Films & Series	No	No	Partially	Yes

#### 4.1.1 Symmetry within categories and between audio content services

Initially, all respondents named actors within their own market category when asked to identify competitors. Hence, the findings show competition symmetry within all the examined market categories. This indicates that the top of mind approach for identifying competitors among these firms is based on perceived product similarity.

In addition, competition symmetry was found between the *Music & Podcasts* and the *Audiobooks* categories. Based on the similar nature of the services and similar behaviour when consuming the service, firms in these categories recognised each other as strong competitors. This also indicates a strong influence of perceived product similarity when identifying competitors.

*‘[Compared to the physical book], podcasts and music streaming services actually give a more accurate image of our competitors.’*

- Participant 7 (Audiobooks)

*‘We actually did a collaboration with [an audiobook service] and then I thought that this might not be so good. Because I know that if someone starts to listen to an audiobook, that will be about 20 hours when this person will be occupied with that book and then I guess he or she will listen less to podcasts. So audiobooks I guess, (...) is some kind of competitor.’*

- Participant 6 (Music & Podcasts)

#### 4.1.2 Asymmetry between News and the other market categories

In the interviews, *News* identified all the other market categories as competitors based on the argument that time is the key resource of competition.

*‘I do not think that any other industry has suffered as much as us, losing the attention of consumers. Before, we had all our newspaper subscribers for 20 minutes on average every morning. They sat down and read their newspaper for 20 minutes every day. Some read it from cover to cover, others skimmed through, but we owned that time. Today, it is not*

*at all like that. Just look at your phone, there are apps and apps and apps. We have an incredibly strong competition there, depending on which kind of “news” you are interested in.’*

- Participant 1 (News)

However, none of the other categories considered *News* as their competitor. This asymmetry was, according to the respondents, based on perceived differences in the nature of its content. So, news content was considered different from the other services’ content to the extent that news firms were not considered competitors.

*‘Today, I would not say that news is a competitor, because it depends a bit on what the customer wants. You consume news as some kind of daily novelty. (...) books have a much longer lifetime in that way. You can find a 10 years old book that is completely new for you.’*

- Participant 8 (Audiobooks)

These separate perceptions of the market derive from asymmetries in the market images where different actors have different ideas of who is to be considered a relevant competitor. When studying reasons behind this, the expert interview showed that an analogue origin could create disadvantages when competing with digital-born services. For instance, this reasoning can be applied to the *Films & Series* category where some of the firms originate from old television houses, making it more difficult for them to compete with more flexible digital-born services in the same market category. Similarly, the reasoning could be used to support a distance between *News* and the other examined categories.

*‘There are two main categories when it comes to companies in the media business right now. There are those who we call incumbents, who have been around since like the 1800’s. They have an old business model to defend and it makes it pretty tough to choose. These companies stand with one leg in their old world which is to some extent still profitable, and then they are moving into a new unsafe environment where they feel like they do not belong. Companies in this category have totally different prerequisites compared to the category we call natives. Natives are born and raised in the digital world.’*

- Participant 15 (Expert interview)

The disadvantage of originating from an analogue media was also recognised by the *News* category itself. The challenges illustrated in the quote below can to some extent affect the unanswered competitor identification.

*'You could try to stand out with your platform but it is extremely difficult, especially in the landscape we are in now. Especially for a traditional media that was born analogue and has tried to become digital. When it comes to the product experience, we will never be as good as [a music streaming service] or [a film and series service], those who were born digital, because we were not and we do not have it in our DNA. The newspaper is in our DNA and then we have tried to do those other things.'*

- Participant 1 (News)

Still, much suggests that the asymmetry mainly is a result of the perceived nature of the services' content. For instance, firms in the other market categories often referred to *entertainment* when explaining what value they offer consumers, and news was not considered as entertainment.

#### 4.1.3 Audio services have a broad market image

The study showed that the audio service categories *Music & Podcasts* and *Audiobooks* had similar market images. Their perception of competition included all examined market categories except for *News*. However, competition asymmetry appeared as their identification of *Films & Series* as competitors was not fully answered.

*'If you broaden the scope, which I believe that we need to do more and more now, then I would say [we compete with] really all kinds of streaming services. Especially the subscription services such as [films and series services] and all where you can consume content. Because we are competing for the same time in peoples' lives really.'*

- Participant 8 (Audiobooks)

When asked to narrow down what the identified competitors have in common, the core showed to be in the benefits and value offered to consumers. These benefits are mainly connected to the content being entertainment and the availability of the service.

*'It is some kind of entertainment, it is the simplicity. I mean that you have a subscription that just rolls on and you can consume whenever you want on your own terms, that is something that is common for all. The mobility, that you have the service in your phone, it is only a push of a button away.'*

- Participant 7 (Audiobooks)

#### 4.1.4 Films & Series emphasises distinction between audio and video content services

The findings show that the *Films & Series* market category has a more narrow market image. These firms emphasised the differences between audio and video content and only identified other firms within the same category to fully be competitors.

*'There are some differences there. First, differences in rights which we acquire specific to a country or region. (...) Another difference is that you can bring your music wherever you go. The Walkman and everything, it has been around for ages, so there we have a learned behaviour. What we listen to might differ, like now when we have podcasts it might not only be music. But having your TV with you in your hand, that is a new behaviour.'*

- Participant 11 (Films & Series)

Despite the distinction, there are however some varied opinions among the firms in the market category whether *Audiobooks* actually could be considered a competitor of *Films & Series*. This, since the behaviour while consuming the service is more time consuming and forward-leaning and hence more similar to consumption of video content than for instance music.

*'Then there are also audiobooks. (...) At the end of the day, it is about the competition for time. And if you have an audiobook subscription, it will take time from the other [films and series]. I do not see [a music subscription service] as a competitor in that way, competing for time. You can listen to an audiobook while you do other things as well, but you need to be more focussed.'*

- Participant 11 (Films & Series)

Also *Audiobook* firms recognised this difference in behaviour between music and audiobooks.

*Music in 3 minutes songs can just be there in the background and play. Books, on the other hand, require that you are a bit more engaged.'*

- Participant 8 (Audiobooks)

## 4.2 Time as the Key Resource Causing Competition

In order to explain the existence of symmetries and asymmetries presented in 4.1, this study also examined the firms' underlying perceptions and assumptions. A pervading theme in the findings was the identification of *time* as the key resource firms compete for. This finding is fundamental as it supports that competition somehow can be identified between the examined market categories. The concept of time as a scarce resource thus underlies the findings presented in 4.1 as firms evidently identify competitors beyond market category borders.

Identifying time as the key resource of competition was not unique to any of the examined categories, on the contrary, it was identified by most of the respondents across all four. The quotes in this section illustrate this, presenting how the same reasoning was recognised in all studied categories. There were however some nuances in the argumentation of how time is the resource of competition. In some cases it was broad and almost philosophical, using time to illustrate competition between any other possible activity:

*'It is all about people consuming our content. Then you could say that everything people do when they do not consume our content is competition. (...) For example, [another film and series service] has said that sleep is their biggest competitor.'*

- Participant 12 (Films & Series)

In other cases, respondents referred to time specifically used to consume entertainment, indicating competition with other entertainment services:

*'We are an entertainment service and we fight for consumers' time. (...) We are an entertainment service and people only have a certain amount of hours per day to spend on entertainment.'*

- Participant 7 (Audiobooks)

*'If you see it from a really high level perspective, we are competing for time. Yes, time. Because some people watch TV, some listen to radio and, yes whatever form of entertainment you like really.'*

- Participant 4 (Music & Podcasts)

In accordance to what is shown in the competition structures in section 4.1, the *News* category express to have suffered in the competition of time. Coming from the physical newspaper being a natural part of consumers' morning routine, news media has suffered from the arise of new digital media platforms. They express a growing competition and significant decrease in their portion of consumers' time. As a result, the *News* category has to adjust parts of its offering to better fit the new customer needs and the reduced timeframe.

*'What we all compete for, all subscription services, is consumers' time. It is the absolutely greatest competition factor. I compete with [film and series services] and [social media] as much as I compete with anyone else, basically for when I will have my time to speak. And that is something that our industry has suffered a lot from, attention from consumers, probably more than the other industries.'*

- Participant 1 (News)

#### 4.2.1 Money as a resource

Customers' monetary budget and 'share-of-wallet' is sometimes referred to as a scarce resource causing competition (Mägi, 2003; Meyer-Waarden, 2007; etc.). However, this was not at all stated as important by the respondents in this study and it showed to have no effect on the competitive evaluations. While most of the participating firms in this study receive monthly payments from users paying for subscriptions, two of the firms are public service and financed by government taxes. Still, these two firms were mentioned as important competitors to the same extent as the commercially financed firms. This shows that consumers' money in this case is fairly irrelevant and that time is truly the most important resource for competition between the studied firms.



