

COVID-19 Impact on the Global Music Industry: A Case Study of Taiwan's Resilience and Adaptation

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ABSTRACT

The COVID-19 pandemic precipitated unforeseen disruptions across industries, and the music sector was profoundly impacted. Pre-pandemic, music served as a global connector, transcending cultural boundaries through diverse genres and live events. However, the onset of COVID-19 triggered a cascade of adverse effects, disrupting traditional music activities, leading to event cancellations, financial instability, and a surge in online platform reliance for artists. Despite increased homebound time during lockdowns, both live events and music streaming experienced substantial declines, resulting in significant revenue losses for platforms like Spotify. Through literature review and case studies, this research analyzed pandemic-induced changes, emphasizing innovation strategies employed by artists and organizations to engage audiences, the local music scene's impact, and shifts in music consumption habits. The study underscores how the pandemic reshaped music consumption, the stark effects on the Taiwan music scene, and the industry's adaptation to digital platforms, highlighting the resilience and adaptability of artists amidst unprecedented challenges.

Introduction

The COVID-19 outbreak has brought unpredicted effects to various sectors, and the music industry was no exception. Before the COVID-19 pandemic, music served as a universal language which bridges cultures and connects people worldwide through the diversity of genres and live events, such as festivals and performances. However, the pandemic's onset in early 2020 led to a series of negative impacts on the music industry. Lockdowns, restrictions, and social distancing regulations disrupted traditional music-related activities, resulting in cancellation of tours, financial instability, and a shift to online platforms for artists and musicians. Despite an increase in time spent at home during lockdown, not only were live events affected negatively, there was also a decrease in the demand of music streaming, leading to substantial revenue losses for music platforms such as Spotify. A literature review and case study were conducted to analyze these pandemic-induced changes, with the focus on innovation strategies used by artists and organizations to engage with audiences, the impact on local music scenes, and the shifts in music consumption habits.

Understanding the implications of COVID-19 on the music industry holds substantial significance in the current landscape. Beyond its cultural and entertainment value, the music industry serves as a critical economic driver, supporting livelihoods for numerous individuals across various sectors. Researching the pandemic's impact on this industry sheds light not only on the challenges faced by musicians, event organizers, and stakeholders but also on the resilience and adaptability of artists and organizations in the face of unprecedented adversity. The disruptions caused by COVID-19 unveil the vulnerabilities within the industry, prompting a closer examination of its structural aspects, financial dependencies, and the need for innovative strategies to navigate through and beyond crises. Moreover, exploring the shifts in music consumption habits, from live events to digital platforms, offers insights into evolving consumer behaviors and preferences, shaping the future trajectory of the music landscape. This research aims to decipher not just the immediate consequences of the pandemic but also to unearth the strategies, policies, and interventions necessary to fortify the music industry against future uncertainties, fostering its sustainability, and facilitating its renewal in a post-pandemic world.

The Music World Before COVID-19

Before the epidemic started spreading worldwide, which was evident in early 2020, specifically March 11, 2020 as declared by the World Health Organization (WHO)(Covid-19 pandemic timeline, 2023), music was a universal language that went beyond borders and cultures to help connect people worldwide. There were a diversity of genres of music, and each of them had unique meanings behind their backs. From energetic music festivals in Latin America to classical music performances in Europe, music plays a crucial role in society worldwide.

COVID-19's Negative Effects on the Music Industry

The outbreak of COVID-19 had not only negatively affected the enjoyable events of concerts, festivals, and live performances, but also music streaming due to lockdowns, restrictions, and social distancing, making artists, musicians, and others in this industry struggling to maintain interactions in their traditional ways. As the countries started to implement social distancing, the global music community faced numerous challenges, including cancellation of tours, financial instability, and the need to adapt to online platforms (Burmester et al., 2022).

As the need for lockdown restricted movements of the residents, there was a 10% increase in the residential time (time spent at home). However, this increase has led to a 8.1% decline in demand for music streaming. Music streaming volume decreased by 12.5% on average after the pandemic declaration, with countries having a higher number of COVID-19 cases per million people experiencing a 14.4% decline in streaming consumption. For example, Spotify's financial reports show a significant revenue loss of about 692 million EURO in the first three quarters of 2020 due to the pandemic, consistent with the decline in music consumption observed (Sim et al., 2021).

Musicians' financial statuses had been affected negatively. In the British music industry, for example, one in three jobs were lost during the COVID-19 outbreak. There was a drop of 35% in music jobs from 2019 to 2020, with 69,000 fewer jobs. Because of the regulations of lockdowns and social distancing, live music revenues collapsed by around 90% in 2020 (*One in three music industry jobs were lost during pandemic* 2021). One in three of the musicians were still earning nothing after restrictions on live events were more loose during the summer of 2021, and 83% of professional musicians were unable to find regular work. 22% of the musicians were considering quitting music due to the little to no income. Ruth Lyon, a Newcastle folk/chamber-pop artist, stated that her earnings fell by more than 75% in 2020, which shows how much the implementations of the pandemic regulations had affected the lives of musicians (Savage, 2021).

It doesn't just hit the artists, though, but rather the whole industry. Because artists collaborate with a lot of other people or groups, those who work alongside them will also be affected. Studios, for example, weren't earning a lot due to the lockdown, leading to the lack of international artists. Everyone from road crew and sound engineers to security guards and transport and equipment companies were also all affected. In Nashville, a famous city music, was affected a lot. 74% of musicians in the city started experiencing unemployment in March 2020, and their annual income decreased by \$10,000 to below \$36,000 a year. A lot of music venues in Nashville lost 72% of their revenue, costing the industry \$17 million in lost wages, and delivering a \$24 million hit to Nashville's GDP. Because musicians were unable to go to the studio to record due to strict limitations, they were unable to shift their music platform to digital, which is the reason why their annual income dropped by so much. (<https://unctad.org/news/how-covid-19-exposed-music-industry-fault-lines-and-what-can-be-done>)

Methodology

A literary review was conducted to gain insights into ways the COVID-19 has affected the music industry, with the focus on shifts of performances, distribution, and consumption patterns. The study aims to analyze how the pandemic made a difference in the traditional music-related activities, and how it helped bring out new trends of music. To illustrate the practical implication of the research, a case study was done to examine the diverse impacts of COVID-19 on different areas of the music industry, allowing for observation and changes.

