

Indie Agility or Major Might: Evaluating the Internationalisation Strategies of Canadian Recording Artists in the Early 2020s

Research Article

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Abstract: Recording artists from smaller markets often face a strategic choice: signing with a domestic independent label or the local branch of a major multinational label (Universal, Sony or Warner). The dominant narrative suggests that major labels provide the best pathway to international success, but this study challenges that assumption by providing the first systematic, quantitative comparison of major-label and independent pathways in the Canadian recorded music industry. Using music consumption and audience data from Chartmetric and other public sources, the study applies the Mann–Whitney *U* test and a point-biserial correlation coefficient to evaluate the effectiveness of these models. The findings reveal that while major labels provide early advantages in social media growth, this influence diminishes as artists progress in their careers. Independent labels achieve a comparable rate of international success, suggesting that major-label affiliation does not guarantee superior outcomes. These findings challenge assumptions about major-label dominance in global markets and suggest that independent labels remain viable internationalisation pathways, even in a platform-driven industry.

Keywords: *music export • music consumption • internationalisation strategies • audience development • multinational enterprise • born global*

1. Introduction

For artists in smaller-market territories, where domestic sales alone are often insufficient to sustain a viable career, access to international markets is often a necessity rather than a strategic choice. Morrow (2008) describes the challenge of artists from smaller anglophone markets breaking into larger music markets—such as the United States and Europe—as ‘going against the flow’. Within the multinational label system, music flows primarily from the parent companies, headquartered in the U.S. and U.K., to their subsidiaries in smaller markets, with few releases moving in the opposite direction (Fauteux et al. 2022; Tofalvy & Koltai 2021). As a result, signing directly to a major label at the parent-company level in the U.S. or U.K. offers the most direct pathway to internationalisation, but this route often requires prior domestic success and, in many cases, relocation (Morrow 2008).

For artists pursuing alternative routes, two primary pathways exist. One is signing with a local-market major-label subsidiary, which operates within a multinational corporate network and relies on inter-company agreements for international expansion. The other is signing with a local independent label, which functions autonomously and can license recordings to foreign partners or distribute them directly in international markets. While both pathways provide international market access, they reflect distinct business logics: one governed by corporate integration, the other by external market relationships.

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While prior research has examined the structural roles of major-label subsidiaries and independent labels in artist development (Morrow 2008; Sutherland 2015; Tofalvy & Koltai 2021), there has been no empirical study that directly compares their effectiveness in artist internationalisation. The existing literature has largely focused on descriptive accounts, case studies or policy discussions of independent music export, but no research has systematically tested whether major-label subsidiaries provide a consistent and measurable advantage over independent pathways.

This study fills that gap by using Chartmetric audience data and statistical testing to provide the first systematic, quantitative analysis of these pathways in international audience development. By applying the Mann–Whitney *U* test and point-biserial correlation coefficients, this research identifies whether major-label subsidiaries systematically outperform independent labels—or whether independent labels, despite their smaller scale and lower capital reserves, can achieve comparable global reach.

The findings contribute to ongoing debates about the impact of multinational corporate structures on artist internationalisation and challenge the assumption that major-label subsidiaries provide an inherent advantage. The results have broader implications for industry professionals, policymakers and artists evaluating the trade-offs between corporate affiliation and independent strategies in an evolving global music economy.

Major-label subsidiaries function as extensions of multinational corporate networks, where international expansion follows the strategic priorities of the parent corporation—often favouring local revenue maximisation over the promotion of non-local, non-superstar artists. Although these subsidiaries respond to market demand, their ability to act on international opportunities is shaped by internal coordination challenges and financial incentives within the corporate structure. Foreign-market subsidiaries, shaped by revenue targets, internal licensing structures and profit-sharing dynamics, may be more inclined to prioritise local or established global acts over emerging non-local artists. As a result, internationalisation in major-label structures is shaped more by corporate strategy and financial incentives than by pure market demand.

Independent labels, by contrast, operate as completely self-directed firms, internationalising through territory-specific marketing efforts without the corporate constraints of major-label subsidiaries. Without access to the internal capital and promotional infrastructure of major labels, they must take on greater financial risk, but their flexibility allows them to act more quickly on international opportunities. Rather than waiting for approval within a corporate hierarchy, independent labels can invest directly in territories where demand for their artists is strongest. This decentralised approach has historically enabled independent labels to secure international releases efficiently, relying on alternative distribution networks and market-driven licensing strategies (Hesmondhalgh & Meier 2014; Tschmuck 2003).

Major-label subsidiaries are often assumed to provide the best pathway to global success due to their extensive promotional resources and global infrastructure. However, this assumption has been largely presumed rather than systematically tested. While major labels should, in theory, offer structural advantages for artist internationalisation, corporate coordination challenges may create inefficiencies that limit their effectiveness. Similarly, while independent labels are often regarded as more flexible in international licensing, their actual impact on global audience development remains underexplored. This study directly tests these assumptions through empirical analysis, offering the first quantitative comparison of major-label and independent pathways in the Canadian music industry.

Although some artists choose to navigate international markets entirely independently—without the support of a label—this approach typically requires significant personal investment in recording, marketing and global promotion, making scalability more difficult. While direct-to-fan platforms have expanded options for independent artists, record labels remain the primary vehicle for financial investment in artist development. This study empirically examines the structural advantages and limitations of label-affiliated pathways to internationalisation, testing whether major-label subsidiaries provide a superior route for artist internationalisation or whether independent labels—historically more flexible in licensing arrangements—offer comparable global reach.

A key factor shaping these pathways is the internal market for licensing created by major-label structures. Unlike most multinational enterprises (MNEs), where profits primarily flow upward from subsidiaries to the parent company, major labels operate under a different system when a subsidiary controls an artist's copyright. Because the signing subsidiary retains the copyright, foreign subsidiaries must pay a significant internal royalty to exploit an artist's recordings in their markets. While this system ensures that the signing subsidiary is compensated for its investment, it also creates financial disincentives for other subsidiaries to prioritise international releases from sister subsidiaries.

Moreover, artists have no direct power to secure international releases within this system—that decision is entirely up to the foreign-market subsidiaries, which may have little incentive to prioritise an artist they have no existing relationship with. Within major-label MNEs, subsidiaries have the first right to release repertoire signed elsewhere in the corporate system. For example, if Warner Music Canada signs an artist, Warner Music Italy has the right to decide whether to release that artist's music in Italy. If Warner Music Italy declines, the artist might be able to seek an independent licensing deal in Italy—but only if their contract allows it. Even then, this process is not automatic; it requires formal corporate approval, introducing delays and uncertainties. In many cases, foreign subsidiaries simply decline to participate, but still effectively block alternative licensing opportunities, preventing an artist's music from reaching that market through any means.