## 4.3 Similarities and Differences

In order to explain perceived competition structures, respondents' self-images and how they see the market were studied. This showed that there are both similarities and differences between the studied market categories. Identified similarities are mainly connected to the construction of the services and which resources were considered as fundamental for their businesses. Moreover, both structural and behavioural differences were identified which separate the categories and form the perceived distinction between audio and video content services showed in 4.1.

### 4.3.1 Key similarities

#### *Multi-sided platforms with similar stakeholders*

Based on the respondents' descriptions of themselves, the studied firms are all multi-sided internal platforms with similar stakeholders. All of the firms offer access to content through a digital platform and has to gain from increasing its number of users. The firms are all considered as multi-sided platforms as they on one side buy or produce content from or with content creators, and on the other side distribute this content to consumers. The main stakeholders for all studied market categories are therefore content creators and consumers.

#### *Content as the most important resource*

A key priority, common to all of the respondents in this study, is content. Content is the core of the studied firms and was mentioned by all market categories to be the most important resource in their businesses.

*'Content is key. It is the absolute most important thing and everything else comes after.'*

- Participant 12 (Films & Series)

All firms agreed that content is the most important factor with which they create value and compete. If their content meets the needs of consumers to a greater extent than competitors', they are more likely to be successful on the market. That is why acquisition and production of valuable content is prioritised among the firms.

*'The development is that we are moving towards a stage where content is the absolute most important driver. I mean, to be a bit cynical, no consumers come to us because the platform is so technically good or because the marketing we do is so pretty, or because our employees are so fantastic. No, they come to us because they want to see a specific content. And everything else that we do around this is in the end only to promote the content we have on our platform.'*

- Participant 10 (Films & Series)

Also the *News* category identified content as their most important resource. However, they emphasised the role of journalism. This becomes an important factor for this category as news firms to a greater extent than the other firms produce their own content, albeit through their journalists. Journalism also represents having a certain level of quality that goes beyond only meeting the needs of consumers and is expected to be present in the content of serious news firms.

*'The core of our business will always be journalism. If our journalism is good enough, people will find us and they will want to read what we are writing even if we write it in a Word document and post it online. Like that, if we boil it down to the absolutely most important resource, it is the content.'*

- Participant 1 (News)

*The platform as the second most important resource*

Similarly to how content was identified to be the most important resource, technology and the platform was identified as the second most important. Hence, content and the platform form the basis of the actors' offerings in all examined categories and affect how they compete in the market.

*'What the consumers experience and what is crucial, except for content which is the most crucial thing, is technology. (...) We now have relationships with the consumers directly and the consumers are in our applications and on our platforms when they consume. So technology and the customer experience in our services are also absolutely crucial.'*

- Participant 14 (Films & Series)

Still, it was made clear that although the platform is important, it is not as important as content. According to several of the respondents, the digital platform is to be considered a hygiene factor which cannot compensate for bad content or alone attract users.

*‘A bad product experience can be compensated by great content, but never the opposite. Bad content can never be compensated by a great product experience. But if you succeed with both, you are developing a pretty unique subscription service which you can rely on.’*

- Participant 1 (News)

#### 4.3.2 Key differences

The key differences between the categories experienced by the respondents are twofold. First, there are structural differences which are connected to the actors’ business models. Second, behaviour differences relate to how the services are consumed. These findings motivate some of the competition asymmetries presented in 4.1 as the perceived differences limit the firms identification of competitors.

##### *Structural differences*

The structural differences between the categories are based on differences in business models, mainly connected to procurement of content and sources of revenue. These are objective differences which affect the perception that firms have of themselves in relation to other firms. For instance, the market category of *Films & Series* highly value offering unique content on their platforms. This differs from audio content categories where the same content can be accessed from different actors. Moreover, streams of revenues and costs differ slightly as the actors sell ad slots to a varying extent and pay for their content in different ways.

*‘99% of our content is unique. And if you compare with [a music streaming service] for example, you can stream the exact same content on many other platforms.’*

- Participant 12 (Films & Series)

*‘A common thing is that you compare the book business with films and series. And the issue is that we pay the publishers per how much consumers consume. If you are [a film and series streaming service] and have bought rights, those rights are exclusive to you. And you have bought it, probably for a lot of money, but it does not matter to what extent consumers will watch it.’*

- Participant 7 (Audiobooks)

### *Behavioural differences*

The study shows that there are behavioural differences in how the services are consumed which separate them. The most distinct difference is perceived between video and audio services, separating the *Films & Series* category from the *Music & Podcasts* and *Audiobooks* categories.

*I believe that a lot of people use a music streaming service in a different way than how you stream films or series. Maybe you listen to music or podcasts while you commute to work, work out or do other things. But when you sit down on your couch to relax at night, you will not put on a music playlist, you want to watch something on your screen.'*

- Participant 10 (Films & Series)

The same argument of differentiating behaviour between audio and video content was however used in another way by some of the audio services. While *Films & Series* actors used behavioural differences as an argument claiming there is no competition between the categories, *Music & Podcasts* and *Audiobooks* see it as a competitive advantage.

*'An advantage with podcasts, and that has driven growth, is that it is so accessible. (...) Podcasts work very well to listen to at the same time as you do something else and it opens up for more time. There are many studies showing that people for example do chores at the same time as they listen to podcasts. And they commute and so on. And this opens up for more time where you maybe did not have time for entertainment before.'*

- Participant 4 (Music & Podcasts)

## 4.4 Market in Change

Lastly, the study showed that the market for digital media platforms is changing. On one hand, it is a growing market and several of the firms discussed the great possibilities of this. On the other hand, change can also be challenging and this study shows that a growing power of consumers strongly affects firms in this market.

#### 4.4.1 Maturing market

In the study, the respondents recognised that digital media platforms are growing. Several of the firms refer to the *Adoption curve* when speaking about their consumers. The adoption curve is a model divided into five categories of consumers adopting an innovation over time. The adoption categories are called innovators, early adopters, early majority, late majority and laggards. (Kotler and Keller, 2015) In short, the model illustrates how different parts of the population adopt an innovation over time. Respondents in this study argue that streaming platforms are entering the third step of the curve and attract the early majority, hence becoming more mainstream and reaching a greater part of the population.

*Before, there were more early adopters who listened to podcasts, especially if you look at more mature markets such as Sweden, the UK and the US for example. And the listeners had a higher education level and made more money than those who did not listen to podcasts. But we can see now that it becomes more mainstream in those markets. I believe that other markets will follow the same trend. I mean that more and more people will start to listen to podcasts, starting with early adopters before it becomes mainstream.'*

- Participant 4 (Music & Podcasts)

This was not only recognised by podcast firms. In fact, the same situation of growth and attracting a more mainstream group of consumers was also described by firms in the *Films & Series* category. However, although this indicates that the self-image of the market maturity level is similar across market categories, the expert interview disclosed that the numbers show differently. From an outside perspective, the market categories apparently are at different stages of maturity.

*'The services are in different stages of maturity development. Some are already mature while others are quite close to maturity.'*

- Participant 15 (Expert interview)

The expert interview also emphasised market potential as an important factor when looking at maturity. The interview showed that while audiobooks currently have around 20% market penetration, this might be as much as the service will grow, given that the market potential is limited to the amount of people interested in reading books. In comparison to video services, that today may have a 70-75%

market penetration, might still have the potential of 10% left of the market to penetrate. The same thing applies to music services, the market potential of the category will affect the level of maturity.

#### 4.4.2 The power of consumers

An identified phenomenon in this study was the great power of consumers in this market. The extensive supply of digital media platforms allows consumers to take the control and choose what to consume. As a result of the high level of accessibility of these platforms, as they are reachable through digital devices, consumers are approached with several value propositions at the same time and place. Hence, consumers have the power to choose which value proposition is superior and best suits the current needs. This also connects back to the competition for consumers' time where actors fight to be chosen in situations when consumers have time to spend on entertainment.

*'The digitalisation, the digital transformation in society at large, it entails that consumers suddenly have the power. It is no longer companies who have the power over what you should consume or which books that happen to be on the market. And I guess that that conversion is very tough for many industries right now. That the consumer is now in the driver's seat.'*

- Participant 8 (Audiobooks)

However, the power is not necessarily always appreciated by consumers. In fact, sometimes consumers can wish for a reduced amount of necessary decisions and the firms have to carefully balance this in their offerings.