The objective of this research was shaped by the following questions:

1. In what ways did the pandemic reshape the music consumption habits of people?
2. How did the absence of live events impact the Taiwan local music scenes?
3. What were the innovative strategies artists and organizations employed to stay connected with their audiences?

Literature Review

Research Method Report

Report

Bureau of Audiovisual and Music Industry Development, MOC (2020)	2018 Pop Music Industry Survey Report
Taiwan Creative Content Agency (2023)	2022 Taiwan Cultural Content Consumption Trend Survey Project
Taiwan Creative Content Agency (2022)	2021 Taiwan Cultural Content Consumption Trend Survey Project
Taiwan Creative Content Agency (2021)	2020 Taiwan Cultural Content Consumption Trend Survey Project
Taiwan Creative Content Agency	2020 Taiwan Cultural Content Industries Survey Report III The Popular Music Industry
Taiwan Creative Content Agency	2021 Taiwan Cultural Content Industries Survey Report

Article

Miao-Ju Jian (2023)	COVID-19 中的 Live House：台灣中小型音樂場館的生存結構與挑戰 (Live Houses in COVID-19: The Survival Structures and Challenges of Small and Medium Live Music Venues in Taiwan)
Qian Zhang, Keith Negus (2021)	Stages, Platforms, Streams: The Economies and Industries of Live Music after Digitalization
Marisa Henderson, Amy Shelver (2021)	How COVID-19 exposed music industry fault lines and

	what can be done
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Book

Peter Tschmuck (2022)	Rethinking the Music Business. Music Contexts, Rights, Data, and COVID-19
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Paper

Jaeung Sim, Daegon Cho, Youngdeok Hwang, Rahul Telang (2021)	Frontiers: Virus Shook the Streaming Star: Estimating the COVID-19 Impact on Music Consumption
Janis Denk, Alexa Burmester, Michael Kandziora, Michel Clement (2022)	The impact of COVID-19 on music consumption and music spending
Olena Khlystova, Yelena Kalyuzhnova, Maksim Belitski (2022)	The impact of the COVID-19 pandemic on the creative industries: A literature review and future research agenda

The COVID-19 Impact on Music Consumption

The pandemic triggered an economic downturn and heightened job insecurity and music-related activities cancellation rate, which, in turn, had a direct impact on consumer spending in the music industry (Tschmuck, 2022). Additionally, supply-side disruptions hampered music production and release schedules, further influencing both music consumption and expenditure.

The article titled “Virus Shook the Streaming Star: Estimating the COVID-19 Impact on Music Consumption” conducted an analysis of Spotify streaming data from 60 countries. Over the course of two years, they tracked the weekly top 200 songs. The study’s findings revealed that following the declaration of the countries that implemented lockdown restrictions experienced an average decrease of 12.5% in music streaming volume. This significant drop in music consumption had notable financial consequences, estimating an approximate loss of 692 million euros for Spotify during the first three quarters of 2020 (Sim et al, 2020).

In 2017, just two years prior to the emergence of COVID-19, live music events constituted a substantial 72% of total revenues, amounting to 2.69 billion euros. This surge was partially fueled by the rising ticket prices. However, with the onset of the COVID-19 pandemic, live music spending saw a substantial decline, plummeting from an average of €14.20-€14.54 prior to the pandemic to a mere €0.30 afterward. The average music spending, which had previously ranged between €31.45 and €35.70, saw a stark reduction to €13.63 during the pandemic, marking a reduction of over 50% (Denk et al, 2022).

Moreover, total music consumption also experienced a notable decline, decreasing from 22.17 hours in the winter of 2018 and 2019 to 19.00 hours in the winter of 2020 and 2021. Notably, live music consumption reached a mere minimum of 0.02 hours during this period. These shifts in consumer behavior and spending patterns underscore

the profound impact of the pandemic on the music industry.

In Person vs. Online

In person: The implementation of lockdowns, social distancing measures, and various other restrictions aimed at preventing the spread of COVID-19 has had a profound impact on the world of music. Concerts, music festivals and numerous other in-person music-related activities have either faced prolonged postponements or outright cancellations due to the ongoing pandemic. High-profile events such as Glastonbury and Eurovision had been affected, either being scrapped, rescheduled, or transitioning to online formats due to COVID-19 concerns (Gillespie and Sephton, 2020). These disruptions have had far-reaching consequences, particularly in the realm of employment and revenue.

In Australia, the live entertainment sector suffered a severe blow, resulting in the loss of more than 79,000 jobs. Simultaneously, in Norway, the sale of live music tickets plummeted by a staggering 84%, with ticket revenues dropping to just under four billion U.S dollars.

Furthermore, the music industry's recorded music sector has also been significantly impacted. In Japan, the revenue from recorded music saw a sharp decline of 15.3%, falling from 229.1 billion Japanese Yen to 194.4 billion Japanese Yen (Liang and Mao, 2022).

The drop in recorded music revenue can be attributed to the fact that musicians, whether international or local, have been unable to access recording studios due to the COVID-19 restrictions, including travel bans, lockdowns, and social distancing measures. For example, Metropolis Studios, an independent recording studio in London, provides services including recording, mixing, mastering, and live events. However, it was reported that the COVID-19 pandemic has impacted the studio, with a decrease in international artist booking sessions (UK Music, 2021). Consequently, recording studios have been left with little to no income, further exacerbating the decline in the recorded music industry's revenue.