By contrast, independent labels do not operate under this corporate constraint and have historically had greater flexibility in licensing their recordings internationally. Without the internal corporate hierarchy dictating release priorities, independent labels can negotiate territory-specific licensing agreements more efficiently, ensuring that their artists' music reaches the most receptive international markets.

This distinction aligns with broader theories in international business. Major labels function as MNEs, expanding through centralised ownership, internal licensing agreements and corporate decision-making hierarchies (Mudambi et al. 2014; Stendahl et al. 2020). Independent labels, in contrast, resemble born global (BG) firms, which internationalise early by leveraging flexible business strategies, international networks and digital distribution (Chen et al. 2021; Knight & Cavusgil 2004). While MNEs traditionally benefit from economies of scale, they also suffer from internal market frictions, where subsidiaries compete rather than cooperate in promoting non-local repertoire (Birkinshaw & Hood 1998; Mudambi 1999). Independent labels, operating as BGs, avoid these constraints by working directly with international partners, allowing them to act quickly in export markets despite their smaller size and limited capital.

Canada provides a strong case for analysing these pathways, as it represents a small-market music industry where internationalisation is a key factor in artist success. While this study focuses on Canada, the findings have broader implications for other export-dependent music industries, such as Australia, Sweden and New Zealand. This research examines whether major-label subsidiaries facilitate artist internationalisation more effectively than independent labels, or whether independent labels—historically more flexible in licensing arrangements—have provided a more effective route to global markets. By testing these competing assumptions, this study provides empirical insight into how different label structures shape international career trajectories in the digital era.

Sutherland (2015) highlights how Canadian independent labels historically pursued international markets through licensing agreements with foreign companies. These deals enabled Canadian labels to expand internationally by negotiating partnerships based on market opportunities rather than corporate hierarchies. However, he argues that this pattern has shifted, claiming that Canadian independents have become weaker exporters and now resemble major-label subsidiaries by primarily importing foreign repertoire rather than exporting Canadian artists. He bases this conclusion on financial data from the Canadian Independent Music Association's *Sound Analysis* report (CIMA 2013), which found that 73% of reported revenue for Canadian music companies came from domestic sources.

This interpretation is misleading. The *Sound Analysis* revenue figures represent the broader independent music sector, including managers, publishers and concert promoters—areas where revenue is primarily domestic. Record label earnings account for only 25% of total reported revenue, with no distinction between domestic and foreign income. The report notes that 'physical sales still account for almost half of all sound recording revenue', indicating that master licensing was a key channel for music exports at the time. Because independent labels typically receive only 15%–20% of wholesale revenue from international licensing, while retaining 100% of domestic sales revenue, their earnings from this type of export activity will always appear disproportionately smaller in financial reports. Rather than signalling a decline in exports, the *Sound Analysis* data reflects how revenue is structured in licensing arrangements, where labels earn a smaller share from international markets relative to their direct domestic sales.

Furthermore, the *Sound Analysis* data reflects financial figures from 2011—3 years before Spotify launched in Canada—when territorial licensing was still the dominant model for international distribution. At the time, streaming was gaining traction in early-adopting markets like Sweden but had yet to overtake physical and download sales as the primary revenue source in most regions. Sutherland's claim that Canadian independents had lost their export capacity is therefore based on a narrow interpretation of financial data rather than evidence of a fundamental shift in internationalisation strategies. His argument overlooks the structural realities of the pre-streaming era, when territorial licensing shaped revenue reporting in ways that obscured ongoing international activity.

Since then, the shift to global streaming platforms has largely eliminated territorial licensing as a logistical constraint, replacing it with a system of simultaneous worldwide releases. However, while streaming has changed the mechanics of distribution, it has not necessarily changed the underlying power dynamics that shape international success. This raises a key question: how has the transition to a streaming-dominated industry affected the balance between major-label and independent internationalisation strategies?

Many observers continue to distinguish between “digital” and “non-digital” pathways to artist internationalisation, treating streaming, algorithmic reach and platform engagement as distinct from traditional industry mechanisms such as physical distribution, radio promotion, territorial licensing deals and international touring. However, this distinction no longer reflects industry reality. Digital infrastructure now underpins every stage of an artist’s international expansion, shaping everything from concert ticketing and retail availability to media exposure and fan engagement. Rather than existing as separate models, digital and traditional strategies are now fully integrated, with digital platforms enhancing and extending longstanding industry practices.

Kelly (2024) observes that digital marketplaces have largely replaced traditional retail networks, meaning that even physical music products are now primarily sold through digital channels. Van Dijck et al. (2019) similarly challenge the idea that digital and physical strategies exist separately, emphasising that all industry participants must now navigate the same platform-driven market structures regardless of whether they engage in streaming, physical sales or live performance. Wikström (2020) describes the ‘audience-media engine’, illustrating how media presence, audience reach and audience action interact in a reinforcing feedback loop. This underscores how long-term artist success depends not just on digital virality but also on sustained industry intervention. Treating digital visibility as a wholly separate or independent form of internationalisation overlooks how traditional industry structures—including major-label influence, touring circuits and licensing agreements—continue to shape which artists achieve lasting global success. As Lobato (2016) warns, the perception that digital virality democratises access to global markets ignores how traditional industry power structures remain embedded in digital platforms. Major labels, corporate intermediaries and algorithmic curation continue to dictate which artists receive sustained visibility, ensuring that the pathways to international success remain highly mediated rather than purely meritocratic.

In the Canadian context, the idea that viral media has fundamentally changed artist internationalisation is often reinforced by examples like Justin Bieber and bbno\$—both frequently cited as proof that digital platforms allow artists to bypass traditional industry structures. However, their careers demonstrate the opposite. Bieber’s early success on YouTube did not directly lead to internationalisation; after gaining attention online, he and his mother relocated to the U.S., where he was passed over by multiple major labels before securing a deal with a Universal Music label (Halperin 2010). His breakthrough ultimately depended on major-label infrastructure, not viral discovery alone. Similarly, while bbno\$ has remained independent, his success has been anything but organic. His career has been driven by an extensive team, which has strategically amplified his visibility by managing nearly 60 self-operated fan pages posting daily to maximise algorithmic traction (Leight 2024). These examples underscore that digital platforms have not eliminated industry intervention but rather reshaped its role. Regardless of label affiliation, sustained strategic efforts remain crucial for achieving international success.