*'Streaming services change the foundation of media consumption from being more directed and regulated to being on the consumer's own initiative. I mean, before you would turn on the radio or TV and so on, and you watched what was on there. Now, you are expected to choose all the time. And that is fantastic and democratising and so on, but it is also quite burdensome for consumers to always make decisions. It is not necessarily a good thing. There are studies showing that people actually feel better by making fewer decisions. And that can be the finale for my thoughts about the future, streaming does not have to be on-demand. There can be streaming which is channels with pre-curated content. I do not necessarily believe that free choices will dominate in the way that it does today.'*

- Participant 14 (Films & Series)

## 4.5 Summary of Empirical Findings

The empirical findings of this study were divided into four main parts and are summarised in Table 3 below. At the core of the results is the mapping of the firms' competition identification (4.1) which answers the first research question of this study by illustrating how competition is perceived by the studied market categories. These findings show that market images differ between firms and categories, meaning that the market of digital media platforms is perceived in different ways. The findings presented in sections 4.2 and 4.3 elaborates on this, digging deeper into the self-images and market images of the studied firms in order to find possible explanations of the perceived competition structure. The findings show that time is seen as a key resource enabling competition between the examined market categories and that similarities and differences between the categories affect the firms' competitor identification. Moreover, the study showed that digital media platforms is a changing market (4.4) characterised by maturity and a growing power of consumers. These findings of digital media platforms' competition images are important as they form the basis for strategic action in the market.

Table 3. Summary of empirical findings

Main parts	Key findings
4.1 Perceived competition structures and market images	<ul style="list-style-type: none"> <li>• Symmetry within categories and between audio content services</li> <li>• Asymmetries between <i>News</i> and the other categories</li> <li>• Audio services have a broad market image</li> <li>• <i>Films &amp; Series</i> has a narrow market image, emphasising difference between audio and video</li> </ul>
4.2 Time as the key resource for competition	<ul style="list-style-type: none"> <li>• All four examined categories state that time is a key resource for competition</li> <li>• Fundamental for competition among categories</li> </ul>
4.3 Similarities and differences between market categories	<ul style="list-style-type: none"> <li>• Similarities: Multisided platforms with similar stakeholders, content as the most important resource and the platform as the second most important resource</li> <li>• Differences: Structural and behavioural differences</li> </ul>
4.4 Changing market	<ul style="list-style-type: none"> <li>• The market categories are maturing and becoming more mainstream services</li> <li>• Level of maturity is connected to market potential which differs the among categories</li> <li>• Consumers have great power in the market, being able to choose how to spend their time but do not necessarily want to make all decisions</li> </ul>

One of the objectives of this study was to answer the research question of *how digital media platforms define their competition*. The findings in this chapter answer this question, presenting market images of the studied firms and the perceived competition structure of the market. Thus, these findings constitute an important building block in the endogenous analysis by providing insights about firms' own perceptions of the competition. Still, in order to answer the second research question of this thesis, more particularly *how an endogenous perspective can contribute with new insights on competition*, the empirical findings will be more closely discussed in relation to the theoretical framework in chapter 5.



## 5. Discussion

*In this chapter, the empirical findings of the study are discussed and analysed through the lens of the theoretical framework. First, an endogenous competition analysis is conducted of the studied market (5.1), followed by a discussion of how the endogenous competition analysis of platforms differs from an exogenous analysis (5.2). The comparison highlights the relevance of adopting social constructivist theory in a competition context of digital media platforms.*

### 5.1 An Endogenous Competition Analysis of Digital Media Platforms

This study showed that digital media platforms in different market categories have varying understandings of the market. While some firms identify others as competitors, this recognition is not always mutual which leads to competition asymmetries and different views on where to draw borders of the relevant market. Thus, this study illustrates the complexity of defining a market and how the same reality can be perceived in different ways. Taking on a social constructivist perspective in order to conduct an endogenous competition analysis of the study's empirical findings, one can see how socially constructed perceptions affect the way firms understand their market.

#### 5.1.1 How do the empirical findings translate to a social constructivist perspective?

Analysing the results of the study through the lens of social constructivism, the findings of competitor identification can be considered what constitutes competition in the studied market. This, as a result of the question of “Who competes with whom?” being transformed into “Who defines whom as a rival?” when viewing markets from a social constructivist perspective (Porac et al., 1995). In this manner, the conducted study was designed to fit an endogenous analysis, exploring competition from an actor-centred view by asking firms to define their own market.

According to social constructivism, intersubjective constructions of reality are what shapes markets into the shape we perceive them to have. These perceptions, in this paper referred to as market images, hence become what is defined as the market. The market images reflect how firms define their value proposition, and put it in relation to how they perceive other firms' value propositions. In this study,

the studied market is to a large extent based on firms' and consumers' common intersubjective understandings of what is and what is not. These understandings are a prerequisite for even being able to discuss subjects such as markets, products and resources. However, the study showed that firms in the digital media platform market do have varying market images, indicating differences in how they define their market based on these understandings.

In the empirical findings of the study, key signifiers revealing information about the studied firms were identified. Signifiers such as the digital platform itself and media content, both identified as main resources of all the examined firms, show similarities between the firms beyond market categories. Seeing these resources as symbols carrying intersubjective meaning of how firms approach customers, they are important to how the firms are perceived by each other and so also shape the competition structure. Similarly, signifiers indicating different marketing strategies between firms, such as the nature of the content or user behaviour, also carry meaning shaping firms' perceived competition. In this study, it was clear that the *Films & Series* market category has a narrow market image compared to the other examined categories. These firms emphasised differentiating signifiers which were crucial to how they interpret their market. In contrast, *News* firms showed to have a broad market image, including all market categories in their competitor identification, based on the understanding that all firms compete for the same time. The *Music & Podcasts* and *Audiobooks* categories showed to share understandings of the market to a great extent. By recognising similar competition structures, the two market categories presented matching market images based on similar interpretations of market-shaping signifiers.

Additionally, the empirical findings showed that the examined market of digital media platforms is changing. Thus, given the deliberate stability of the markets which have previously been studied from an endogenous perspective (Porac et al., 1989; Porac et al., 1995), the context of this study differ from previous research. In previous research, stability of the examined markets has been considered useful for studying the collective representation of market structure as it provides a stable epistemic context (Porac et al., 1995). In contrast, in this study it was considered especially interesting to take on an endogenous perspective when studying the competition of digital media platforms as it is a dynamic market with varying views among its actors. The context of this study is therefore referred to as an empirical snapshot, as the changeability of the studied market limits the possibility to make general conclusions about the market (limitations of this study is further discussed in 6.3).

In this thesis, the endogenous view allows for understanding that markets can be perceived differently by different firms and that reality, as well as markets, can be seen as socially constructed. Instead of letting objective understandings of what a market is control the analysis, firms in this study shared their own views of the market. This endogenous analysis hence illustrates how, and why, the market of digital media platforms can be interpreted differently.

### 5.1.2 Platform markets as an empirical snapshot

This thesis explores how an endogenous view on competition can be applied onto the market of digital media platforms. Applying this theory on a platform market is especially interesting for three reasons as this kind of markets are usually multi-sided, technology-based and its services are accessible through digital devices. Thus, platform firms balance the interests of two important groups of stakeholders, in this case consumers and content creators, when forming a strategy for their competition and are exposed to pressure linked to the development of technology.

First, an important attribute of the studied market is its multi-sided nature as firms work in two directions to attain attractive media content and catch the interest of consumers. The two groups, content creators and consumers, are dependent on each other in accordance with Armstrong's (2006) theory as they both benefit from an increasing size of the other group. Platforms differ from conventional ideas of strategy as they create value in multiple directions. As showed in this study, content is considered the most valuable asset by all participating firms. The content is what attracts consumers and make them choose the service over a competitor's, and it is therefore a crucial part of the firms' value propositions. However, media content has to be relevant and continuously updated in order to fit customer needs and create value for consumers. This results in an unpredictable and changing market where firms within the market categories compete head to head and have to be on top of the latest content in order to attract consumers.

Second, the technology-based nature of platform markets greatly affects the conditions for competition (Gawer and Cusumano, 2008). Although the study showed that the digital platform per se is considered secondary to content by the firms, it is a hygiene factor. In order to compete with

other firms and create value, the technology of the platform must be good enough to meet customer needs. It needs to be an effective presenter of the service's content and be compatible with the devices which consumers use when consuming media content. This creates a threat identified by Gawer and Cusumano (2008) as platform services risk to battle over technical standards and incompatible technologies. Hence, platform services must take control of the technological development and tip the market in their favour (Gawer and Cusumano, 2008) in order to compete and stay relevant.