Online: One perspective emerging from the research underscores the decline in audio consumption, primarily due to its complementary nature with other activities, such as podcasting, movie-watching, and viewing YouTube videos. It was noticed that there was a growing preference for podcasts over music, a trend accelerated by the COVID-19 outbreak. The pandemic induced mental breakdown on many, prompting them to turn to podcasts as a source of solace. Consequently, questions have arisen regarding the primary revenue source for platforms like Spotify, raising the possibility that podcasts now exert a more significant influence than songs. The onset of the pandemic inflicted a significant blow to Spotify's earnings, registering a loss of \$838 million in the first three quarters of 2020, coinciding with the initial wave of COVID-19 cases. Music consumption saw a noticeable drop, decreasing by 12.5% following the World Health Organization's declaration of the pandemic on March 11, 2020. Moreover, the increased time spent at home during the pandemic played a substantial role in diminishing music streaming demand, with a 10% rise in residential time corresponding to an 8.1 decline in the demand for music streaming (Tschmuck, 2022). Before the lockdown, music served as a source of distraction during commutes, with nearly 29% of all music consumption occurring on the car, during traffic jams. However, as people shifted to working from home due to COVID-19, this form of distraction became obsolete, further contributing to the dip in music consumption. Simultaneously, since everyone was compelled to remain at home, musicians were unable to access studios to produce new music. As a result, there was a shortage of fresh musical content, leading listeners to seek complementary activities instead of sticking to their existing music playlists. In essence, music was replaced by these complementary activities, resulting in a decrease in demand for audio consumption.

An alternative perspective from the research suggests that the implementation of measures such as social distancing and lockdowns had a significant impact on people's daily routines. With individuals predominantly confined to their homes and limited recreational options available, there was a notable surge in the demand for audio consumption as means to alleviate boredom. This heightened demand can be illustrated through various scenarios. For instance, the need to stay at home led to an increase in cooking, as dining out or altering food delivery services

became restricted. Consequently, individuals found themselves engaged in more household chores, creating an opportunity to enjoy music while completing these tasks. This trend contributed to the overall rise in the demand for audio consumption. The impact of this increased demand for music can also be observed through the experiences of entities like Live Nation Entertainment and the UK. Live Nation Entertainment, for example, transitioned from experiencing losses to recording profits, reflecting changing consumer preferences (Hu and Kim, 2022). In the United Kingdom, between 2019 and 2021, there was a notable uptick in the number of monthly active users of music streaming services, rising from 32 million to 39 million (CMA, 2022). These examples underscore how the shift in daily routines influenced audio consumption trends and impacted both individual and industry dynamics.

Musicians Job and Income Loss

Victorian Music Industry: The Arts and Recreational Services sector faced substantial job losses during the COVID-19 pandemic, with approximately 34% of positions eliminated by August 2020 due to imposed restrictions. Among the various segments, live music suffered disproportionately compared to recorded music, as a significant portion of musicians now earned less than 30% of their income from music-related activities. This shift had widespread economic repercussions, contributing to job losses and the closure of music venues. The pandemic-induced economic downturn also led to a decline in the percentage of respondents earning over 70% of their income from music, while the number of those earning less than 30% doubled from 28% to 65%. According to a study commissioned by VMDO, 75% of respondents reported income decreases since the pandemic, with a substantial 60% experiencing a reduction of over 60% in their income. Post-pandemic, 44% of respondents found themselves without any paid music-related work, and the proportion of individuals engaged in full-time music work dropped significantly from 34% to 7%. Corresponding with industry reports, the Live Music Business sector witnessed considerable revenue downturns, reaching up to 100%. Moreover, 57% of respondents expressed concerns about their ability to afford basic necessities such as rent and food, reflecting the widespread financial impact of the pandemic on individuals within the sector (RMIT University, 2020).

Kazakhstan Music Industry: A survey of the music industry in Kazakhstan found that the COVID-19 pandemic has had a significant negative impact on the income of music industry workers, with many experiencing a decline in performing activity and delayed events. More than 50% of respondents lacked the digital skills necessary to transition to online activities, resulting in a lack of income for over 60% of those surveyed (Kalyuzhnova and Khlystova, 2021).

International Dance Music Industry: In July 2020, the International Dance Music Summit released a report on the global impact of the pandemic on the dance music industry, revealing a 54% decrease in value to \$3.6 billion (Bain, 2020). Subsequently, a December 2020 study by the Nashville Chamber of Commerce outlined the coronavirus's profound effects on the renowned music city. Approximately 74% of musicians reported unemployment since March 2020, experiencing a significant drop in annual income by \$10,000, reaching below \$36,000 per year. Nashville's numerous music venues also suffered, witnessing a 72% loss in revenue, translating to a \$17 million wage reduction for the industry and a \$24 million blow to Nashville's GDP (McCall et al., 2020)

Usage of Social Media: Musicians tend to connect with their audience through social media activities such as livestream performance. For example, in March 2020, Shawn Mendes and Camila Cabello did a quarantine cover of Ed Sheeran's "Kiss Me" through Instagram livestream. In the livestream, they also interacted with their viewers by sharing advice on how to spend their time during quarantine (Rearick, 2020)

Online Streaming Platform Revenue Changes

Amidst the challenges posed by the COVID-19 pandemic, the music industry experienced notable shifts. Music consumption via online radio saw a 1.2% increase, reflecting a changing landscape (Denk et al., 2022). Additionally, the emergence of Chinese talent shows as influential platforms highlighted the evolving dynamics of the industry,

offering diverse genres opportunities to reach broader audiences. In 2021, Warner Music Group (WGM) reported a digital revenue surge of over 20%, underscoring the industry's adaptability (Hu and Kim, 2022). However, the pandemic's impact was profound, leading to widespread event cancellations globally. Artists like BTS navigated this by leveraging social media and organizing online concerts, fostering connection with fans and expanding their reach. BTS's strategic adaptation also included the release of an album addressing pandemic effects and personal experiences, contributing to significant viewership and fan base growth. Despite these successes, challenges persisted for some artists who lacked digital skills, hindering their transition to online streaming platforms.

Case Study: Taiwan

Pop Music Industry: In 2018, Taiwan's music industry revenues grew by 8.8% to NT \$19.984 billion. Record companies accounted for 44% of total revenues, with live music concerts and talent management agencies making up 44.25% of record company revenues. Digital music service providers saw an 11.64% increase in revenues to NT \$3.596 billion, with streaming being the main driver of revenue growth (Taiwan Ministry of Culture, 2019).

