

Political factors:

- Using unlicensed sources to listen to or download music, otherwise known as **copyright infringement**, remains a threat to the music ecosystem (IFPI, 2020).
- The **value gap** (i.e. the large share of music consumption on digital platforms not fairly remunerated to artists and producers) is slightly decreasing, as besides a healthy growth in revenue, the internet is enabling new business models for creators and the emergence of a broader range of artists and music intermediaries (CCIA, 2019).



Economical factors:

- Streaming has been the **key driver** of the global recorded music market growth. Services such as Spotify, Apple Music, Deezer, Amazon Music etc. have helped grow the numbers of paying subscribers to on.demand music subscription services to an estimated 341 million people in 2019 up from 225 million in the previous year (Statista, 2020).



Social factors:

- Music consumers are migrating towards **digital formats** that are more compatible with their modern lifestyle habits as well as their portable devices.
- Streaming services can be encouraged by the **high use of younger users**, i.e. 18 -29 years olds (Morning Consult, 2020).
- Engaged music fans are twice as likely to pay for a streaming subscription, as it allows them to have instant access to million of songs, as well as listen to what they want when they want (IFPI, 2020).



Technological factors:

- Since the **rise** of digital channels for media distribution, the music industry has undergone a major transformation process (Elberse, 2010), which is characterized by a strong growth in streaming subscriptions.
- Furthermore, **AI** and **machine learning** trains algorithms which extrapolate relevant insights both from content on the platform and from online conversations about music and artists, as well as from customer data, and use this to enhance the user experience (Outside Insight, 2020).

