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Digitality and Music Streaming in the Middle East: Anghami and the Burgeoning Startup Culture

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This article examines the digital turn in entertainment media industries, with particular attention to music streaming in the Middle East. It delineates the contours and workings of an emergent "ecosystem" that underpins the music industry in the region. While recognizing that regional platforms develop and adopt technological innovations that echo global trends, the article highlights the unique ways they respond to local market needs, navigate sociocultural factors, and capitalize on audience fragmentation. Using the case of Anghami, the article argues that this burgeoning startup culture—which is characterized by mobile, social, and direct-to-consumer services—is disrupting established radio and recording industry practices, redefining stakeholders, and creating more connected digital communities. The broader aim of the article is to unravel the nature of digital adaptations and transformations in the Middle East and better understand the complexities and disjunctures that characterize the emergence, adoption, and experience of digitality in the region.

Keywords: digitality, streaming, music, Anghami, Middle East, ecosystem, startup, global, Global South, Spotify

Over the past decade or so, streaming has transformed the music industry globally. New players, processes, and practices are reshaping digital distribution and arguably the exhibition and production of content. These developments have favored the rise of a handful of global players such as Spotify (30%), Apple Music (25%), and Amazon Music (12%), which came to dominate the streaming industry market—though various local or regional platforms have also managed to carve a space for themselves (19%), catering to the specific needs and expectations of more diverse categories of music subscribers (Music Industry Blog, 2021). Harnessing the powers of the digital, streaming platforms are refining user experiences with features from "mood" playlists to expanded "personal" music libraries. With freemium models, advertising, and partnerships, music platforms have developed processes to make their services more accessible, affordable, and integral to today's music culture.

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As an industry pioneer, Spotify has become a symbol for a startup culture vested in attracting primarily millennials across the world. By championing self-organized, cross-functional teams with relative autonomy, this Stockholm-based audio-streaming and media services company became the textbook case for aspiring digital entrepreneurs in creative industries and beyond—though Spotify's success has also generated critical discourses about its implication for popular culture (Burkart, 2020). In reporting on digital entertainment media, commentators tend to uncritically adopt trite metaphors, such as "the Spotify for x," where x could stand for a particular industry (Fleischer, 2020), or even region. In this perspective, the development of streaming platforms in the Global South amounts to a simple case of technological "borrowing," devoid of any innovation or creativity.

In effect, though, the ways that streaming is taking hold differ markedly in networked societies of the Global North and networking societies of the Global South (Khalil & Zayani, 2022; Zhang, 2019). Characterizing the Global South is not only unevenness in access to digital infrastructures and marked discrepancies in digital literacies, but also the perpetuation of existing cultural, political, social, and economic inequalities as consequences of a gaping digital divide (Ragnedda & Gladkova, 2021). Heeding these complexities, scholars such as Wasserman (2018) have called for the de-Westernization (and decolonization) of global media and communications studies, pointing out the need to conduct research not *about* or *from*, but *with* the Global South. De-Orientalizing the study of media industries emerging from the Global South requires paying particular attention to vectors, forces, and dynamics that complicate the workings of what is otherwise treated as a homogenized global media culture.

The complexity of the digital turn in Middle East media provides an interesting case study for better understanding the nature of digital adaptations and transformations outside Western contexts and for unraveling the complexities and disjunctures that characterize the emergence, adoption, and experience of digitality in one instance of the often Orientalized Global South. While recognizing that regional platforms adopt and develop technological innovations that echo global trends, this article highlights the workings of an emerging ecosystem that links to global digital capitalism while responding to local market needs and adapting to sociocultural specificities.

It is fitting at the outset to define two key terms around which the analysis revolves: *Middle East* and *digitality*. As one outcome of European colonization, the term *Middle East* has a long and complicated history with the region's diverse political systems, economies, ethnicities, religions, and cultures. Contested and controversial, the term *Middle East (and North Africa)*, in the context of this article, refers to countries represented in the Arab League as the region's largest demographic and geographic constituent and its most diverse and largest population. Such use is also consistent with how digital media industries commonly refer to their markets and how international organizations and consulting firms designate their areas of coverage (Dean, 2017; PwC, 2020). Significantly, the Middle East is in the throes of change. The past decade or so has been characterized as much by the aftershocks of young people's activism during the Arab uprisings as by the increased adoption of digital technologies and inductions into the knowledge economy—in short, by the region's encounter with the digital. Talking about the Middle East's digital turn is necessary to address digitality as a sociological condition. Unlike digitalism's concern with the ubiquity of digital devices, digitality draws attention to the integration of digital tools and practices in everyday life—the very condition of living in a digital culture (Negroponte, 1995).

