The Socioeconomic Implications of Platformization for Creative and Cultural Industries: Value Extraction, Precarity, and Emerging Governance Models

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ABSTRACT

Platformization has fundamentally restructured creative and cultural industries by inserting digital intermediaries between creators, audiences, and revenue streams. Platforms such as Spotify, YouTube, Instagram, and TikTok now control discovery, distribution, and monetization, reshaping labor relations, value capture, and cultural production logics. This review examines the socioeconomic consequences of these transformations, grounded in platform capitalism theory, cultural economy perspectives, and labor process analysis. Recognition of concentrated platform power has driven transformations from traditional gatekeeper models to algorithmic curation, from stable employment to platform-dependent gig and creator work, and from direct monetization to data extraction and revenue-sharing arrangements. Specific mechanisms—including recommendation algorithms, creator funds, and datafication of audience engagement—illustrate both expanded reach and intensified precarity. Applications in music, audiovisual media, and journalism demonstrate measurable shifts in income distribution, creative autonomy, and industry concentration. Challenges of algorithmic opacity, revenue asymmetry, and weakened collective bargaining persist. Prospects center on regulatory intervention, alternative platform models, and creator-led governance initiatives. The analysis concludes that platformization has not merely supplemented existing structures but has reconfigured the fundamental economics and power relations of cultural production, requiring new frameworks for understanding value, labor, and cultural policy in the platform era.

Keywords: Platformization; Creative Industries; Cultural Economy; Gig Economy; Algorithmic Curation; Creator Precarity; Value Extraction; Digital Labor

1. INTRODUCTION

Digital platforms have become dominant intermediaries in creative and cultural industries, transforming how content is produced, discovered, distributed, and monetized. Music streaming services, video platforms, social media networks, and self-publishing ecosystems now mediate relationships that were previously governed by record labels, studios, publishers, and broadcasters [1]. This platformization has generated new opportunities for creators to reach global audiences directly while simultaneously concentrating economic power in a small number of technology companies that control critical infrastructure of attention and revenue.

Traditional business models in creative industries relied on advances, royalties, licensing, and employment relationships that provided varying degrees of stability and creative control. Platform-mediated models often replace these with performance-based payments, algorithmic visibility, and data extraction that tie creator income to continuous engagement metrics. The result is a reconfigured landscape characterized by both expanded access and intensified precarity.

Grounded in platform capitalism theory, cultural economy perspectives, and labor process analysis, this review analyzes transformation pathways, evaluates applications across sectors, and assesses challenges and prospects for more equitable arrangements. It draws on evidence up to 2023 and maintains critical balance between documented opportunities for creators and the structural asymmetries that platformization has produced.

2. The Theoretical Foundation of Platformization in Creative and Cultural Industries

2.1 The Connotation and Characteristics of Platformization in Creative Sectors

Platformization refers to the process by which digital platforms become central infrastructures for cultural production, distribution, and consumption. Its defining characteristics include algorithmic curation that determines visibility, datafication of creative labor and audience engagement, multi-sided market dynamics that connect creators, audiences, and advertisers, and the extraction of value through control of transaction infrastructure rather than content ownership.

Unlike traditional cultural intermediaries that invested in content development and artist careers, platforms primarily invest in infrastructure and algorithms that optimize engagement and advertising revenue. These characteristics create new forms of dependency in which creators must continuously produce content that performs well within platform metrics while receiving limited direct compensation or long-term security [2].

2.2 The Theoretical Logic of Value Extraction and Labor Reconfiguration

Platform capitalism theory explains how digital intermediaries extract value by controlling the infrastructure through which economic activity occurs, rather than through direct production. Cultural economy perspectives highlight the distinctive characteristics of creative labor, including high uncertainty, project-based work, and the blurring of work and leisure. Labor process theory examines how platforms reorganize creative work through algorithmic management, surveillance, and performance-based compensation.