However, in 2020, Taiwan's pop music industry faced a significant downturn due to the impact of COVID-19, with total revenue dropping to 197.07 billion NTD, marking a 22.63% decline from the previous year's 254.71 billion NTD. Domestically, the industry suffered a 20.29% decrease in revenue, totaling 168.46 billion NTD, attributed to reduced releases, marketing activities, and live performances. Exports plummeted by 34.04% to 28.61 billion NTD, impacted by global border restrictions hindering international activities. The majority of industry businesses reported capital amounts concentrated below 5 million NTD, while employment was highest in music production/distribution/management, event planning, and production, accounting for approximately 32.58%, 28.22%, and 20.01% of the workforce, respectively. The employee distribution was notably concentrated in establishments with fewer than 24 individuals. The revenue structure highlighted music event planning (34.91%) and music event production/engineering (27.10%) as major contributors. Live Houses primarily generated income from space operations (54.87%) and partial event planning (13.20%) and production/engineering (13.30%) in 2020. Most non-Live House spaces focused on space rental, deriving revenue mainly from space operations (69.73%). Additionally, the average production cost per song in 2020 was 19.96 thousand NTD, while the public broadcast percentage by the Taiwan Recording Copyright Association declined from 62.00% in 2018 to 57.00% in 2020 (Taiwan Ministry of Culture, 2021).

In 2021, Taiwan's music industry further experienced a 10.26% decline in total revenue compared to in 2020 due to the impact of COVID-19 alert levels affecting industry activities. Specific sectors within the industry saw varied impacts. Physical album sales dropped by 27.38%, and event planning/production witnessed a significant decline of 35.65%. On the other hand, the music production/distribution/artist management increased by 2.43%. The employment scenario witnessed a 4.14% decrease in the music industry workforce, totaling approximately 5,935 individuals in 2021. The majority of employees were distributed among music production/distribution/artist management, event planning/production, and event space sectors (Taiwan Ministry of Culture, 2022).

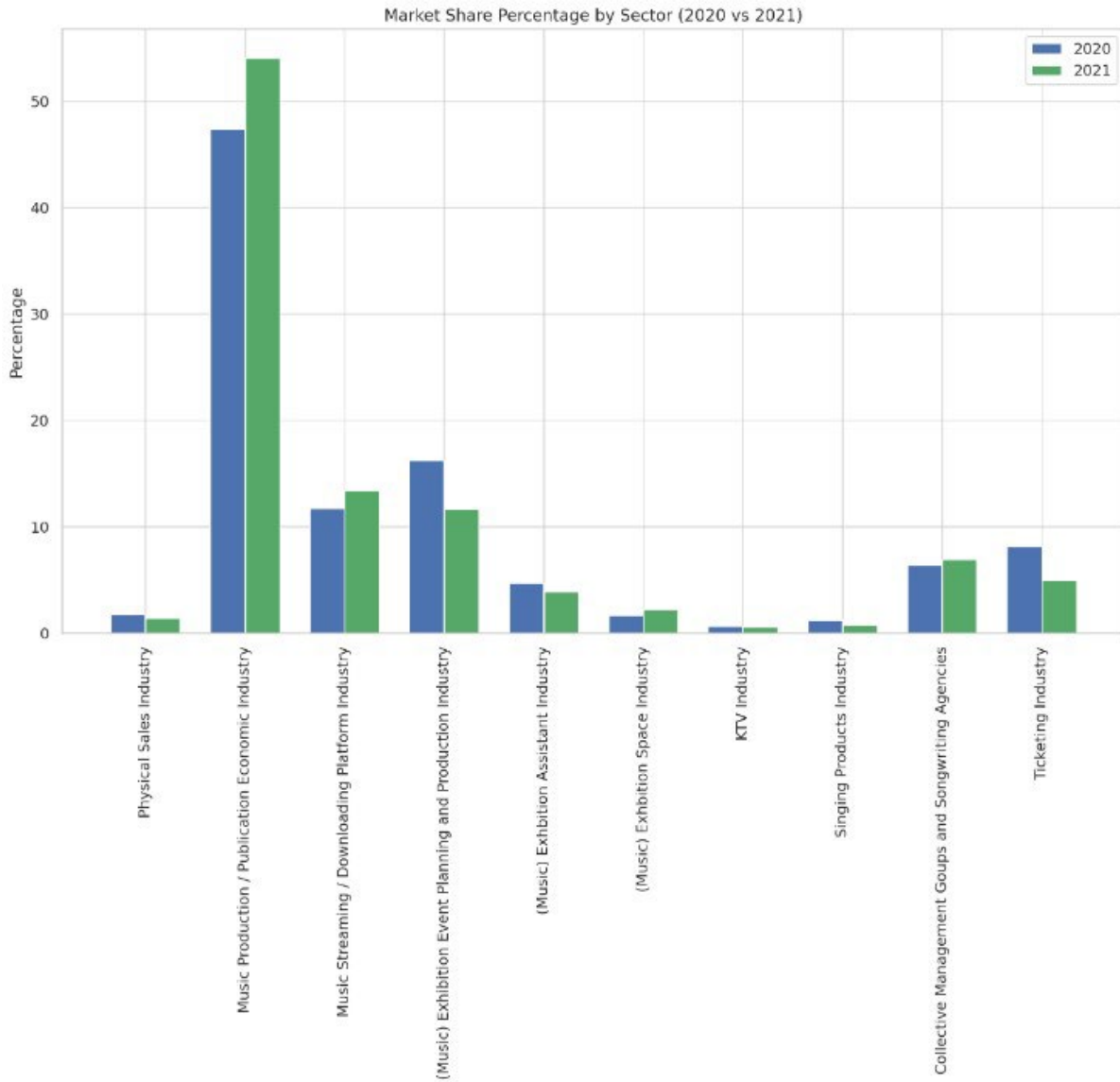


Figure 1. Taiwan Music Market Share Percentage by Sector (2020 v.s. 2021). This graph shows the market share percentage of each music sector in Taiwan. As shown, the share percentage of sectors such as music production / publication economic industry, music streaming / downloading platform industry, which are activities that take place online, have increased. However, sectors such as physical sales industry, exhibition event planning and production industry, KTV industry, and ticketing industry, which take place physically, have decreased.