One of the pointed manifestations of such digital turn is the way streaming is unsettling aspects of a commercial music industry in a region that remains attuned to legacy media (e.g., the continued popularity of radio and TV), but is also immersed in long-standing sociocultural practices (e.g., expectations for free access to services and preference for cash transactions). The development, adoption, and experience of digital media industries in the Arab Middle East is a momentous conjuncture that calls for a historically informed, culturally embedded, and critically oriented analysis. Such analysis recognizes that the configurations of the digital Arab Middle East cannot be reduced to the unhindered deterritorialization of digital/platform capitalism or brushed off as a mere celebration of diversity and empowerment within 21st-century global media (Curtin, 2020; Khalil & Zayani, 2021; Srnicek, 2017). Moving beyond facile debates that lock digitality in the Middle East in oversimplified interpretations and reduce ongoing shifts to mere manifestations of new technological possibilities (Schroeder, 2013), this article offers a historically contextualized and geographically anchored critical analysis (Herbert, Lotz, & Punathambekar, 2020) of how cultural forms are produced, circulated, and consumed. In doing so, it sheds light on how digitality is taking hold in the region and what the ongoing changes and emerging practices reveal about the encounter between digital capitalism and the Global South as it manifests itself in the case of the Middle East. A key pursuit in this analysis is delineating the contours of an emergent "ecosystem" that underpins the music industry in the Middle East and, more broadly, the subtle interlinkages between technological, sociocultural, and economic dimensions of the region's digital turn.

Given that the subject of analysis is a constantly evolving media industry characterized by a great deal of informality and limited transparency, the research methodology is multiperspectival and multisited within the parameters of media industries studies (Herbert et al., 2020). Such an approach is particularly fitting for analyzing the complex interplay between economic and cultural forces across societies and within media industries. In practice, this article draws on cultural histories, media discourses, and industry artifacts (industry trade publications, public statements, business reports, and industry statistics) while also delving into emerging industry trends and practices.

To anchor the analysis, the article focuses on Anghami—the leading indigenous streaming platform in the Arab Middle East. Launched in 2012, Anghami ("my tunes") is the Middle East's first legal music streaming service for major Arab and international labels, and the first Arab tech company to be listed on the Nasdaq (Digital Bedu, 2021). The platform offers free and subscription-based services aimed primarily at younger demographics in the region and beyond. The case of Anghami highlights digital disruptions in a Middle East music industry characterized by domestic, often pirated, consumption of CDs. It is indicative of wide-ranging changes in global entertainment media industries whereby the flow of music relies less on physical distribution than on digital connectivity, the music itself is conceived more as a service than as a product, and music consumption is redefined by personalized, mobile, and experiential dimensions (Morris, 2015; Wikström, 2009). Instead of subscribing to the clichéd label of the "Spotify of the Middle East," the article focuses on the ways in which Anghami defines its startup culture in accordance with the region's prevailing economic, cultural, and political values.

Into the Streaming Era

The development of streaming services as a media business activity is enabled by and feeds into an ecosystem that is not always evident to end users. As a business concept, *ecosystem* refers to the arrangement of interdependent and varied industries and related social institutions (Iansiti & Levien, 2004; Moore, 1993; Tófalvy & Barna, 2020). In this perspective, a core business activity is dependent on other businesses and reliant on various organizational actors such as markets, technologies, or institutions. An ecosystem is dynamic and interactive, and it evolves in relation to changes in interdependent businesses and institutions. In essence, music industries are a set of diverse, but related, businesses that encompass recording companies, music publishers, concert promoters, music retailers, and other ancillary industries (Strasser, 2010). Operationally, a music ecosystem is tied to multiple industries, which include musicians, music schools, music venues, radio stations, and copyright agencies, among other subsectors.

While an ecosystem tends to be constituted of common elements, how they affect one another and how they shape the industry itself tend to vary. Grasping the complexities of the region's emergent digital ecosystem calls for cursory attention to the evolution of the music industry itself. In the following, we highlight signposts in the production, publishing, and distribution of particularly Arab music industries, which foreground the emergence of the peculiar digital ecosystem within which Anghami operates.

The 1920s marked the birth of modern Arabic music, produced and distributed as popular culture. The introduction of radio in the Middle East in 1925 developed a mass audience and altered music production and consumption practices. Gradually, radio stations located talents and developed the necessary infrastructure, such as studios and music schools, for cultivating artistic talent. True to their colonial owners, these radio stations cared less about audience tastes and more about pacifying the locals, and they were rife with apolitical songs. Unlike radio, though, the music industry that developed in the region's cultural production centers was variably commercially oriented. The distribution and exhibition of music consisted mainly of live performances, few recordings, and limited prints of records (Fahmy, 2011). With the successful launch of sound films in the 1930s, musicals accounted for over half of the movies produced between 1940 and 1945 (Shafik, 2007). Radio and film became henceforth crucial marketing tools for expanding the music industry.

