

The Impact of COVID-19 on the Music Industry

Abstract

The COVID-19 pandemic reshaped the music industry. Music industry professionals and music enthusiasts were struck by an abrupt change in function. Working at the 2025 National Association of Music Merchants (NAMM) festival revealed the persistence of some of these changes.

The most profound result of the COVID-19 crisis was the music industry's switch to social media and other forms of online communication to promote products and music performances. Businesses began to abandon traditional on-site live events such as NAMM, trade shows, and in-person concerts. Today, the music industry focuses increasingly on digital and internet-based music distribution.



Background

The global economy faced several hardships during the pandemic. It led to a number of changes in lifestyles for people across the globe. The music industry faced a number of these hardships and was forced to take steps to adapt. Changes made during the pandemic led to a new direction in the music industry. While the pandemic forced people inside, music schools run by Yamaha were forced to close, however Yamaha was able to observe an increase in the sales of entry-level musical instruments as well as instruments that were easy to set up and play at home. Companies faced a large number of difficulties with travel and holding live events, which in turn led to a larger focus on digital market venues as well as e-commerce. Music companies have begun to rely more on digital technology in order to operate, taking a step away from the days of in-person interactions.

While prevalent before, the COVID-19 pandemic led to a massive decrease in the value of live music events. An estimated \$30 billion was lost in the global live music scene in 2020, as artists had to refund tickets and cancel tours, leaving little return on investment. As a result of this, the industry adapted and began to find other ways of revenue, relying heavily on digitalization. Live streams of concerts became more prevalent and efficient, and people realized that they could stream all the music they want at home for a cheap monthly payment. As concert ticket prices rise, scalpers who buy and resell the tickets will also increase, and many fans can't afford the new prices. Socially, live music is a great way to get a lot of people together, and following COVID, it has become less of a necessity to go to concerts, when everything is so convenient at home. COVID advanced us in the digital world, but left the live music scene struggling to stay afloat.

The pandemic significantly reduced the number of exhibitors at the NAMM Show's events. During 2022, NAMM was operating at half its usual size and featuring more spaced-out booths. Many companies adopted smaller or hybrid setups, using digital platforms to stay connected with global attendees. Although the 2025 NAMM Show appeared to have signs of recovery with 1,850 exhibitors, it still hadn't reached pre-pandemic figures. Managers had to adapt to new safety protocols, streamline event formats, and consolidate shows to manage resources and safety concerns. By 2025, organizers focused on balancing large exhibits with personalized networking, aiming to rebuild attendance and industry engagement post-pandemic.

Results

While a shift towards digital technology was present before the pandemic, the pandemic forced companies to find digital solutions to the problems that the pandemic posed on the music industry. The pandemic also led to a heightened interest in music as well as music within the digital space. The live music industry lost \$30 billion, concerts scheduled before COVID-19 were cancelled, and artists were forced to adapt digitally. The NAMM Show's gradual recovery reflects the industry's resilience and adaptability in the face of unprecedented disruption. While there will be struggles to come, the ongoing emphasis on innovation and hybrid engagement signals a promising path toward revitalized growth and participation. The future of the music industry has become increasingly linked to the digital world. The global pandemic further pushed the music industry to adopt more digital technologies, leaving behind tradition and forever altering the course of the music industry.

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