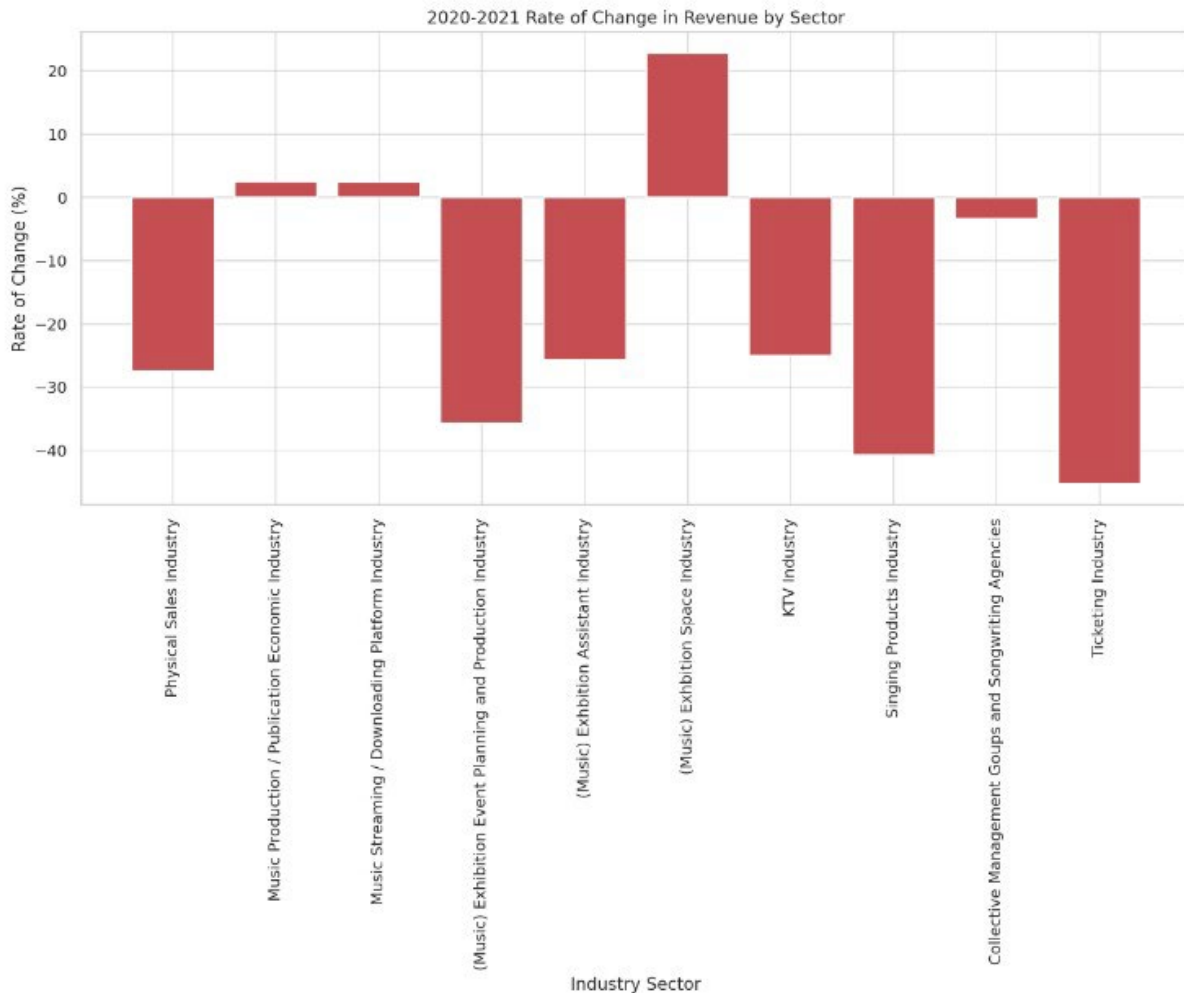


Figure 2. Taiwan Music Industry 2020-2021 Rate of Change in Revenue by Sector. This graph shows the rate of change of each sector in the music industry in Taiwan. As shown, most of the sectors have a negative rate of change. These sectors are mostly associated with physical activities.

Consumer Trend: In 2020, when Covid first started, it was recorded by the music industry that there were 70 million attendees in 2020 at the music venues. 93.2% of the population ranging from age 15-69 have the habit of listening to music, with 87.1% of the people listening to music on online music apps for free. For those paying for music premium, the majority of people, 53.6%, chooses KKBOX, followed by Spotify, Youtube Music, and Apple Music, 33.4%, 26.3%, and 19.9% respectively. The cause of listening to music, other than popular ones and interest in music (45.5%), include music from movies or musicals (45.2%) and anime related music (26.7%). The daily average time of listening to music out of the population who listens to music is 1.32 hours. In addition, 36.2% of the people have participated in music performing activities, with at least 60% of the people participating in online concerts Also, at least 50% of the people had been to KTV. Free online KTV and online charging KTV are also used by 26.2% of the people (Taiwan Creative Content Agency, 2021).

During the year of 2021, when Taiwan's COVID-19 outbreak went out of control, 93% of the population ranging from age 15-69 have the habit of listening to music, with 83.5% out of all these people choosing to listen to music on music apps for free. Compared to 2020, with 40.6% of the people paying to listen to music, there was only 34.3% of the people paying in 2021 to listen to music (-6.3%). Popular music activities participants were 36% in

2020, but had decreased to 22% in 2021 (Taiwan Creative Content Agency, 2022).