Historically, independent labels have been regarded as more flexible and effective at internationalising artists than major-label subsidiaries, largely because they were not constrained by corporate licensing hierarchies. Without the structural barriers that often limit cross-border releases within major-label MNEs, independents have been able to negotiate international licensing deals more efficiently. However, in the platform-driven era, where global distribution is immediate and territorial licensing is no longer a necessity, does this historical advantage still hold? Or have major-label subsidiaries, despite their internal market frictions, adapted to the new landscape in ways that strengthen their role in artist internationalisation?

This study directly tests the assumption that major-label subsidiaries provide a superior pathway to internationalisation. Using Chartmetric audience data and statistical analysis, it evaluates whether the structural advantages of multinational label networks translate into lasting global success—or whether independent labels achieve comparable outcomes through alternative strategies. The findings directly inform industry and policy discussions on artist mobility, label strategy and the role of multinational corporate structures in global music markets. By challenging the assumption that major-label resources consistently translate into internationalisation advantages, this study provides empirical evidence that independent strategies may remain highly effective—even in the era of platform-driven distribution.

2. Literature Review

The choice between a local major-label subsidiary ('local major labels') and a local independent label can be understood through distinct theoretical frameworks on internationalisation. The major-label system can be understood through the lens of MNE theory, which explains how firms with hierarchical structures and centralised decision-making expand gradually into international markets—characteristics that define major-label subsidiaries. By contrast, independent labels can be analysed through the BG framework, which describes firms that use digital tools and decentralised networks to enter foreign markets quickly and with greater flexibility. These models illustrate how label structures shape artist internationalisation.

2.1. Evolution of Major Labels as Multinational Enterprises

The three major record labels—Universal Music Group, Sony Music Entertainment and Warner Music Group—operate as MNEs, structuring their global business through subsidiary networks. While subsidiaries adapt corporate strategies to regional markets, they also compete for resources and autonomy within the larger corporate structure, which can create barriers to artist internationalisation.

Vernon (1966, 1979) describes how firms expand internationally in stages, initially serving foreign demand through exports before shifting to foreign direct investment and subsidiary ownership to exert greater control over market operations. This progression reflects the Uppsala model (Johanson & Vahlne 1977), which explains how firms enter familiar markets first, leveraging existing relationships and market knowledge before expanding into less predictable territories. In the recorded music industry, this model explains how major labels transitioned from licensing deals—where independent distributors handled local releases—to directly overseeing market entry through subsidiary ownership.

This pattern of expansion is evident in the history of major record labels. Compo, founded in 1918, distributed Warner Bros. and Decca Records in Canada before being acquired by Decca in 1951 and later restructured as MCA Records Canada in 1970. Warner Bros. followed a similar path, licensing its catalogue to Compo until establishing Warner Music Canada in 1966. These steps illustrate how major labels moved from licensing agreements to direct market control through subsidiaries, following a broader multinational corporate expansion strategy.

During the 1990s and 2000s, industry consolidation resulted in Universal Music, Sony Music and Warner Music becoming the dominant global players, each establishing wholly owned subsidiaries in key markets. Dunning (1977, 1981); Dunning and Lundan (2008) explain this process through the eclectic paradigm, which identifies three factors that give MNEs a competitive advantage:

- Ownership advantages, such as extensive artist rosters and copyright control;
- Location advantages, such as regional subsidiaries with local industry relationships;
- Internalisation advantages, which allow firms to retain control over proprietary assets rather than licensing them externally.

Dunning's work suggests that MNEs expand internationally not only for profit but also to consolidate strategic assets, reduce transaction costs and maintain centralised control over creative properties.

2.2. Subsidiary Roles and Constraints

Early theories of MNEs depicted subsidiaries as passive extensions of the parent company, tasked primarily with adapting products to local markets (Vernon 1966). However, more recent scholarship views subsidiaries as active players with distinct capabilities, often influencing strategy beyond their local markets (Birkinshaw 1997). In their historical research of EMI Music Canada, Fauteux et al. (2022) demonstrate that major-label subsidiaries operate in three overlapping markets:

1. Local markets, where they develop and promote domestic repertoire;
2. Internal corporate networks, where they negotiate releases with sister companies;
3. Global markets, where they compete with both independent labels and other MNEs.

Although subsidiaries can advocate for local artists within the corporate network, they face structural limitations that can make international expansion difficult. When a subsidiary signs an artist, foreign-market subsidiaries must decide whether to release and promote that artist within their territory. If they decline, the artist may be unable to seek independent licensing due to corporate restrictions.

This internal structure discourages subsidiaries from prioritising non-local artists, even when an artist has international potential. Page and Dalla Riva (2023) observe that despite global music availability through streaming platforms, most consumption remains tied to locally marketed content. Since major-label subsidiaries allocate marketing budgets based on domestic priorities, they may have little incentive to invest in international promotion unless directed by the parent company.

2.3. Internal Frictions and Corporate Decision-Making

Beyond external competition, MNE subsidiaries navigate internal power struggles that shape their strategic priorities. Mudambi et al. (2014) highlight how subsidiaries often compete for legitimacy within the corporate network, sometimes resisting directives from headquarters (Balogun et al. 2017). This corporate dynamic can result in a lack of coordination between subsidiaries, reducing the likelihood that an artist signed in one country will receive support in another.

Subsidiary managers may also resist collaboration with sister companies due to internal market competition (Foss et al. 2012). While all subsidiaries share the same corporate ownership, their business incentives remain localised, which can create tensions when determining how to allocate resources for international releases. This reluctance to promote non-local artists is particularly evident when subsidiaries prioritise developing their own domestic rosters over supporting artists signed elsewhere in the corporate network.

Although major labels benefit from global infrastructure and marketing resources, these internal constraints can limit the effectiveness of their internationalisation strategies. Unlike independent labels—that can freely negotiate licensing deals across borders—subsidiaries remain bound by corporate frameworks that prioritise internal market structures over external licensing flexibility.

2.4. Independent Labels as ‘Born Global’

BG firms are businesses that internationalise rapidly rather than following the traditional pattern of gradual expansion (Knight & Cavusgil 2004). These firms leverage digital tools, global networks and decentralised strategies to enter foreign markets early, rather than relying on domestic consolidation first (Rialp et al. 2005). Independent record labels exhibit many of these characteristics, operating in open markets and selecting international partners on a case-by-case basis rather than being confined to a corporate parent system (Chen et al. 2021).

While BG theory has been widely applied to high-tech and manufacturing firms, its relevance to the music industry lies in the way independent labels navigate internationalisation. Unlike major-label subsidiaries, which rely on internal licensing agreements and centralised decision-making hierarchies, independent labels operate with greater autonomy, forming international licensing and distribution agreements based on market demand rather than corporate strategy. However, music exports differ from traditional BG industries in key ways. Whereas most BG firms deal in standardised products that can scale globally without modification, the music industry is demand-driven, requiring audience engagement, regional promotion and cultural adaptation (Chen et al. 2021). This distinction means that while independent labels share many characteristics with BG firms, they must also navigate unique internationalisation challenges tied to artist branding, symbolic goods and audience development.