Lastly, the study showed that the market of digital media platforms is changing. High dependability of technology is a contributing factor to this as the development of technology enables new, more accessible, ways for people to consume media through digital devices. This toughens the competition as the high level of accessibility shifts the power to consumers, forming a demand-driven competition in these markets.

These three attributes of platforms illustrate the uncertainty of the studied market and demonstrate how it differs to most other markets. This leads to considerations as to whether it could be particularly relevant to include an endogenous view when considering platforms, due to these uncertainty causing attributes. As the multi-sided nature of platform markets makes digital media platforms dependent on attaining attractive content in order to appeal consumers, adaptability is required from the firms. There is no set way for how firms in this market should approach customers in order to create long-term value. Instead, firms need to adapt to constant fluctuations in the market and offer content accordingly. Simultaneously, the dependence of technology makes the studied market unpredictable and sensitive to changes in innovations and consumers' behaviour. As technology develops rapidly, the market should not be taken for granted, and the firms have to continuously adapt their marketing strategies in accordance to consumers' changing needs and behaviour. Moreover, the high level of accessibility enables a demand-driven competition anywhere and at any time. Together, this creates an increased need for understanding nuances when assessing platform markets which could be overlooked as a result of adopting an exogenous view and seeing markets as given.

## 5.2 How the Endogenous Competition Analysis of Platform Markets differs from an Exogenous Analysis

Conducting this study, the focus was to explore an endogenous view of competition on a platform market by examining the competition images of key firms. If the study would have been done with exogenous measures, competition structures would have been considered a product of a given market and not as socially constructed. This, as the exogenous analysis, in contrast to an endogenous analysis, is based on conventional ideas of markets and competition.

An exogenous analysis of digital media platforms, applying the frameworks of Porter's five forces and the Resource-based view, would have shown other sides of market. Instead of highlighting differentiating competition images between market categories, an exogenous analysis would instead result in an industry analysis assessing the attractiveness of the industry based on objective assumptions of the market. It would also include an evaluation and comparison of the examined firms' resources and capabilities.

Before conducting an industry analysis using the five forces framework, the decision of how to define the market must be made. This is usually done based on what can be told objectively from the value propositions of the examined firms. For the market in this study, boundaries could either be set to include all studied firms together, the four market categories separately or be divided between audio and video services as suggested in the empirical findings. All those three market definitions could work for conducting the analysis, however it would result in three completely different industry analyses when applying the five forces framework. This illustrates how a conventional view of markets risks to result in defective understandings.

Similarly, the resource-based view could suggest application of the VRIO framework in order to analyse the ability of the firms' resources and capabilities to produce competitive advantage. The analysis would show how firms compete with each other based on the nature of their assets. For instance, the worldwide community of users that one of the studied *Music & Podcasts* firm has and the strong brands of some of the *Films & Series* firms would be considered such assets. Moreover, content is definitely an important resource, as well as technology is a crucial capability. However, assessing the VRIO criteria determines if the assets can create sustainable competitive advantage or not. In this

way, a resource-based analysis of the studied market would expose the relative competitive strength of firms, which an endogenous analysis does not explore.

### 5.2.1 Why is the endogenous view not as commonly adopted as the exogenous view?

The literature review showed that the exogenous view on competition is adopted by both researchers and business professionals to a much greater extent than the endogenous view. Reasons behind this could be related to that the exogenous frameworks are easier to interpret and apply onto a given market as they assume markets being conventional. However, this study has shown that it can also be relevant to consider markets from an endogenous perspective. By not seeing markets as given, but instead as social constructions, an endogenous analysis provides insights about competition structures from the perspective of firms. As this study illustrates, it can show how a market is perceived differently by different actors. Understanding firms' market images and perceived competition structures can be important for both businesses and markets as it shapes strategic action. Given what is known from fundamental strategic marketing, firms adjust their business towards customers and competitors. Hence, firms' market images, i.e. how they perceive the market and competition, will affect strategic decisions. This forms reason to believe that it would be relevant for both researchers and businesses to explore the endogenous view to a greater extent than what is done today.

Moreover, the endogenous view was in this study applied onto a platform market. Results of the study illustrate that parts of the platform logic, such as being multi-sided and technology-based, contribute to a more uncertain and changeable market setting. Given the higher level of uncertainty and change, an endogenous competition analysis can be useful as it allows for different perceptions of the market. Additionally, the strong dependability on technology is not unique to platforms. In fact, it is becoming increasingly common that firms rely heavily on technology in order to be able to deliver value. This indicates that there could be a growing demand for adopting the endogenous view when analysing today's markets.

## 6. Conclusions

*This chapter summarises the conclusions of this thesis and clarifies the answering to the research questions. Moreover, theoretical contributions (6.1) and managerial implications (6.2) are presented followed by a reflection of critique and limitations of the study (6.3). Lastly, subjects for future research based on this thesis are suggested (6.4).*

As the person commuting to work with some extra time to spend on entertainment chooses which app to use, we can now understand at least a little better what is happening. Scrolling through apps, deciding on where to spend her time, we now see the competition of platform firms going on in front of her eyes. Social constructivist theory and empirical findings of this study put competition of digital media platforms in new light and illustrate that there actually might be a way to better understand the complexities of platform markets.

This study aimed to answer the research question of *how digital media platforms define their competition*. By conducting an initial pre-study, the four consumer-generated market categories *News*, *Music & Podcasts*, *Audiobooks* and *Films & Series* were identified which were further examined in the main qualitative study. The empirical findings from interviews with representatives of key firms within the market categories formed an indication of how the firms define their competition. It also allowed for comparison between the examined market categories which had differentiating market images and different views on the competition structure. Thus, this study did explore how digital media platforms, in a small-scale snapshot, define their competition and succeeded to illustrate how market images can differ between firms and market categories.

Moreover, the purpose of this paper was to explore *how an endogenous perspective can contribute with new insights on competition*, using digital media platforms as an empirical snapshot. Taking on a social constructivist perspective, this study explored how firms themselves perceive the market which resulted in empirical findings enabling an endogenous competition analysis. An endogenous competition analysis contributed with insights about firms' market images and perceived competition structures which cannot be discovered through exogenous measures such as industry analyses or resources analyses. As market images in turn can have implications on strategic action, the endogenous perspective hence showed to be able to contribute with valuable insights. Still, what can be finally concluded from an endogenous analysis of competition require deeper research of greater scope to

tell, however this study indicates that market images disclose valuable strategic information about firms.

## 6.1 Theoretical Contributions

The main theoretical contribution of this study is that it sheds light on the application of social constructivist theory when analysing competition. While most researchers choose to analyse competition using exogenous measures, this study highlights the relevance of also including an endogenous viewpoint. With the roots of strategic marketing theory, this study conducts a theoretical review of competition analysing measures, arguing for the relevance of including subjective assessments to a greater degree than what is done today. Like so, this study explores advantages of adopting the social constructivist theory for analysing uncertain and technology-based markets.

Furthermore, not only does this study explore the application of an endogenous view on competition, it more specifically does so on the context of digital media platforms. Being a rather new phenomenon, competition of digital media platforms is modestly studied by researchers, and even less so with an endogenous perspective. In fact, to the author's knowledge, no such research has previously been done. Thus, this study contributes with new insights about endogenous competition structures of digital media platforms in Sweden which have not previously been exposed by academic research. Despite its limitations further discussed in 6.3, this study contributes with an indication of how market images and perceived competition structures in the studied market can appear and hopes to inspire future research of greater scope which can establish generally applicable conclusions.

## 6.2 Managerial Implications

In addition to the theoretical contributions, this study has implications for managers in platform markets. Due to the exploratory nature of this study, the main purpose of this thesis was to explore the digital media platform market and illustrate how an endogenous perspective can be applied onto its competition. As a result, the conclusions of this study do not give any clear calls for action to managers, nor do they state any generally applicable truths about the studied market. However, that



does not mean that the empirical results of this study are not of interest for managers. On the contrary, the results are highly relevant for managers as they indicate that there are asymmetries in how the digital media platform market is perceived by firms. As market images and perceived competition will affect how firms strategically act, knowing about these possible asymmetries will help firms navigate in the market and better plan strategic actions.