An original extension proposed here is that platformization operates as a form of "infrastructural rent extraction" in cultural industries, where platforms capture a significant share of value generated by creative labor through control of discovery and monetization channels. This logic reconfigures creative work from relatively autonomous production toward continuous performance within algorithmic systems, increasing precarity while reducing the capacity for collective organization and long-term career development [3].

3. The Transformation Path of Creative Industries under Platformization

3.1 Transition from Traditional Gatekeepers to Platform-Mediated Discovery and Distribution

Traditional creative industries relied on gatekeepers such as record labels, film studios, publishers, and broadcasters that selected, developed, and promoted content. Platforms have displaced much of this gatekeeping function with algorithmic recommendation systems that determine visibility based on engagement metrics. Specific mechanisms include playlist placement, trending algorithms, and personalized feeds that prioritize content likely to maximize user time on platform.

Many creators now reach audiences directly through platforms rather than through traditional intermediaries. This transition expands access for some previously excluded creators while concentrating power in opaque algorithms whose optimization criteria often favor virality and engagement over artistic or cultural value. Critical balance requires recognizing that algorithmic curation is not neutral but encodes specific commercial priorities that shape cultural production [4].

3.2 Transition from Stable Employment to Platform-Dependent Gig and Creator Work

Traditional creative industries included relatively stable employment relationships for some workers, alongside freelance and project-based arrangements. Platformization has accelerated the shift toward gig and creator economies in which individuals operate as independent contractors or micro-entrepreneurs dependent on platform visibility and monetization tools. Specific mechanisms include creator funds, subscription models, and performance-based payments tied to views, likes, or engagement metrics.

The creator economy has grown rapidly before 2023, enabling new forms of income generation but often without the benefits, protections, or bargaining power associated with traditional employment. This transition increases flexibility and autonomy for some while intensifying income volatility and self-exploitation for many. Original insight: platform-dependent creative work represents a distinctive form of precarity in which autonomy is simultaneously expanded and constrained by algorithmic management and continuous performance requirements [5].

3.3 Transition from Direct Monetization to Algorithmic Revenue Sharing and Data Extraction

Traditional models compensated creators through royalties, licensing fees, advances, and salaries. Platform models typically offer revenue sharing based on engagement metrics or advertising revenue generated by content, while simultaneously extracting value through data collection and user attention. Specific mechanisms include ad revenue sharing, virtual gifts and tipping, and subscription splits that often favor platforms.

Many creators experience significant revenue asymmetry in which platforms capture substantial portions of value while creators bear the costs of content production and continuous platform optimization. This transition has contributed to income polarization within creative industries, with a small number of top creators capturing disproportionate rewards while most earn minimal returns. Critical balance acknowledges that platforms have lowered barriers to entry while creating new forms of value extraction that traditional models did not impose [2].

3.4 Transition from National Cultural Policy to Platform Governance and Global Standards

Creative industries were historically shaped by national cultural policies, subsidies, and regulatory frameworks. Platformization has shifted significant governance power to transnational technology companies whose terms of service, algorithms, and monetization policies function as de facto cultural policy. Specific mechanisms include content moderation rules, algorithmic ranking criteria, and monetization eligibility requirements that apply globally.

National governments have struggled to assert regulatory authority over global platforms before 2023, leading to fragmented and often ineffective responses. This transition creates governance gaps in which platforms exercise substantial influence over cultural production and distribution with limited democratic accountability. An original insight is that platform governance constitutes a new form of transnational cultural policy that requires coordinated regulatory responses capable of addressing both economic power and cultural sovereignty [6].

4. Applications of Platformization across Creative Sectors

4.1 Application in Music and Audio Content

Music streaming platforms have transformed recording industry economics. Applications include playlist-driven discovery, data-informed A&R decisions, and revenue models based on streams rather than sales or radio play. Specific mechanisms include algorithmic playlists, creator tools for audience analytics, and revenue-sharing arrangements that often yield low per-stream payments.