The cultural industries literature further supports this distinction. The international success of recorded music is not solely dependent on distribution access but also on audience reception, media exposure and the industry structures that shape artist visibility (Kelly 2024; Wikström 2020). This demand-driven model underscores why international networking is central to independent labels’ global strategies. As Chen et al. (2021) observe, independent labels frequently rely on international networking events—such as Reeperbahn Festival, The Great Escape and A2IM’s Indie Week—to establish partnerships, exchange knowledge and develop export strategies. These gatherings facilitate industry relationships that are often more critical than formal distribution networks, as personal connections remain a driving force in the independent sector.

3. Hypothesis Development

A detailed analysis reveals key differences in the internationalisation strategies of major-label subsidiaries and independent labels. MNE theory suggests that subsidiaries operate within internal corporate hierarchies that prioritise downward flows of repertoire from headquarters to subsidiaries rather than facilitating cross-border promotion of locally signed artists (Birkinshaw & Hood 1998; Tofalvy & Koltai 2021). While major-label subsidiaries are theoretically positioned to leverage global promotion resources, their ability to do so depends on inter-subsidiary negotiations and corporate priorities that often favour parent-company repertoire over locally signed artists (Andersson et al. 2007; Mudambi 1999). Although streaming platforms have enabled immediate global availability of music, marketing and audience development remain territory-driven, requiring direct investment in local advertising, media buying, radio promotion and market-specific publicity.

Independent labels take a different approach, forming market-specific relationships with international partners to secure promotional support. Their business practices can be understood through the lens of BG theory, which describes how smaller firms engage in early internationalisation by leveraging industry networks rather than hierarchical corporate structures (Chen et al. 2021; Knight & Cavusgil 2004). Unlike major-label subsidiaries, which must work within the internal decision-making structures of their parent company, independent labels can negotiate partnerships on a case-by-case basis. This flexibility allows them to develop international strategies tailored to specific markets rather than being bound to corporate licensing frameworks, though the extent of their international success remains an empirical question.

MNE theory also suggests that subsidiaries operate within internalised corporate markets, where decision-making authority over global releases is often concentrated at the parent-company level (Birkinshaw 1997; Mudambi et al. 2014). This structure prioritises outward flows of repertoire from headquarters to subsidiaries, limiting the ability of subsidiaries to promote non-local signings internationally (Tofalvy & Koltai 2021). Independent labels, by contrast, operate without these internal constraints, allowing them to establish direct partnerships in export markets. These theoretical distinctions suggest that independent labels may hold advantages in export flexibility, while major-label subsidiaries may be constrained by internal corporate structures. To empirically assess these differences, this study tests the following hypotheses:

H1: *There is an anticipated positive correlation between being affiliated with a Canadian major label and exhibiting statistically significant higher consumption metrics within Canada.*

H2: *There is an expected positive correlation between being affiliated with a Canadian independent label and demonstrating statistically significant higher consumption metrics outside of Canada.*

The autonomy of independent record labels in the market allows them to recruit marketing and promotional staff globally, facilitating direct entry into foreign markets. Given that Canada constitutes less than 3% of the global market, it is reasonable to speculate that most potential music fans are situated outside the country. Beyond audience reach, the effectiveness of different internationalisation pathways can be assessed through two complementary measures: the ability to convert casual listeners into committed followers (H3) and the capacity to build large-scale international audiences (H4).

H3: *There is an expected positive correlation between being affiliated with Canadian independent record labels and experiencing a statistically significant greater conversion ratio of Spotify Monthly listeners into followers compared with those affiliated with Canadian major labels.*

H4: *There is an expected positive correlation between being associated with Canadian independent record labels and amassing a statistically significant absolute number of followers across all global platforms compared to those affiliated with Canadian major labels.*

H3 and H4 test whether independent labels' operational flexibility translates into superior audience engagement (conversion effectiveness) and broader international reach (cumulative audience scale), providing insights into different dimensions of internationalisation success.

4. Data Collection

4.1. Identifying Labels and Artists

This study examines the role of Canadian-owned and multinational record labels in the internationalisation of artists. Rather than focusing on the nationality of the artists themselves, the study evaluates whether internationalisation is facilitated by either a Canadian-owned independent label or a Canadian subsidiary of a multinational label (Sony, Universal or Warner). To construct the dataset, we identified record labels based on membership in national and regional trade associations that coordinate nearly all organised export initiatives for Canadian music companies. These include the following:

- Canadian Independent Music Association (CIMA), which represents English-language independent labels;
- Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), which represents French-language independent labels;
- Provincial music industry associations (MIAs), which represent regional and emerging independent labels.

These organisations serve as the primary networks through which internationally active Canadian labels operate. While it is theoretically possible for some firms to pursue internationalisation independently of these structures, research indicates that the independent music sector is primarily organised around formal export initiatives (Chen et al. 2021). As a result, labels affiliated with these organisations are expected to represent the majority of companies actively engaged in international market development.

After identifying the record labels, we conducted a roster review using official websites, press releases and social media accounts. Artist eligibility was verified by examining Spotify and Bandcamp profiles to confirm that each artist had released new, original music between 1 January 2022 and 1 October 2023. This timeframe aligns with industry definitions of 'frontline music', which typically refers to new releases within an 18- to 24-month window (IFPI 2024). This approach ensures that the dataset captures actively marketed artists rather than catalogue acts whose international reach may be influenced by earlier releases.

4.2. Sample Selection and Composition

A total of $n = 542$ artists met the inclusion criteria, with $n = 501$ signed to Canadian-owned independent labels and $n = 41$ affiliated with the Canadian subsidiaries of Sony, Universal or Warner. The number of major-label artists ($n = 41$) reflects the complete population of releases by Canadian artists signed to major labels during the study period. This distribution mirrors the underlying structure of the Canadian industry, where independent labels account for the vast majority of new releases by domestic artists, and enables direct comparison of the two primary internationalisation pathways available to Canadian artists.

Although this sample accurately reflects industry reality, the small size of the major-label group creates some analytical limitations. Statistical power is reduced for detecting smaller effect sizes, and confidence intervals for major-label estimates are correspondingly wider. These limitations become more pronounced in subgroup analyses by career stage; for example, only a single major-label artist falls into the 'superstar' category. While such imbalances limit the generalisability of findings for specific label-career stage combinations, they are intrinsic to the market rather than a product of sampling bias.