As the results of this study indicate that market images of firms can vary within markets, managers can take this into account and reflect over how themselves choose to identify competitors. Arguments behind market images were in this study shown do differ, for instance when audio platforms' identification of video platforms as competitors was not answered. The reason behind the asymmetry showed to be different interpretations of what value the services create as a result of how they are used by consumers. This can inspire managers to do more research of how their service really is used and also to reflect over which criteria they believe are sufficient for categorising competitors.

## 6.3 Critique and Limitations

Reflecting on how the conduction of this study may have limited how its results can be used, this study is subject to several limitations. The main critique and limitations are considered to be threefold.

First, as this is an exploratory study there are limitations to how the results can be transmitted onto the entire digital media industry or platform markets in general. The results of this study illustrate how an endogenous analysis can be useful in this specific case, however more research is necessary in order to state final and conclusive solutions that are generally applicable. The purpose of this study was to illustrate how an endogenous perspective can contribute with new insights on competition, mainly to encourage an interest for the research field. Future research of much greater scope is therefore required in order to further explore and draw final conclusions of the endogenous view on competition in platform markets.

Second, previous research adopting a social constructivist perspective to analyse competition have purposively examined small and stable markets such as the market for Scottish knitwear. Argued reasons behind this is that it provides a stable context of constant transactions, opportunities for

organisational differentiation, contains small firms with few market defining managers and the boundaries for the industry are well defined (Porac et al., 1995). This constitutes a limitation to this study as the studied market is neither small nor stable. In the digital media platform market, there are fluctuations in transactions as it is a growing and developing market. Besides, although respondents in this study were purposively selected as they appeared to be the most suitable person in their firm to define the market, the studied firms are large organisations. In large firms there will be several managers holding slightly different opinions about the market and it is therefore in this case difficult to state that one manager's opinion is fully representative for an entire firm's market image. This could have been somewhat controlled by only sampling for instance CEOs as respondents. However, as some of the studied firms have offers beyond the digital media platform or international CEOs, it was judged to be preferable to interview Swedish managers controlling the digital offer. In addition, despite the geographical limitation to Sweden, the digital media platform market evidently does not have well defined boundaries as was suggested by Porac et al. (1995). As a result, the context of this study is not as stable as of previously conducted studies of competition from an endogenous perspective. This limits the general application of the results of this study, and thus the study's context is referred to as an empirical snapshot.

Third, there are limitations to this study connected to the participating firms. While the firms were selected based on the results of a focus group pre-study, the main study could have shown other results if other firms and market categories were to be examined. For instance, including social media or gaming as market categories in the study could have changed the perceived competition structures in the empirical findings. Moreover, although almost all top of mind firms in the examined market categories participated in the study, a broader sample of more firms could have contributed with even richer findings.

In brief, the explorative nature, the choice of digital media platforms as the empirical case and the participating firms cause limitations to possible application of the study's results. The study was never meant to produce generally applicable conclusions of competition on digital media platforms, but rather to illustrate how the market can be analysed in a different way. This creates clear limitations to how the results of the study can be used, and even though the study can inspire managers to think differently of their market, the empirical results are limited mainly to inspire future research in the field.

## 6.4 Future Research

The findings of this study open for further research in three ways: it can inspire to a similar study of greater scope, a future study can further explore differences between digital native firms and firms with analogue roots, and it can overall inspire to more research where social constructivist theory is applied onto contexts of markets and competition.

First, future research could conduct the same study as this but of a greater scope, including more firms and more representatives of each firm in the study. This would result in a more clear view of the firms' actual market images, enabling more advanced mapping of perceived competition structures. Based on such a study, more generally applicable conclusions of digital media platforms could be made. The study could also include additional market categories such as social media platforms or gaming. It would be interesting to see how these market categories relates to the others in terms of competition identification.

Second, empirical findings in this study indicate that there is a difference between digital native firms and firms with analogue roots among digital media platforms. The findings showed that an analogue origin might create disadvantages when competing with digitally born services, as it leads to lower flexibility and split wills to take into account. This finding is highly interesting and the possible difference between digital native and analogue rooted firms and its effects could be studied further in future research.

Lastly, more generally this study wishes to inspire future research to adopt an endogenous view on competition to a greater extent. Nowadays, not that many researchers use social constructivist theory to analyse competition, and studies which explore competition from the perspective of firms are rarely conducted. As this study opens the door to conducting endogenous studies on digital platform markets, hopefully future researchers will be inspired to explore this field further. Evidentially, the endogenous view has shown to be relevant when analysing platform markets. Given the strong growth of platforms, and other digital markets with similar attributes, there is hence a demand for understanding these markets further. Potentially, the endogenous competition analysis can be part of meeting this demand.

## 7. References

- Alstyne, M. W., Parker, G. G. and Choudary, S. P., (2016). 'Pipelines, platforms, and the new rules of strategy', *Harvard Business Review*, April.
- AMA (American Marketing Association), (2017). 'About AMA: Marketing'. Retrieve from: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx> (accessed 28 April 2020)
- Armstrong, M., (2006). 'Competition in two-sided markets', *RAND Journal of Economics*, 37(3), 668–91.
- Babbie, E., (2007). 'The Practice of Social Research'. 11th edition. Belmont CA: Thompson - Wadsworth. 87-89.
- Baines, P., Fill, C. and Rosengren, S., (2017). 'Marketing', 4th edition. Oxford University Press.
- Barney, J. B., (1986). 'Strategic factor markets: Expectations, luck and business strategy', *Management Science*, 42, 1231-1241.
- Barney, J., (1991). 'Firm Resources and Sustained Competitive Advantage', *Journal of Management*, 17(1), 99-120.
- Bartels, R. D. W., (1951). 'Can marketing be a science?', *Journal of marketing*, 15(3), 319-328.
- Berger, P. and Luckmann, T., (1966). 'The Social Construction of Reality'. Penguin Books.
- Boettke, P. J., (2014). 'Entrepreneurship, and the entrepreneurial market process: Israel M. Kirzner and the two levels of analysis in spontaneous order studies.' *Review of Austrian Economics*, (27), 233-247.
- Bradley, C., Hirt, M. and Smit, S., (2011). 'Have you tested your strategy lately?', *McKinsey Quarterly*, January. Retrieve from: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/have-you-tested-your-strategy-lately> (accessed 3 May 2020).

- Brandenburger, A. and Nalebuff, B., (1995). 'The right game', *Harvard Business Review*, 57-94.
- Brinkmann, S., (2013). 'Qualitative interviewing'. Oxford University Press.
- Business Dictionary, (2020). 'Competition structure', WebFinance Inc. Retrieve from:  
<http://www.businessdictionary.com/definition/competitive-structure.html> (accessed 29 April 2020).
- Business Dictionary, (2020). 'Customer needs', WebFinance Inc. Retrieve from:  
<http://www.businessdictionary.com/definition/customer-needs.html> (accessed 2 April 2020).
- Bryman, A., (2012). 'Social research methods', 4<sup>th</sup> edition. Oxford: Oxford University Press.
- Bryman, A. and Bell, E., (2015). 'Business research methods'. Oxford: Oxford University Press.
- Caillaud, B., and Jullien, B., (2003). 'Chicken and egg: Competition among intermediation service providers', *RAND Journal of Economics*, 34(2), 309–28.
- Callon, M., (1998). 'An essay on framing and overflowing: economic externalities revisited by sociology.' In Callon, M. (ed.) *The Laws of the Markets*, Oxford, Blackwell Publishers: 244-69.  
*The Sociological Review*, (46) Special Issue S1 May 1998: Sociological Review Monograph Series
- Callon, M., Méadel, C. and Rabeharisoa, V., (2002). 'The Economy of Qualities', *Economy and Society*, 31(2), 194-217.
- Cambridge Dictionary, (2020). 'Endogenous', Cambridge University Press. Retrieve from:  
<https://dictionary.cambridge.org/dictionary/english/endogenous> (accessed 29 April 2020).
- Cambridge Dictionary, (2020). 'Exogenous', Cambridge University Press. Retrieve from:  
<https://dictionary.cambridge.org/dictionary/english/exogenous> (accessed 29 April 2020).
- Cambridge Dictionary, (2020). 'Signifier', Cambridge University Press. Retrieve from:  
<https://dictionary.cambridge.org/dictionary/english/signifier> (accessed 3 April 2020).
- Castanias, R. and C. Helfat (1991). 'Managerial resources and rents', *Journal of Management*, 17, 155-171.