Economic Losses: In 2020, the income of musicians was significantly affected, especially those involved in hosting overseas and international events. The cancellation or postponement of such events was marked as “very severe.” Domestic music festivals and local events also faced cancellations or delays, with a notable impact on income. Business units experienced a monthly revenue reduction of 10-20 million (42% decrease), and personal income losses for operators ranging from 3-5 thousand NT dollars (42.9%). Employees faced losses of less than 10 thousand NT dollars for the majority. Individuals mostly suffered losses in the range of 20-40% of their original income, concentrated over three months. Self-employed individuals lost 10-30 thousand Nt dollars, which is a 44.4% decrease. The impact in Taiwan was considered less severe compared to other countries. However, the situation changed with subsequent outbreaks in 2021, where activities gradually resumed after the three-level alert, and government subsidies were quickly distributed. 50% of the employees were seeking other non-music part-time jobs, while 66.7% of self-employed individuals were seeking non-music-related jobs (Miao-Ju Jian, 2023).

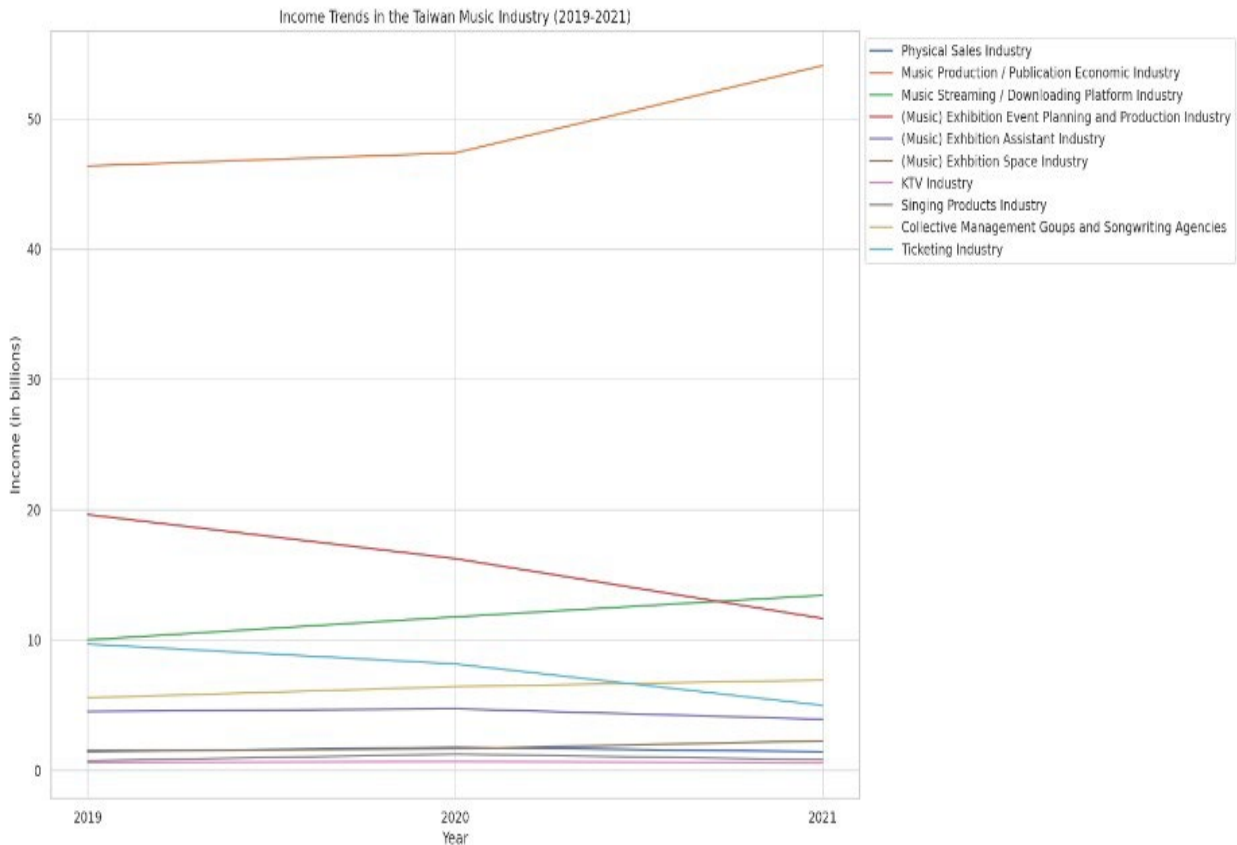


Figure 3. Income Trends in the Taiwan Music Industry from 2019-2021. This picture shows the income trends in Taiwan Music Industry by Sector from 2019 to 2021. The general trend observed here is that in person industries, such as exhibition event planning and production industry and ticketing industry tend to have a downward sloping income trend, while events that can be online, such as music production / publication economic industry and music streaming / downloading platform industry tend to have an upward sloping income trend.