4.3. Exclusion of Self-Released Artists

This study focuses specifically on label-affiliated pathways to internationalisation and does not include self-released artists. While independent artists may achieve global success through direct-to-fan distribution, social media virality, or alternative digital strategies, the objective of this study is to analyse the role of record labels in facilitating international market expansion. Focusing exclusively on label-affiliated artists allows this study to directly assess the role record labels play in international market expansion.

4.4. Digital Performance Metrics and Data Collection

To assess artist internationalisation, digital performance data was collected from Chartmetric, a widely used music industry analytics platform. The recorded metrics included Canadian Monthly Listeners (Spotify), Global Monthly Listeners (Spotify), Social Media Followers (Instagram, YouTube and TikTok) and Global Reach, defined as the

number of countries where an artist has listeners. We also include the Listener–Follower Ratio (monthly listeners ÷ followers), which we treat as a proxy for conversion, meaning how effectively casual listeners are converted into committed followers. Because Chartmetric does not provide a time-based conversion metric, this static snapshot ratio is used throughout the analysis under this definition and should not be interpreted as a time-based conversion ratio.

All data were collected in October 2023, offering a snapshot of artist performance at a fixed point in time. While digital streaming and social media metrics fluctuate, this approach allows for direct comparisons across all sampled artists. Consistent with standard industry analysis methods, it provides a useful benchmark for assessing international audience reach.

5. Data Analysis and Discussion

5.1. Characteristics of the Current Canadian Music Business

Our descriptive analysis of the dataset revealed two key insights about the current Canadian music industry landscape: the distribution of new releases by label type and the career stages of artists. The Chartmetric Artist Score, a daily popularity index condensing over 50 metrics from 16 social and streaming platforms into a single value, was used to categorise artists into established career stages: Developing, Mid-Level, Mainstream and Superstar (Yang 2022). Chartmetric’s Artist Career Stage classification takes a long-term view, calculated using the median of an artist’s Chartmetric Artist Score over the past 360 days. Career stage is a categorical variable that categorises artists based on their position in their professional trajectory. Table 1 provides detailed definitions for each career stage category.

Canadian-owned music companies hold a dominant share of new releases, representing 92% of actively releasing Canadian artists. By contrast, only 8% of Canadian artists with new releases are signed to a Canadian local major label. Moreover, the data indicate that all artists in the sample fall under established career stages. Notably, the majority are categorised as Developing, while only three artists achieved Superstar status. This highlights the competitive nature of reaching the top tier in the contemporary music industry and the saturation within the Developing artist category (Table 2).

These descriptive statistics provide the foundation for testing our hypotheses regarding label affiliation and digital performance metrics. H1 predicts that major-label affiliation will correlate with higher domestic consumption, while H2 anticipates that independent labels will demonstrate superior international performance.

Table 3 shows that for Canadian-owned labels, the mean number of Canadian listeners is 19,179, with a median of 2,200, while the mean number of global listeners is 224,674, with a median of 7,900. By contrast, Table 4 reveals that artists affiliated with foreign-owned labels have a mean of 109,118 Canadian listeners (median 38,684) and

Career stage	Definition
Superstar	Top 1.2 k artists having releases <30 years ago
Mainstream	Top 2 k–8 k artists
Mid-level	Top 8 k–30 k artists
Developing	All other artists

Table 1. Chartmetric career stage

Career stage	Canadian-owned independent (%)	Canadian major labels (%)	Total (%)
Developing	434 (86.6)	19 (46.3)	453 (83.6)
Mid-level	49 (9.8)	12 (29.3)	61 (11.3)
Mainstream	16 (3.2)	9 (22.0)	25 (4.6)
Superstar	2 (0.4)	1 (2.4)	3 (0.6)
Total	501 (100)	41 (100)	542 (100)

Table 2. Distribution of artists by label type and career stage

Career stage	n	Canadian listeners	Global listeners	LF ratio	Social followers	Global reach
		Total mean (median)	Total mean (median)	Mean (median)	Total mean (median)	Mean (median)
Developing	434	2,784,676 6,416 (1,362)	13,816,272 31,835 (4,738)	0.65 (0.38)	9,897,902 22,806 (6,350)	4 (2)
Mid-level	49	2,379,905 48,569 (29,826)	21,728,874 443,446 (469,708)	0.29 (0.23)	17,075,700 348,484 (147,700)	15 (14)
Mainstream	16	3,198,280 199,892 (151,593)	38,294,869 2,393,429 (1,601,646)	0.28 (0.16)	26,843,300 1,677,706 (890,050)	15 (16)
Superstar	2	1,245,952 622,976 (622,976)	38,721,736 19,360,868 (19,360,868)	0.29 (0.29)	24,600,000 12,300,000 (12,300,000)	20 (20)
All artists	501	9,608,813 19,179 (2,200)	112,561,751 224,674 (7,900)	1.25 (0.19)	78,416,902 156,521 (8,700)	5.5 (2)

Table 3. Canadian-owned labels descriptive statistics by career stage ($n = 501$)

Career stage	n	Canadian listeners	Global listeners	LF ratio	Social followers	Global reach
		Total mean (median)	Total mean (median)	Mean (median)	Total mean (median)	Mean (median)
Developing	19	474,604 24,979 (12,548)	1,041,751 54,829 (37,019)	0.21 (0.14)	1,690,300 88,963 (32,700)	7 (6)
Mid-level	12	1,026,047 85,504 (70,744)	3,765,533 313,794 (169,037)	0.33 (0.28)	5,992,600 499,383 (302,950)	10 (8)
Mainstream	9	2,212,381 245,820 (209,020)	22,066,406 2,451,823 (1,619,480)	0.23 (0.12)	45,992,000 5,110,222 (749,100)	14 (15)
Superstar	1	760,800 760,800 (760,800)	10,720,407 10,720,407 (10,720,407)	0.06 (0.06)	2,200,000 2,200,000 (2,200,000)	20 (20)
All artists	41	4,473,832 109,118 (38,684)	37,594,097 916,929 (136,900)	1.43 (0.27)	55,874,900 1,362,802 (185,100)	9.75 (8)

Table 4. Foreign-owned descriptive statistics ($n = 41$)

a mean of 916,929 global listeners (median 136,900). This suggests that, on average, artists signed to foreign-owned companies achieve greater digital success and global reach. These initial observations appear to support H1, suggesting that major-label artists achieve higher domestic listenership. However, they challenge H2, as major-label artists also show higher global metrics in these raw comparisons.

These findings raise intriguing questions for further investigation. We will explore whether these observed differences are statistically significant through hypothesis testing, examining to what extent label affiliation affects digital performance metrics and to what extent these patterns relate to our theoretical predictions about internationalisation strategies.