- Cernusca, M. M., Gold, M. A. and Godsey, L. D., (2012). 'Using the Porter model to analyse the US elderberry industry', *Agroforestry Systems*, 86, 365-377.
- Cheng, D. S. Y., (2013). 'Analyze the Hotel Industry in Porter Five Competitive Forces', *Journal of Global Business Management*, 9(3), 52-57.
- CIM (Chartered Institute of Marketing), (2015). 'Marketing and the 7Ps'. Retrieve from: <http://www.cim.co.uk/files/7ps.pdf> (accessed 28 April 2020)
- Clark, B. C. and Montgomery, D. B., (1999). 'Managerial Identification of Competitors', *Journal of Marketing*, 63(3), 67-83.
- Connor, K., (1991). 'A historical comparison of resource-based theory and five schools of thought within industrial organization economics: Do we have a new theory of the firm?', *Journal of Management*, 17, 121-154.
- Creswell, J. W., (2015). 'A Concise Introduction to Mixed Methods Research'. SAGE Publications Inc.
- Day, G. S., (1981). 'Strategic Market Analysis and Definition: An Integrated Approach.' *Strategic Management Journal*, 2(3), 281-99.
- Denzin, N. K., (1970). 'The research act in Sociology'. Chicago: Aldine.
- Derry, S. J., (1999). 'A Fish called peer learning: Searching for common themes'. In A. M. O'Donnell & A. King (Eds.).
- Dickson, P. R., (1992). 'Toward a General Theory of Competitive Rationality'. *Journal of Marketing*, 56(1), 69-83.
- Doyle, P., (1987). 'Marketing and the British Chief Executive', *Journal of Marketing Management*, 3(2), 121-132.
- Drucker, P. F., (1973). 'Management: Tasks, Responsibilities, Practice'. Harper & Row, New York.

- Eisenmann, T., Parker, G. and Van Alstyne, M. W., (2006). ‘Strategies for two sided Markets’. *Harvard Business Review*, 92-101.
- EUR-Lex, (1997). ‘Commission Notice on the definition of relevant market for the purposes of Community competition law’. *OJ C 372, 9.12.1997, p. 5–13*. Retrieve from: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.1997.372.01.0005.01.ENG&toc=OJ:C:%201997:372:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.1997.372.01.0005.01.ENG&toc=OJ:C:%201997:372:TOC) (accessed 28 April 2020).
- EUR-Lex, (2017). ‘Summary of Commission decision of 27 June 2017 relating to a proceeding under Article 102 of the Treaty on the Functioning of the European Union and Article 54 of the EEA Agreement (Case AT.39740 — Google Search (Shopping))’. Notified under document number *C(2017) 4444*. Retrieve from: [https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1516198535804&uri=CELEX:52018XC0112\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1516198535804&uri=CELEX:52018XC0112(01)) (accessed 28 April 2020).
- Evans, D. S., (2003). ‘The antitrust economics of multi-sided platform markets’, *Yale Journal on Regulation*, 20(2), 325–82.
- Fligstein, N., (1996). ‘Markets as Politics: A Political-Cultural Approach to Market Institutions’, *American Sociological Review*, 61(4), 656-73.
- Fullbrook, E., (2001). ‘Intersubjectivity in economics: Agents and structures’. Retrieve from: <https://ebookcentral.proquest.com> (accessed 1 April 2020).
- Gaspar, J., Gillespie, C. and Kiedpool, A., (2015). ‘Real Vision Investment Case Study’, The Economist Case Study Competition 2016, *The Economist*. Retrieve from: [https://www.economist.com/sites/default/files/californiastateusm\\_ws.pdf](https://www.economist.com/sites/default/files/californiastateusm_ws.pdf) (accessed 3 May 2020).
- Gawer, A. and Cusumano, M. A., (2008). ‘How Companies Become Platform Leaders’ in ‘Top 10 Lessons on Strategy’, *MIT Sloan Management Review*, 68-75.

- Gawer, A. and Cusumano, M. A., (2014). 'Industry Platforms and Ecosystem Innovation', *Journal of Product Innovation Management*, 31(3), 417-433.
- Geertz, C., (1973). 'Thick Description: Toward an Interpretive Theory of Culture' in Geertz, C. *The Interpretation of Cultures*. New York: Basic Books.
- Gluck, F., Jacobides, M. G. and Simpson, D., (2014). 'Synthesis, capabilities, and overlooked insights: Next frontiers for strategists', *McKinsey Quarterly*, September. Retrieve from: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/synthesis-capabilities-and-overlooked-insights> (accessed 3 May 2020).
- Granovetter, M. and McGuire, P., (1998). 'The Making of an Industry: Electricity in the United States' in Callon, M. (ed.) *The Laws of the Markets*, Oxford, Blackwell Publishers: 147-173. *The Sociological Review*, (46) Special Issue S1 May 1998: Sociological Review Monograph Series.
- Granovetter, M., (1985). 'Economic Action and Social Structure: The Problem of Embeddedness.' *American Journal of Sociology*, 91(3), 481-510.
- Guba, E. G. and Lincoln, Y. S., (1994). 'Competing Paradigms in Qualitative Research' in Denzin, N. K. and Lincoln, Y. S. (ed.), *Handbook of Qualitative Research*. Thousand Oaks, CA: Sage.
- Harrysson, M., Métayer, E. and Sarrazin, H., (2012). 'How 'social intelligence' can guide decisions', *McKinsey Quarterly*, November. Retrieve from: <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/how-social-intelligence-can-guide-decisions> (accessed 3 May 2020)
- Helms, M. M. and Nixon, J., (2010). 'Exploring SWOT analysis – where are we now? A review of academic research from the last decade', *Journal of Strategy and Management*, 3(3), 215-251.
- Hill, T. and Westbrook, R., (1997). 'SWOT analysis: it's time for a product recall', *Long Range Planning*, 30(1), 46-52.
- Holloway, S. S. and Sebastiao, H.J., (2010). 'The role of business model innovation in the emergence of markets: a missing dimension of entrepreneurial strategy?', *Journal of Strategic Innovation and Sustainability*, 6(4).



- Huberman, A. M. and Miles, M. B., (1994). 'Data management and analysis methods' in N. K. Dezin and Y. S. Lincoln (eds), *Handbook of Qualitative Research*. Thousand Oaks, CA: Sage.
- Hunt, S. D., (1971). 'The morphology of theory and the general theory of marketing', *Journal of marketing*, 35(April), 65-68.
- Hunt, S. D., (1983). 'General theories and fundamental explananda of marketing', *Journal of marketing*, 47(4), 9-17.
- Hunt, S. D., (2013). 'A general theory of business marketing: RA theory, Anderson, the ISBM framework, and the IMP theoretical structure', *Industrial marketing management*, 42(3), 283-293.
- Internetstiftelsen, (2020). 'Svenskarna och internet 2019', Internetstiftelsen. Retrieve from: <https://svenskarnaochinternet.se/app/uploads/2019/10/svenskarna-och-internet-2019-a4.pdf> (accessed 10 July 2020).
- Jacobides, M. G., (2012). 'What strategists need: A meeting of the minds', *McKinsey Quarterly*, September. Retrieve from: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/what-strategists-need-a-meeting-of-the-minds> (accessed 3 May 2020).
- Jacobs, T., Shepherd, J. and Johnson, G., (1998). Chapter on SWOT analysis in V. Ambrosini (ed.), 'Exploring Techniques of Strategy Analysis and Evaluation'. Prentice Hall.
- Jacobson, R., (1992). 'The "Austrian" School of Strategy', *Academy of Management Review*, 17 (4), 782-807.
- Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regnér, P., (2017). 'Exploring Strategy', 11<sup>th</sup> edition. Pearson Education Limited.
- Kantar Sifo, (2020). 'Poddindex – Årsrapport 2019', Kantar Sifo. Retrieve from: <https://marketing.kantarsifo.se/sv/poddindex-arsrapport-2019> (accessed 10 July 2020).
- Ketokivi, M. and Choi, T., (2014). 'Renaissance of case research as a scientific method', *Journal of Operations Management*, 32, 232-240.