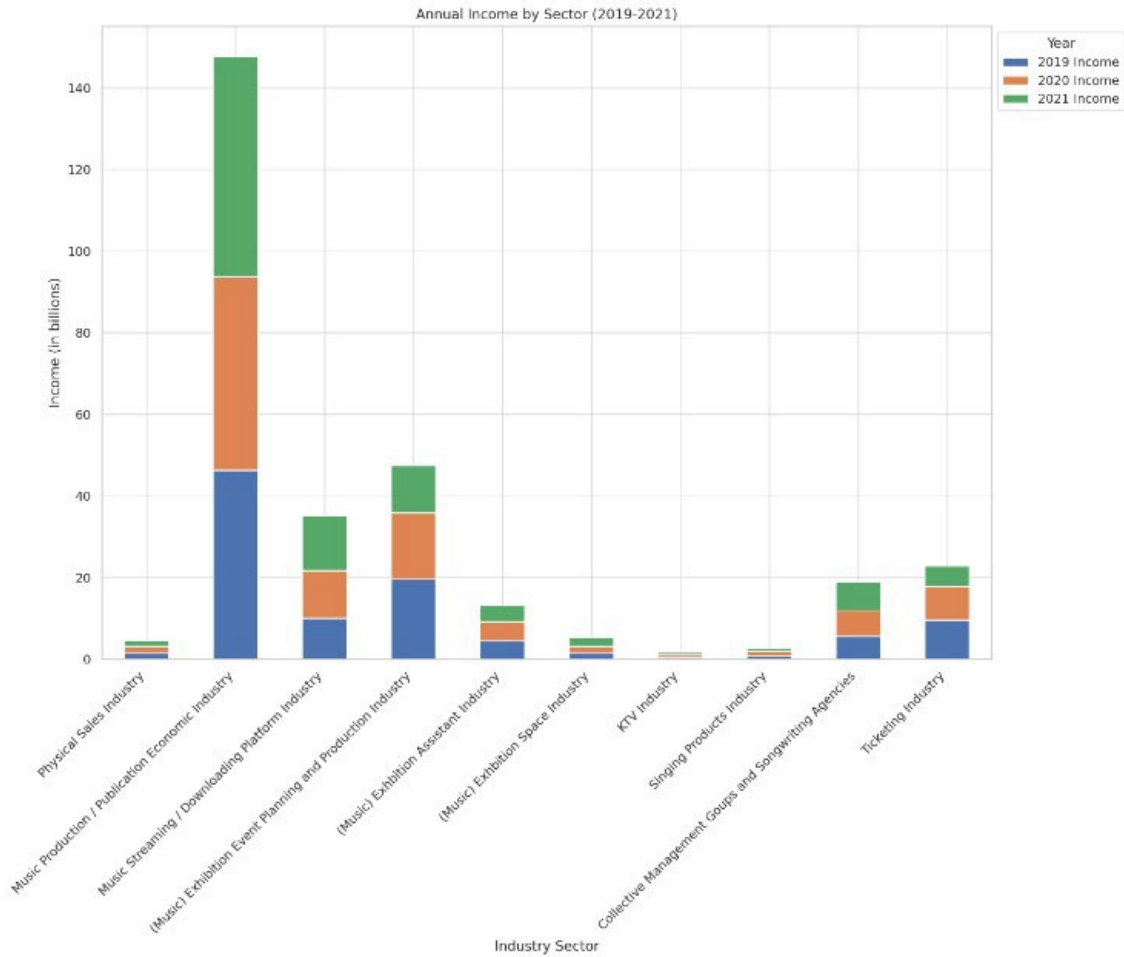


Figure 4. Taiwan Music Industry Annual Income by Sector from 2019-2021. This picture shows the annual income in Taiwan music industries by sector from 2019 to 2021. As shown, income in sectors such as music production / publication economic industry, and music streaming / downloading platform industry, which take place digitally, have increased from 2019 to 2020, and further increased from 2020 to 2021. However, income in sectors such as exhibition event planning and production industry, and ticketing industry, which take place in person, have decreased from 2019 to 2020, and further decreased from 2020 to 2021.

Cancellation of Events and the Effect: From 2020 to 2021, two rounds of pandemic restrictions affected live house operations to varying degrees, with larger venues experiencing more cancellations. For example, The Wall in Taipei faced 26 canceled shows in 2020, with a consecutive 44-day performance hiatus in April and May. Across 13 representative venues, 126 events were canceled between February 7, 2020, and December 30, 2020, with an average of nearly 10 cancellations per venue. The percentage of canceled events is 17.4% of the originally scheduled total events (Miao-Ju Jian, 2023).

In 2021, a second wave of the pandemic led to a complete halt in operations for all venues from May 15 to July 27, affecting their financial stability. While the cancellation rate in Taiwan was lower than in European countries, the impact on audience numbers and revenue was still significant. After the implementation of level two and level three alerts, all venues in Taiwan were completely closed for at least three months, with most venues returning to normal operations only after July.

The share of public broadcasts licensed by the Taiwan Society of Recording Rights Owners (ARCO) also

decreased as a result of the IP licensing trend in the Taiwanese music business, going from 6% in 2018 to 57% in 2020 (Taiwan Ministry of Culture, 2021). The popular music business in Taiwan is still evolving, adjusting to shifting trends and discovering new development prospects despite the obstacles it faces.

Government Subsidies: In response to the severe impact of COVID-19 on Taiwan's cultural and arts sector, the government, through the Ministry of Culture, introduced a comprehensive relief and revitalization program. This initiative encompasses subsidies to alleviate operational challenges, including personnel salaries, event production costs, and venue rentals. The relief measures are applicable to cultural and artistic enterprises and individuals affected by the pandemic, including musicians. The program also incorporates a loan interest subsidy mechanism for cultural industries included in the Ministry of Economic Affairs' relief loan program. The government has allocated a total of 15 billion NT dollars, with specific funds designated for relief and revitalization efforts. This includes 8 billion NT dollars for a relief and 7 billion NT dollars repurposed from the Ministry of Culture's public construction projects for urgent relief purposes. The government plans to further support the sector through initiatives like inclusion in the Ministry of Economic Affairs' stimulus voucher program and additional cultural revitalization measures, adjusting strategies based on the evolving impact of the pandemic on the cultural and arts community (Central Taiwan Joint Services Center, Executive Yuan, 2020).

Result

Reshaping Music Consumption During the Pandemic

The COVID-19 pandemic drastically altered how people engaged with music. With stringent lockdowns and social distancing measures in place, individuals found themselves spending more time at home. This shift significantly impacted music consumption habits. Commutes, traditionally a time for music streaming, significantly declined due to remote work and restricted movements. As a result, there was a notable decrease in overall music streaming volume, reflecting a change in demand and consumption patterns.

Moreover, the pandemic-induced isolation prompted a surge in alternative activities that competed with music consumption. Podcasts gained popularity as a source of solace and entertainment, diverting attention away from music. The increased time spent at home reshaped the ways individuals integrated music into their daily routines. Household chores or other activities became primary times for music listening, altering the traditional context of music enjoyment.

Impact on Taiwan's Local Music Scene

The absence of live events had a profound impact on Taiwan's local music scene. Live performances and events are vital for artists to connect with audiences and generate revenue. The cancellation or postponement of these events created substantial financial setbacks for musicians, event planners, and venues alike. Beyond financial implications, the absence of live interactions limited opportunities for artists to showcase their talents, build their fan base, and cultivate a vibrant local music culture.