5.2. Investigating the Differences in Digital Performance

Our descriptive statistics suggested that artists affiliated with foreign-owned companies outperform their Canadian-owned counterparts in terms of median digital performance metrics (Canadian and Global Monthly Listeners, Social Media Followers, Global Reach). However, descriptive statistics alone cannot confirm if these differences are statistically significant or simply due to chance.

5.3. Hypothesis Testing: Mann–Whitney *U* Test

To address the differences in digital performance metrics between artists affiliated with Canadian-owned and local major labels, we employed the Mann–Whitney *U* test, a non-parametric test suitable for comparing medians of two independent groups when the data are continuous but not necessarily normally distributed (Field et al. 2012: 655–656). The Mann–Whitney *U* test is a robust alternative to the independent samples *t*-test, as it does not assume a specific distribution and can handle ordinal variables with no specific distribution (Mann & Whitney 1947). By using this method, we aim to determine whether there are statistically significant differences in digital performance metrics between the two groups, providing insights into the impact of record label ownership on artist performance (Table 5).

The Mann–Whitney *U* test results confirm our initial observations. We found statistically significant differences in median Global Listeners, Canadian Listeners, Social Media Followers and Global Reach between the two artist groups ($p < 0.05$). Notably, the Listener-to-Follower Ratio (LF Ratio) did not show a significant difference ($p > 0.05$). The *p*-values indicate the probability that the observed differences occurred by chance. A *p*-value less than 0.05 suggests strong evidence against the null hypothesis, implying that the differences in digital performance metrics are statistically significant and not due to random variation. This suggests that while foreign-owned companies might be better at driving overall listener numbers, the artist-to-fan conversion ratio might be similar across both ownership types.

These findings raise further questions about the nature of the relationship between music business affiliation and digital performance. To explore this, we will conduct correlation analysis to determine the strength and direction of the association between these variables. This will help us understand if there is a positive or negative correlation between artist affiliation and specific digital performance metrics.

5.4. Investigating the Impact of Record Label Affiliation on Digital Performance in the Canadian Music Industry

To explore the nature of the association between record label affiliation and specific digital performance metrics, we employed the point-biserial correlation coefficient in the R programming language. This statistical test is specifically designed to analyse the relationship between a dichotomous variable (record label affiliation) and continuous variables (digital performance metrics), making it well-suited for our study (Field et al. 2012: 229–230; Tate 1954). While multivariate regression with interaction terms could examine label effects while controlling for career stage,

Variable	W	<i>p</i> -value	Explanation
Global listeners	4,556	3.089e–09	Statistically significant difference ($p < 0.05$)
Canadian listeners	3,080	8.799e–14	Statistically significant difference ($p < 0.05$)
LF ratio	9,256	0.2929	No statistically significant difference ($p > 0.05$)
Social media followers	3,262.5	3.634e–13	Statistically significant difference ($p < 0.05$)
Global reach	5,833	3.328e–06	Statistically significant difference ($p < 0.05$)

Table 5. Mann–Whitney *U* test

Digital performance metric	Correlation coefficient	<i>p</i> -value	Explanation
Canadian listeners	−0.290	$p < 0.001$	Weak negative correlation. Independent labels tend to have fewer Canadian listeners while major labels tend to have more. The correlation is weak, suggesting other factors likely play a bigger role.
Global listeners	−0.127	$p = 0.003$	Weak negative correlation. Independent labels tend to have fewer global listeners while major labels tend to have more. The correlation is weak, suggesting other factors likely play a bigger role.
Listener-follower ratio	−0.125	$p = 0.772$	No statistically significant correlation. Label affiliation doesn't significantly influence how well artists convert listeners into social media followers.
Social media audience	−0.216	$p < 0.001$	Weak negative correlation. Independent labels tend to have smaller social media audiences while major labels tend to have larger audiences. The correlation is weak.
Global reach	−0.155	$p < 0.001$	Weak negative correlation. Independent labels tend to have lower global reach while major labels tend to have higher reach. The correlation is weak, suggesting other factors likely play a bigger role.

Table 6. Point-Biserial correlations between label affiliation and digital performance

such an approach would introduce substantial interpretive complexity without materially altering our conclusions. The point-biserial method allows for clearer examination of how label-performance relationships vary across different career development phases, providing insights into whether structural differences between internationalisation pathways persist throughout artists' careers. By using this method, we aim to determine the strength and direction of the association, revealing whether there is a positive or negative correlation between artist affiliation and various performance metrics. Table 6 summarises our initial results:

The initial point-biserial correlation tests reveal a noteworthy pattern. When a statistically significant correlation exists between record label affiliation and a digital performance metric, an inverse relationship emerges between Canadian-owned and local major labels. For instance, there is a weak negative correlation between Canadian-owned labels and Canadian listeners (−0.290) and a corresponding weak positive correlation for local major labels (0.290), with *p*-values < 0.05. This trend is consistent across other metrics such as global listeners and social media followers, although all identified correlations are weak. The *p*-values less than 0.05 indicate that these correlations are statistically significant, meaning they are unlikely to have occurred by chance. However, the weak correlations suggest that other significant factors are likely influencing higher digital performance metrics.

To address this limitation and gain a more refined understanding, we introduced career stage—obtained from Chartmetric—as a control variable. As previously mentioned, career stage is a categorical variable derived from Chartmetric's Artist Score, grouping artists based on their position in their professional trajectory (Developing, Mid-Level, Mainstream or Superstar). Controlling for career stage, we then performed the same point-biserial correlation test in R, and the results are given in Table 7. Our analysis of point-biserial correlations, incorporating career stage as a control variable, reveals several subtle findings.

5.4.1. Developing artists

A limited number of statistically significant correlations emerged, particularly among developing artists. These suggest a weak positive association between local major label affiliation and higher Canadian listeners, social media audience and global reach. Additionally, a weak positive association was observed between affiliation with Canadian-owned businesses and a higher conversion ratio (LF Ratio). However, since the conversion ratio is highly variable—fluctuating month to month due to factors like release dates and playlist additions—these findings require further investigation using larger, longitudinal datasets with more granular monthly data for a more comprehensive understanding.

Overall, for developing artists, these results tentatively suggest that local major labels may have an advantage in cultivating domestic audiences and social media presence, while Canadian-owned labels might perform slightly lower in these areas. Interestingly, no significant correlation was found for global listeners among developing artists, suggesting that record label affiliation may not be a critical factor in reaching international audiences at this early stage of their careers.