- Kim, B. (2001). Social Constructivism. In M. Orey (Ed.), 'Emerging perspectives on learning, teaching, and technology'. Retrieve from: <http://projects.coe.uga.edu/epltt/> (accessed 20 March 2020).
- Kirca, A. H., Jayachandran, S. and Bearden, W. O., (2005). 'Market orientation: a meta-analytic review and assessment of its antecedents and impact on performance', *Journal of marketing*, 69(April), 24-41.
- Kirzner, I.M., (1997). 'Entrepreneurial Discovery and the Competitive Market process: An Austrian Approach'. *Journal of Economic Literature* XXXV, March, 60-85.
- Kjellberg, H. and Helgesson, C-F., (2007). 'On the nature of markets and their practices', *Marketing Theory*, 7(2), 137-62.
- Kohli, A. K. and Jaworski, B. J., (1990). 'Market orientation: the construct, research propositions and managerial implications', *Journal of marketing*, 54(April), 1-18.
- Kor, Y. Y. and Mahoney, J. T., (2000). 'Edith Penrose's (1959) contributions to the resource-based view of strategic management', *Journal of Management Studies*, 37(1), 183–191.
- Kor, Y. Y. and Mahoney, J. T., (2004). 'Penrose's resource-based approach: The process and product of research activity', *Journal of Management Studies*, 41(1), 109–139.
- Kotler, P. and Keller, K. L., (2015). 'Marketing management', 15<sup>th</sup> edition. Pearson Education Limited.
- Kukla, A., (2000). 'Social Constructivism and the Philosophy of Science'. New York: Routledge.
- Kumar, V., Jones, E., Venkatesan, R. and Leone, R. P., (2011). 'Is market orientation a source of sustainable competitive advantage or simply the cost of competing?', *Journal of marketing*, 75(1), 16-30.
- Lendrevie, J. and Lévy, J., (2014). 'Mercator: Tout le Marketing à l'Ère Numérique', 11<sup>th</sup> edition. Paris: Dunod.

- Lincoln, Y. S. and Guba, E., (1985). 'Naturalistic Inquiry'. Beverly Hills, CA: Sage.
- Lippman, S. A. and Rumelt, R. P., (1982). 'Uncertain imitability: An analysis of interfirm differences in efficiency under competition', *The Bell Journal of Economics*, 13, 418-438.
- Loasby, B. J., (2000). 'Market Institutions and Economic Evolution', *Journal of Evolutionary Economics*, 10(3), 297-309.
- Mahoney, J. and Pandian, J. R., (1992). 'The resource- based view within the conversation of strategic management', *Strategic Management Journal*, 13, 363-380.
- Martela, F., (2015). 'Fallible Inquiry with Ethical Ends-in-View: A Pragmatist Philosophy of Science for Organizational Research', *Organizational studies*, 36(4), 537-563.
- Maslow, A. H., (1943). 'A Theory of Human Motivation', *Psychological Review*, 50, 370-396.
- McDonald, M. H. B., (1989). 'Ten Barriers to Marketing Planning', *Journal of Marketing Management*, 5(1), 1-18.
- McKinley, J. (2015). 'Critical Argument and Writer Identity: Social Constructivism as a Theoretical Framework for EFL Academic Writing', *Critical Inquiry in Language Studies*, 12(3), 184-207.
- Mediavision, (2020). 'Allt fler streamingabonnemang i svenska hushåll och stark tillväxt att vänta 2020', Mediavision. Retrieve from: <https://www.mediavision.se/2020/04/28/mediavision-allt-fler-streamingabonnemang-i-svenska-hushall-och-stark-tillvaxt-att-vanta-2020/> (accessed 31 July 2020).
- Mediavision, (2020). 'Newsletter 13<sup>th</sup> of May: Audiobook Streaming with Increasing Revenues on Maturing Nordic Markets', Mediavision. Retrieve from: <https://www.mediavision.se/2020/05/13/newsletter-13th-of-may-audiobook-streaming-with-increasing-revenues-on-maturing-nordic-market/> (accessed 31 July 2020).
- Merriam, S. B., (1998). 'Qualitative Research and Case Study Applications in Education'. Revised and Expanded from 'Case Study Research in Education'. ERIC.

- Meyer-Waarden, L., (2007). 'The effects of loyalty programs on customer lifetime duration and share of wallet', *Journal of Retailing*, 83(2), 223-236.
- Mägi, A., (2003). 'Share of wallet in retailing: the effects of customer satisfaction, loyalty cards and shopper characteristics', *Journal of Retailing*, 79(2), 97-106.
- Ninan, T. N., (2007). 'SWOT for the left', The Financial Times Limited. Retrieve from: <https://www.ft.com/content/d0f7eb68-dc06-11db-9233-000b5df10621> (accessed 2 April 2020).
- North, D. C., (1991). 'Institutions', *The Journal of Economic Perspectives*, 5(1), 97-112.
- NYU Stern, (2020). 'Faculty: Joseph Porac', Leonard N. Stern School of Business. Retrieve from: <https://www.stern.nyu.edu/faculty/bio/joseph-porac> (accessed 2 May 2020).
- Oxford Reference, (2020). 'Intersubjectivity', Oxford University Press. Retrieve from: <https://www.oxfordreference.com/view/10.1093/oi/authority.20110803100008603> (accessed 26 April 2020).
- Penrose, E. T., (1959/1995). 'The Theory of the Growth of the Firm', 3rd edition. Oxford University Press, Oxford, UK.
- Peteraf, M. A., (1993). 'The Cornerstones of Competitive Advantage: A Resource-Based View', *Strategic Management Journal*, 14(3), 179-191.
- Pitelis, C. N. (2004). 'Edith Penrose and the resource-based view of (international) business strategy', *International Business Review*, 13(4) 523–532.
- Pitelis, C. N., ed. (2002). 'The Growth of the Firm - The Legacy of Edith Penrose'. Oxford University Press, Oxford, UK.
- Porac, J. F. and Thomas, H., (1990). 'Taxonomic Mental Models in Competitor Definition', *The Academy of Management Review*, 15(2), 224-240.

- Porac, J. F., Thomas, H. and Baden-Fuller, C., (1989). 'Competitive Groups as Cognitive Communities: The Case of Scottish Knitwear Manufacturers', *Journal of Management Studies*, 26(4), 397-416.
- Porac, J. F., Wilson, F., Paton, D., and Kanfer, A., (1995). 'Rivalry and the Industry Model of Scottish Knitwear Producers', *Administrative Science Quarterly*, 40(2), 203-227.
- Porter, M. E., (1979). 'How Competitive Forces Shape Strategy', *Harvard Business Review*, 57(2), 137-145.
- Porter, M. E., (2008). 'The Five Competitive Forces that Shape Strategy', *Harvard Business Review*, 86(1), 78-93.
- Richardson, G. B., (1972). 'The Organisation of Industry', *The Economic Journal*, 82(327), 883-96.
- Rinallo, D. and Golfetto F., (2006). 'Representing markets: The shaping of fashion trends by French and Italian fabric companies', *Industrial Marketing Management*, 35(7), 856-69.
- Rindova V. P., Pollock, T. G, and Hayward; M. L., (2006). 'Celebrity firms: The social construction of market popularity', *Academy of Management Review*, 31(1), 50-71.
- Rochet, J-C. and Tirole, J., (2003). 'Platform Competition in Two-Sided Markets', *Journal of the European Economic Association*, 1, 990-1029.
- Rochet, J.-C., and Tirole, J., (2006). 'Two-sided markets: A progress report', *RAND Journal of Economics*, 35(3), 645-67.
- Rosa, J. A., Porac, J.F., Runser-Spanjol, J, and Saxon, M.S., (1999). 'Sociocognitive dynamics in a product market', *Journal of Marketing*, 63(Special issue), 64-77.
- Roth, A. E., (2007). 'The Art of Designing Markets', *Harvard Business Review*, 85(10), 118-26.
- Rugman, A. M. and Verbeke, A., (2002). 'Edith Penrose's contribution to the resource-based view of strategic management', *Strategic Management Journal*, 23, 69-78.