Many artists have gained global reach through streaming while experiencing significant income challenges, with only a small percentage earning sustainable livings from platform revenue alone before 2023. These applications demonstrate expanded access alongside structural pressures that favor catalog music and high-volume streaming over new artist development. Critical challenges include the sustainability of the creator middle class and the concentration of platform power in music distribution [7].

4.2 Application in Visual Arts, Film, and Audiovisual Media

Video and social media platforms have disrupted traditional film and television models while creating new creator economies. Applications include short-form video platforms, subscription-based creator channels, and data-driven content commissioning by streaming services. Specific mechanisms include algorithmic promotion of viral content, creator funds based on engagement, and production models optimized for platform metrics rather than traditional narrative structures.

The creator economy in audiovisual content has grown substantially before 2023, enabling new forms of independent production while intensifying competition and precarity. These applications have challenged traditional studio and broadcaster models while raising questions about creative autonomy, intellectual property, and the long-term viability of platform-dependent careers [4].

4.3 Application in Literature, Journalism, and Knowledge Work

Publishing and journalism have been transformed by self-publishing platforms, newsletter services, and social media distribution. Applications include direct-to-reader models, algorithmic recommendation of books and articles, and monetization through subscriptions, tips, and advertising. Specific mechanisms include Amazon’s self-publishing ecosystem, Substack-style newsletter platforms, and social media-driven book marketing.

Many writers have gained direct audience relationships and diversified income streams while experiencing increased competition and platform dependency before 2023. These applications have disrupted traditional publishing gatekeepers while creating new forms of precarity for freelance journalists and midlist authors. Critical balance requires recognizing both the democratizing potential and the economic sustainability challenges of platform-mediated writing [8].

5. Challenges and Prospects of Platformization in Creative Industries

5.1 Current Main Challenges

Revenue asymmetry between platforms and creators remains pronounced, with many earning below sustainable levels despite high engagement. Algorithmic opacity makes it difficult for creators to understand or influence visibility and income. Precarity has intensified as stable employment relationships give way to platform-dependent gig work without traditional protections. Cultural homogenization pressures arise when algorithmic optimization favors globally appealing content over local or niche expressions. Finally, weakened collective bargaining power and fragmented creator communities limit the capacity for coordinated responses to platform power [5, 7].

5.2 Prospects for Future Development Trends

Prospects include regulatory frameworks addressing platform accountability, transparency requirements for algorithms and revenue sharing, and mechanisms for creator representation in platform governance. Growth of alternative and cooperative platform models may provide more equitable options in specific sectors. Creator organizing and collective action have increased, potentially improving bargaining power. Advances in Web3 and decentralized technologies offer potential alternatives to centralized platform control, though their practical impact remains uncertain. Integration of cultural policy with digital regulation may create more coherent governance approaches.

An original forward-looking insight is the potential emergence of "creator-centered platform ecosystems" in which governance mechanisms distribute value more equitably, provide greater creative autonomy, and support long-term career sustainability rather than optimizing exclusively for short-term engagement metrics.

6. Conclusion

Platformization has fundamentally reconfigured creative and cultural industries by inserting powerful digital intermediaries that control discovery, distribution, and monetization. The transition from traditional gatekeepers to algorithmic curation, from stable employment to platform-dependent work, and from direct monetization to data extraction and revenue sharing has created new opportunities alongside intensified precarity and value asymmetry. Applications across music, audiovisual media, and writing demonstrate both expanded reach for some creators and structural challenges that threaten the sustainability of diverse cultural production.

Significant challenges remain in addressing revenue distribution, algorithmic accountability, and collective bargaining capacity. Sustainable futures require governance innovations that recognize creative labor as distinctive, redistribute value more equitably, and preserve space for cultural expressions that may not optimize for platform metrics. When platform power is balanced by effective regulation, creator organizing, and alternative infrastructures, the connective potential of digital platforms can support rather than undermine the vitality and diversity of creative and cultural industries.

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