The pandemic's disruption forced the industry to pivot from traditional in-person performances to digital platforms. Artists had to innovate and adapt, transitioning to online performances and virtual events to stay connected with their audience. This transformation highlighted the resilience of artists and the necessity for the music industry to embrace digital avenues in sustaining connections and navigating through unprecedented challenges.

Discussion

Innovative Strategies

In the face of numerous challenges, the music industry has showcased remarkable adaptability and innovation to remain connected with audiences. The emergence of the internet initially threatened the industry's traditional mode, pushing musicians, brands, and streaming platforms to constantly adjust to evolving music consumption habits, from vinyl to CDs, MP3, and now streaming. The onset of COVID-19 further intensified these challenges, particularly impacting live music and events. However, artists swiftly pivoted, exploring novel avenues like online shows, live streams on gaming platforms, and innovative programs like #BrightMinded by Miley Cyrus and "One World: Together At Home" concert by Lady Gaga, which successfully raised funds for charity. Moreover, the industry witnessed a surge in online music streaming platforms, contributing to the globalization of music. Similarly, in Taiwan's theater scene, the pandemic prompted a seismic shift, leading to innovative virtual performances and a rethinking of traditional production methods. Immersive theater experiences gained traction, captivating audiences by inviting active participation, breaking the fourth wall, and engaging multiple senses, reshaping the very essence of theatrical engagement. Despite adversities, these sectors exhibited resilience, embracing change and technology to forge novel connections with their audiences, redefining the boundaries of artistic interaction in the digital age.

Navigating Digital Innovation and Resilience

The research conducted reveals a stark decline in music consumption triggered by the COVID-19 pandemic. Concerts, festivals, and various other in-person music-related activities faced prolonged postponements or outright cancellations due to pandemic outbreak concerns. Major events like Glastonbury and Eurovision were among those affected, reflecting the widespread impact. This disruption led to dire economic consequences, particularly in employment and revenue. The reliance on live events, which constituted a substantial portion of industry revenues, witnessed a drastic downturn, with live music revenues plummeting nearly 90%. Music streaming experienced a notable decrease of 12.5% following the implementation of lockdown and social distancing measures, due to music's complementary nature with other activities, such as podcasting, movie-watching, and YouTube viewing. Additionally, with the absence of commutes due to lockdown, this drop in volume significantly impacted industry giants like Spotify, reflecting a staggering revenue loss of approximately 692 million euros during the initial three quarters of 2020.

Industry Transformations and Financial Instability

The significance of these research findings is the profound transformation experienced by the music industry and the ensuing financial instability. The cancellation of concerts, festivals, and live events not only affected musicians but also had ripple effects across the sector, causing job losses for a spectrum of professionals, from road crews and sound engineers to venue operators and equipment suppliers. The contrast in music consumption trends during the pandemic underscores the industry's adaptability challenges, particularly the struggle to transition seamlessly from in-person to online formats.

The drastic reduction in live event revenues underscores the vulnerability of the music industry to external disruptions. Despite attempts to pivot to digital platforms, the rapid shift from in-person to online experiences proved challenging, especially for those lacking digital skills. The pandemic highlighted a digital divide within the industry, leaving many professionals struggling to maintain income streams. Moreover, the cancellations and postponements of major events exposed the sector's heavy reliance on live experiences, emphasizing the need for a diversified revenue model that accommodates both in-person and digital formats.

Navigating Digital Innovation and Resilience

Moving forward, the research points to an important need for the music industry to embrace digital innovation and resilience. The pandemic exposed a digital divide among industry professionals, impacting income for those unable to swiftly transition to online platforms. This presents an opportunity for stakeholders to reevaluate strategies and invest in digital skill-building initiatives. Moreover, the case study of Taiwan emphasizes the necessity for adaptive measures and government support to revive the industry amidst canceled events and financial instability. The findings illustrate the urgency for industry stakeholders to devise resilient models that can navigate ongoing challenges and ensure sustainability in the face of future disruptions.

Conclusion

The COVID-19 pandemic triggered profound disruptions in the music industry, reshaping consumption habits, devastating financial stability for musicians and industry workers, and significantly impacting local music scenes globally. The crisis prompted innovative adaptations, from online concerts to social media interactions, illustrating the industry's resilience. However, the financial toll was staggering, with job losses, revenue collapses, and a substantial decline in music consumption, especially live events and recorded music revenues. Government initiatives, such as relief programs in Taiwan, aimed to alleviate the industry's challenges. Despite these setbacks, the industry displayed adaptability, shifting dynamics towards digital platforms and showcasing potential for recovery post-pandemic through continued innovation and evolving consumer behaviors.

Limitations

Despite comprehensive research, this study encounters certain limitations. Firstly, the research predominantly draws from existing literature, case studies, and reports, potentially leading to a lack of real-time, firsthand data. This reliance on secondary sources may limit the depth and immediacy of insights into rapidly evolving trends within the music industry post-pandemic.

Secondly, the study primarily focuses on a specific timeframe, primarily covering the initial phases of the COVID-19 outbreak and its immediate aftermath. This temporal constraint might restrict the exploration of more long-term effects or ongoing transformations within the music industry as it continues to adapt and recover.

Furthermore, the scope of the study primarily centers on the impacts of COVID-19 on the music industry, with a specific emphasis on music consumption, industry revenue, and artist livelihoods. However, there might be other ancillary factors or nuanced elements not extensively addressed within this research, such as the psychological effects on artists, long-term audience behavior changes, or the full spectrum of innovative strategies adopted by diverse music entities.

Additionally, the study predominantly highlights the effects on the music industry within certain geographical regions, with a focused analysis on Taiwan. This geographical limitation might restrict the generalizability of findings to a global scale, as the impact and recovery trajectories of the music industry could vary significantly across different regions and cultural contexts.

Finally, while efforts have been made to encompass a wide range of reports, case studies, and literature, the field of study concerning the pandemic's impact on the music industry is continually evolving. This study's limitations may be influenced by the available data up until its completion and may not fully encapsulate subsequent developments or emerging trends in the post-pandemic music landscape.

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