- Rumelt, R. P., (1982). 'Diversification Strategy and Profitability', *Strategic Management Journal*, 3(4), 359-369.
- Rumelt, R. P., (1984). 'Toward a strategic theory of the firm'. In Lamb, R. (ed.), 'Competitive Strategic Management'. Prentice Hall, Englewood Cliffs, NJ, 556-570.
- Rumelt, R. P., (1987). 'Theory, strategy, and entrepreneurship'. In Teece, D. (ed.), 'The Competitive Challenge'. Ballinger, Cambridge, MA, 137-158.
- Rumelt, R. P., (1991). 'How Much Does Industry Matter?', *Strategic Management Journal*, 12(3), 167-185.
- Santos, F. M. and Eisenhardt, K.M., (2009). 'Constructing markets and shaping boundaries: Entrepreneurial power in nascent fields', *Academy of Management Journal*, 52(4), 643-671.
- Scotland, J., (2012). 'Exploring the Philosophical Underpinnings of Research: Relating Ontology and Epistemology to the Methodology and Methods of the Scientific, Interpretive, and Critical Research Paradigms', *English Language Teaching*, 5(9), 9-16.
- Teece, D. J., (1980). 'Economies of scope and the scope of the enterprise', *Journal of Economic Behavior and Organization*, 1, 223-247.
- Teece, D. J., (1982). 'Toward an economic theory of the multiproduct firm', *Journal of Economic Behavior and Organization*, 3, 39-63.
- Tilles, S., (1968). 'Making strategy explicit'. In Ansoff, I. (ed), 'Business Strategy'. Penguin.
- TU Medier i Sverige, (2019). 'Morgonpressens digitala annonsintäkter sätter nytt rekord', TU – Medier i Sverige. Retrieve from: <https://via.tt.se/pressmeddelande/morgonpressens-digitala-annonsintakter-satter-nytt-rekord?publisherId=953513&releaseId=3251787> (accessed 10 July 2020).
- Twin, A., (2019). 'What is a Value Proposition?'. Investopedia, April. Retrieve from: <https://www.investopedia.com/terms/v/valueproposition.asp> (accessed 30 April 2020)

- Ulaga, W. and Eggert, A., (2005). 'Relationship Value in Business Markets: The Construct and Its Dimensions', *Journal of Business-to-Business Marketing*, 12(1), 73-99.
- UN (United Nations), (2019). 'Competition issues in the digital economy'. United Nations Conference on Trade and Development, July. Retrieve from: [https://unctad.org/meetings/en/SessionalDocuments/ciclpd54\\_en.pdf](https://unctad.org/meetings/en/SessionalDocuments/ciclpd54_en.pdf) (accessed 2 May 2020)
- Uzzi, B., (1997). 'Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness', *Administrative Science Quarterly*, 42(1), 35-67.
- Webb, A., (2014). 'What strategists need: A meeting of the minds'. *McKinsey Quarterly*, September. Retrieve from: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/what-strategists-need-a-meeting-of-the-minds> (accessed 5 April 2020).
- Wernerfelt, B., (1984). 'A resource based view of the firm', *Strategic Management Journal*, 5, 171-180.
- White, H. C. and Eccles, R., (1987). 'Producers' Markets', *The New Palgrave: A Dictionary of Economics*, 3, 984-986.
- Whittington, R., Regnér, P., Angwin, D., Johnson, G. and Scholes, K., (2019). 'Exploring Strategy', 12<sup>th</sup> edition. Pearson Education Limited.
- Wilson, R. M. S. and Gillian, C., (2013). 'Strategic Marketing Management', 3<sup>rd</sup> edition. Routledge, New York.
- Yin, R.K., (2009). 'Case study research: Design and methods', 4<sup>th</sup> edition. Thousand Oaks, CA.
- Yin, R.K., (2011). 'Qualitative research from start to finish'. Guilford Publications.
- Zikmund, W. G., (1997). 'Business Research Methods'. Dryden.

## 8. Appendices

### Appendix A: Results from Pre-Study

Please note: Mentioned firms are suggested by participants in the pre-study, i.e. it is not necessarily the same firms that participated in the main study.

#### Appendix A1: Main list of digital subscription services from pre-study

- Netflix
- Viaplay
- HBO
- Cmore
- Storytel
- Spotify
- Acast
- PodMe
- SF Anytime
- Abundo
- Omni
- BBC
- Google Drive
- Adobe (Premier Pro/Photoshop)
- Vimeo
- Economist
- Bookbeat
- Xbox Live
- Della Morta, Della Papa and Della Arte
- iCloud
- SvD
- DN
- Di
- Resumé



## Appendix A2: Suggested categories from pre-study

<i>Film &amp; Serier</i>	<i>Podcasts &amp; Musik</i>	<i>Nyheter</i>	<i>Tools</i>	<i>Other</i>
Netflix	Spotify	Omni	Google Drive	Xbox Live
Viaplay	Acast	BBC	iCloud	Abundo
HBO	PodMe	SvD	Adobe	
Cmore	Della Morta mf.	DN	Vimeo	
SF Anytime	<i>(Alt. Ljudböcker separat)</i>	Di		
	Bookbeat	Resumé		
	Storytel	Economist		

## Appendix B: Interview Protocol Main Study

### Introduktion:

- Marknadsgränser och marknadsbilder för digitala prenumerationstjänster inom media
- Undersöker hur man ser på kunder, sitt erbjudande och marknaden
- Masteruppsats inom management

### Information om:

- Sekretess/anonyma svar
- Semistruktur
- Spela in samtalet?

### Frågor:

- Vad är din roll på [företaget] och vad arbetar du med?

- Vilka är [företaget]s kunder?
- Hur ser era kunder på er?
- Vad erbjuder ni era kunder? (*Vad är nyttan/nyttorna?*)

- Vilka är [företaget]s viktigaste resurser? (*Vad är nödvändigt för att kunna leverera ert erbjudande?*)
- Har ni några andra resurser som gör er unika?

(Med resurser menas både fysiska och immateriella resurser såsom exempelvis kompetenser)

- Vilka är [företaget]s konkurrenter? (*Vad för typ av företag/tjänster?*)
- Hur definieras konkurrenter inom mediabranschen? (*Exempelvis baserat på likhet i erbjudande/tjänst eller baserat på andra faktorer?*)

- Kan du nämna några potentiella eller indirekta konkurrenter? Om ja, brukar [företaget] ta hänsyn till dessa när man utvecklar sitt erbjudande?
- (Följdfrågor för att förstå förhållningssättet till de andra marknadskategorierna)
- Har du några framtidsplaner om den digitala mediabranschen?

## Appendix C: Additional Quotes to Support Empirical Findings

### 4.3.1

*To have the right content, as in books. Having agreements with all important publishers and to have the books that are requested by consumers, that is key.*

- Participant 8 (Audiobooks)

*The development is that we are moving towards a stage where content is the absolute most important driver. I mean, to be a bit cynical, no consumers come to us because the platform is so technically good or because the marketing we do is so pretty, or because our employees are so fantastic. No, they come to us because they want to see a specific content. And everything else that we do around this is in the end only to promote the content we have on our platform.*

- Participant 11 (Films & Series)

*We are a tech-driven company. In fact, we are more of a tech company than a music company.*

- Participant 4 (Music & Podcasts)

*[A crucial resource] is of course that we have a functioning and reliable app. (...) Without it, it would not matter how much we spend on marketing if we could not trust our app. And also if we did not have the content that consumers want to listen to. So those are our pillars.*

- Participant 8 (Audiobooks)

### 4.3.2

*You can listen to music when you go out for a run or in the background when you have dinner or at a party, maybe when you are out for a walk. But you do not sit down on the couch with your partner at 21pm at night and say "let's put on some music and listen instead of watching an episode of House of cards". Maybe it happens but I cannot really see it.*

- Participant 15 (Films & Series)

*We have a presentation with numbers of how you consume our service. There you can see a clear peak in the morning, about 7am-10am. Then, there is a clear peak around 4pm-6pm. And then the greatest peak is around 9pm-10pm, so before bedtime. And this is interesting for us because then we see that we actually can compete with what was before primetime for watching regular TV. And even though regular TV is not that strong anymore, the consumption pattern of wanting to relax at that time is still there. (...) And there it is great to see that audiobooks can compete with other types of services.*

- Participant 9 (Audiobooks)

#### 4.3.3

*I like to think this way. You know, people sleep eight hours per day and they work eight hours per day, which means that they have eight hours per day when they can do whatever they want. And how are they going to spend that time? Of course if they watch [a films and series service] instead of listening to a podcast, that is an indirect competitor. If someone plays video games, it is an indirect competitor. So basically we are all fighting for the same thing, it is attention. We want to grab the attention of those people, during those eight hours per day when you are not working or sleeping. Well, you can listen to music while you are working, so we have an advantage there. But we are all fighting for attention so any company who offers video streaming, music streaming or audiobooks or whatever is somehow our competitor.*

- Participant 4 (Music & Podcasts)

#### 4.4.1

*It follows the classic development. That first early adopters adopt and try streaming services, and then the development follows that curve until you have laggards who adopt, and I guess we are not there quite yet. It is difficult to say how far we have come today but if you see for example the age groups that are growing fastest in streaming right now it is not the age groups who are usually early adopters. So I think that we are in a stage where customers no longer are early adopters and it has become a mainstream product.*

- Participant 11 (Films & Series)

#### 4.4.2

*We see a loyalizing behaviour [to our pre-curated channels]. Even though people today want to be able to choose, it is extremely important to have that background content that can just roll in the background.*

- Participant 12 (Films & Series)