Career stage	Digital performance metric	Correlation coefficient	<i>p</i> -value	Explanation
Developing	Canadian listeners	−0.220	<i>p</i> < 0.001	Weak negative correlation. Independent labels have fewer Canadian listeners while major labels have more among developing artists.
	Global listeners	−0.044	<i>p</i> = 0.355	No significant correlation. Label affiliation doesn't affect global reach for developing artists.
	Listener–follower ratio	0.106	<i>p</i> = 0.023	Weak positive correlation. Independent labels have slightly better conversion ratios among developing artists.
	Social media audience	−0.201	<i>p</i> < 0.001	Weak negative correlation. Independent labels have smaller social media audiences while major labels have larger among developing artists.
	Global reach	−0.110	<i>p</i> = 0.019	Weak negative correlation. Independent labels have lower global reach while major labels have higher among developing artists.
Mid-level	Canadian listeners	−0.269	<i>p</i> = 0.036	Weak negative correlation. Independent labels have fewer Canadian listeners among mid-level artists.
	Global listeners	0.164	<i>p</i> = 0.207	No significant correlation. Label affiliation doesn't significantly affect global reach for mid-level artists.
	Listener–follower ratio	−0.068	<i>p</i> = 0.602	No significant correlation. Label affiliation doesn't affect conversion ratios for mid-level artists.
	Social media audience	−0.082	<i>p</i> = 0.530	No significant correlation. Label affiliation doesn't affect social media audience for mid-level artists.
	Global reach	0.283	<i>p</i> = 0.027	Weak positive correlation. Independent labels have higher global reach among mid-level artists.
Mainstream	Canadian listeners	−0.116	<i>p</i> = 0.580	No significant correlation. Label affiliation doesn't affect Canadian listeners for mainstream artists.
	Global listeners	−0.013	<i>p</i> = 0.952	No significant correlation. Label affiliation doesn't affect global listeners for mainstream artists.
	Listener–follower Ratio	0.094	<i>p</i> = 0.654	No significant correlation. Label affiliation doesn't affect conversion ratios for mainstream artists.
	Social media audience	−0.324	<i>p</i> = 0.115	No significant correlation. Label affiliation doesn't significantly affect social media audience for mainstream artists.
	Global reach	0.135	<i>p</i> = 0.520	No significant correlation. Label affiliation doesn't affect global reach for mainstream artists.
Superstar	Canadian listeners	−0.737	<i>p</i> = 0.473	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.
	Global listeners	0.848	<i>p</i> = 0.356	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.
	Listener–follower ratio	0.920	<i>p</i> = 0.256	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.
	Social media audience	−0.324*	<i>p</i> = 0.115*	Mixed results due to small sample size. Limited interpretability for superstar artists.
	Global reach	−0.052	<i>p</i> = 0.967	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.

Note: Results for superstar artists reflect the small population at this elite career level but suggest no systematic label differences. Values marked with * are based on this limited sample and should be interpreted with caution.

Table 7. Controlling for career stage

5.4.2. Mid-level and mainstream artists

The correlation analysis yielded no statistically significant associations between record label affiliation and any digital performance metric for artists categorised as mid-level or mainstream. This suggests that record label affiliation likely has minimal impact on digital performance once artists achieve a certain level of established popularity.

5.4.3. Superstars

Similarly to mid-level and mainstream artists, no significant correlations were observed for any digital performance metric among superstars, with the exception of Social Media Audience. Here, a strong positive correlation emerged for artists affiliated with local major labels; however, due to the presence of only one superstar artist within the local major label group, this finding is not generalisable and likely reflects a unique case. A larger sample size for superstar artists is necessary to draw more definitive conclusions, but the reality may be there are not enough superstar artists to draw a larger dataset.

Building upon the insights from the previous analysis, we can further explore how record label affiliation influences the distribution of artist followers across various social media and streaming platforms. To account for the potential influence of career stage on platform-specific performance, we can employ a similar point-biserial correlation analysis, but this time controlling for both record label affiliation (Canadian-owned vs. local major label) and career stage (Developing, Mid-Level, Mainstream, Superstar). This refined approach will enable us to isolate the effect of record label affiliation on specific platforms while considering the varying trajectories of artists at different career stages. The results of this analysis are presented in Table 8.

The analysis reveals weak but statistically significant correlations for developing artists on Instagram and TikTok. A weak negative correlation exists between Canadian-owned labels and follower numbers on these platforms, while local major labels exhibit weak positive correlations. This suggests a potential advantage for local major labels in

Career stage	Platform	Correlation coefficient	<i>p</i> -value	Explanation
Developing	Spotify	-0.071	$p = 0.132$	No significant correlation. Label affiliation doesn't affect Spotify followers for developing artists.
	YouTube	-0.054	$p = 0.255$	No significant correlation. Label affiliation doesn't affect YouTube followers for developing artists.
	Instagram	-0.179	$p < 0.001$	Weak negative correlation. Independent labels have fewer Instagram followers while major labels have more among developing artists.
	TikTok	-0.181	$p < 0.001$	Weak negative correlation. Independent labels have fewer TikTok followers while major labels have more among developing artists.
Mid-Level	Spotify	-0.102	$p = 0.436$	No significant correlation. Label affiliation doesn't affect Spotify followers for mid-level artists.
	YouTube	-0.039	$p = 0.763$	No significant correlation. Label affiliation doesn't affect YouTube followers for mid-level artists.
	Instagram	-0.049	$p = 0.710$	No significant correlation. Label affiliation doesn't affect Instagram followers for mid-level artists.
	TikTok	-0.068	$p = 0.605$	No significant correlation. Label affiliation doesn't affect TikTok followers for mid-level artists.
Mainstream	Spotify	-0.185	$p = 0.376$	No significant correlation. Label affiliation doesn't affect Spotify followers for mainstream artists.
	YouTube	-0.204	$p = 0.329$	No significant correlation. Label affiliation doesn't affect YouTube followers for mainstream artists.
	Instagram	-0.231	$p = 0.260$	No significant correlation. Label affiliation doesn't affect Instagram followers for mainstream artists.
	TikTok	-0.391	$p = 0.053$	No significant correlation. Label affiliation doesn't significantly affect TikTok followers for mainstream artists.
Superstar	Spotify	0.996	$p = 0.057$	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.
	YouTube	0.777	$p = 0.433$	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.
	Instagram	0.883	$p = 0.311$	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.
	TikTok	-0.972	$p = 0.151$	No significant correlation (small sample). Cannot infer meaningful relationship for superstar artists.

Key findings: Major labels show advantages on Instagram and TikTok for developing artists only. No significant platform differences emerge for established artists, reinforcing that label effects diminish as careers progress.

Table 8. Refined analysis of platform-specific correlations by career stage

cultivating social media engagement at the developing artist stage. Investment in Artists & Repertoire (A&R) and marketing likely plays a role in this dynamic, as major label with larger budgets can devote significant resources to developing an artist's social media presence (IFPI 2024). However, no statistically significant correlations were observed for any platform and record label affiliation combination among mid-level, mainstream, or superstar artists. This finding strengthens the notion that record label affiliation has minimal impact on digital performance metrics once artists achieve a certain level of establishment.

These results offer a more nuanced understanding of the relationship between record label affiliation and artist performance across different platforms. While a potential advantage for local major labels exists in fostering social media engagement for developing artists, this influence appears to diminish as artists reach higher career stages. Future research could explore the specific A&R and marketing strategies employed by different record labels to gain a deeper understanding of these dynamics.

6. Discussion

This study examines whether major-label subsidiaries provide a structural advantage in artist internationalisation or whether independent labels achieve comparable global reach through alternative strategies. The findings show that major-label artists initially outperform independent artists in domestic listenership and social media engagement. However, these differences decline at later career stages, with independent labels achieving similar levels of global reach.

Canadian-owned independent labels account for 92% of actively releasing Canadian artists, underscoring their role as the dominant pathway for artist development and export. This finding contradicts claims (Sutherland 2015) that independent labels are losing relevance in internationalisation. While foreign-owned labels drive higher median global listenership, engagement metrics such as the LF Ratio show no significant difference, indicating that major-label advantages in audience reach do not necessarily translate into stronger fan retention.

Major-label artists receive stronger domestic promotion because subsidiaries prioritise national market success over exporting local artists internationally. This aligns with MNE theory, which describes subsidiaries as primarily focused on local revenue generation rather than cross-border artist development. While major-label subsidiaries provide an initial advantage by boosting an artist's domestic profile, these benefits do not automatically extend to foreign markets unless foreign-market subsidiaries actively prioritise cross-border promotion.

Independent labels achieve comparable international reach by negotiating direct licensing agreements, securing local distribution partnerships and investing in region-specific marketing campaigns—all without requiring corporate approval. Unlike major-label subsidiaries, which must operate within a corporate hierarchy to secure foreign-market support, independent firms can act autonomously. This aligns with BG theory, which emphasises early and flexible internationalisation strategies through external partnerships rather than centralised corporate integration. While major-label subsidiaries must coordinate international promotion within corporate planning cycles, independent labels can dynamically adapt strategies to develop international audiences where opportunities emerge.

These findings challenge the assumption that major-label subsidiaries can easily secure international promotion for their domestic signings. While subsidiaries benefit from access to multinational resources, their ability to develop international audiences depends on corporate decision-making, internal financial structures and the willingness of foreign-market divisions to prioritise non-local artists. Even when a subsidiary directly facilitates marketing in a distant territory, it lacks the highly optimised local-market capabilities that its sister affiliate would deploy for its own signings, making sustained international traction more difficult to achieve.

Ultimately, label affiliation influences internationalisation strategies but does not guarantee success. Long-term global reach depends on how effectively a label—or an artist—sustains visibility and promotion across key markets. While major-label subsidiaries provide exposure advantages in early career stages, sustained internationalisation requires corporate coordination, risk assessments and revenue-sharing incentives. Independent labels, despite their smaller scale, achieve international reach through external licensing, direct market engagement and strategic flexibility. These findings demonstrate that both major-label subsidiaries and independent labels can facilitate internationalisation, but their effectiveness is contingent on how they navigate structural constraints and market opportunities.

7. Limitations and Future Research

While this study examines whether label affiliation influences artist internationalisation, several factors beyond label structures also shape global reach. Algorithmic curation, playlist placements, social media virality and sync licensing deals can all contribute to audience expansion independently of label efforts. Although this study does not isolate these effects, the findings provide a comparative framework for understanding how different types of labels engage in international market expansion. Future research could examine how these external factors interact with label strategies to influence long-term global success.

Additionally, while Global Reach (the number of countries where an artist has listeners) provides a useful comparative metric, it does not capture the depth of audience engagement in each territory. Future research could refine this approach by incorporating complementary measures, such as the proportion of an artist's total listenership that comes from international markets, to better assess the effectiveness of different internationalisation pathways.

This study also focuses on streaming-based metrics, which capture digital audience expansion but do not account for offline revenue streams such as touring, radio airplay and physical sales. As Kelly (2024) highlights, digital marketplaces have largely replaced traditional retail networks, yet physical media sales remain significant in certain markets and genres. Future research could explore whether major-label and independent artists differ in their reliance on non-digital revenue streams, particularly in markets where live performance or physical sales drive artist success.

Furthermore, genre-specific factors may influence internationalisation outcomes in ways that extend beyond label affiliation. Certain genres may benefit more from major-label infrastructure, particularly if they rely on extensive marketing and cross-border promotion, while others may thrive under independent networks due to stronger grassroots or niche audience engagement. Future research should examine how label affiliation and genre interact in shaping international success, particularly in digital-first versus traditionally export-driven genres.

The study is also limited by its time frame, which captures artist performance at a single point in time rather than across multiple years. Expanding the analysis across a longer period would provide a clearer picture of whether major-label advantages in early career stages persist or whether shifts in digital distribution have altered the relative effectiveness of major and independent pathways to international markets.

Finally, this study relies on quantitative data, which provides insight into international reach but does not reveal the underlying decision-making processes of labels or artists. Future research incorporating qualitative methods, such as interviews with label executives, artists and international marketing teams, could provide a deeper understanding of how corporate priorities, promotional strategies and external partnerships shape artist internationalisation. This would help clarify how different business models enable—or constrain—global success.

8. Conclusion

This study contributes to the understanding of artist internationalisation by empirically testing the effectiveness of major-label subsidiaries versus independent labels. The findings show that both pathways facilitate international success equally, with independent labels achieving comparable global reach through flexible, market-specific strategies and external partnerships. This challenges the traditional view that major-label subsidiaries, due to their extensive global infrastructure and centralised resources, should have an inherent advantage in internationalising artists.

We apply MNE and BG theories to frame these findings. MNE theory suggests that subsidiaries, with their centralised decision-making and global networks, may have advantages in internationalising artists. However, our results show that independent labels, leveraging external networks and flexible strategies, can achieve similar international success. BG theory, emphasising the rapid internationalisation of smaller firms through decentralised networks, corresponds with the practices of independent labels and further supports the effectiveness of both models.

Our findings challenge the assumption that major labels inherently dominate artist internationalisation. Instead, we demonstrate that the effectiveness of internationalisation is shaped by the business logic—external partnerships and market-driven strategies—rather than label affiliation alone.

While this study focuses on Canada as a case study, its findings have broader implications for other small-market countries, such as Australia, New Zealand and Ireland, where similar dynamics in international artist expansion may exist. Future research could examine these pathways in different markets to better understand how digital platforms continue to influence global music distribution and artist success.

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