The decolonization era also left its mark on the music industry. Between the 1950s and the 1970s, the emergence of the modern Arab state was closely associated with developing strong national mass media (Kraidy & Khalil, 2010). With radio as the music medium par excellence, an industry thrived around two main hubs (which spawned two music industry models)—Cairo and Beirut. In Egypt, the music industry became essential to the state project, and therefore, an ecosystem was developed in which the state was the primary producer, distributor, and promoter. This was particularly the case with the nationalization of Sono Cairo, the country's vertically integrated music company, in 1964. A rich tradition of musicals in the movie industry and the introduction, in subsequent years, of weekly live television performances played a pivotal role in the dissemination of Egyptian music across the Middle East (Frishkopf, 2010). In Lebanon, the country's cultural diversity and exposure to both Arabic and Western music resulted in a "melting pot" of genres, poets, musicians, intellectuals, and producers (Stone, 2007). With limited state support, the "Beirut School" developed an outward-looking ecosystem based on liberal economic practices that produced, published, and promoted "exportable" music, using local and foreign resources and catering to both local and regional tastes. In Beirut, as in Cairo, the music industry remained attached to gatekeepers—primarily established artists and composers such as the Rahbani Brothers and Mohammed Abdel Wahab, who cemented the link between recording companies, distribution channels, and promotional venues.

The 1970s and 1980s witnessed a change in the music industry ecosystem triggered by multiple political, sociocultural, economic, and technological factors. The failure of the political ideologies of the 1960s paved the way for sociocultural changes and prompted the younger generation to resist traditional dogmas, including established musical traditions. A new wave of music genres swept the Arab world: *shababi* (youthful), featuring hybrid formats, emerged in Egypt and Lebanon, but also in North Africa, where Algeria established itself as a center for the popular Rai music (Schade-Poulsen, 1999).

Contributing to the popularity of these cultural forms is the advent of the cassette tape industry, which further altered the music scene with new forms of production, dissemination, and consumption (Castelo-Branco, 1993). The introduction of audio cassettes lowered the barriers of entry to music distribution and helped artists bypass the highly selective mainstream media (radio, TV, and film). As a result, the 1970s saw a surge in production and localization of musical tastes, with *sha'abi* (popular) music developing from Tunisia's *mezwed* to the Arabian Gulf's *fidjeri*. Of significance is the widespread adoption of FM radio stations and radio cassette players, which helped popularize these musical genres during the 1980s. The established ecosystem—which was built around live performances, mass media, and record sales—reacted to the emerging parallel cassette-based industry by rejuvenating its practices, leading to the development of talent shows in Lebanon and the reentry of private music producers to the Egyptian market. Eventually, the two ecosystems were fused as audio cassettes became a mainstream formal and informal market readily available in specialized stores as well as in cassette stalls and, most commonly, among street vendors.

The 1990s marked the satellite revolution, which gave rise to video clips or music videos as a significant promotional venue. Initially, it was mainly the major pay TV channels that offered music as a value-added product to attract subscriptions. In 1994, Rome-based Orbit offered Music Now, a channel dedicated to Western and, later, Arabic music videos and video jockeys (veejays). Similarly, ShowTime Arabia offered MTV Europe's feed with a localized show *Mashaweer* (1997–2007), while Arab Radio and Television (ART) focused on Arabic music, developing synergies with the music publisher Rotana to produce and screen music videos, interviews, and concerts (Kraidy & Khalil, 2010).

The advent of the Internet and the adoption of new digital technologies led anew to the disruption of the Arabic music industry. New studios sprang up, offering greater possibilities for composing, recording, mixing, and orchestrating, which paved the way for a new generation of artists, producers, and arrangers to offer new and hybrid musical genres. Digitalization also allowed the widespread adoption of CDs as a mode of distribution and led to the emergence of record stores as primary points of sale. In subsequent years, data compression using an MP3 format allowed smaller music files to be saved on CDs and USB flash drives and shared mostly on peer-to-peer Internet sites.

As with the introduction of audio cassettes, the new millennium ushered in a two-tier music industries system in which established mainstream music production coexisted with disruptive industry trends enabled by the digital turn. In a system premised on economic privileges that offer no incentive for change, mainstream music publishers held on to the old music economy and emphasized record-store CD sales while trying to curb rampant piracy. They also developed subsector businesses through ownership or partnership with music TV channels, radio stations, concert promoters, artist-management agencies, advertising agencies, brands, and telecom operators (Kraidy & Khalil, 2010). In Egypt, Mazzika Group emerged as a producer, publisher, and music promoter (with Mazzika TV at the center of its operation). At the same time, Melody Group built a media empire, which included 12 TV entertainment channels in addition to music production and artist management. Dubai also saw the emergence of Al Abdool Audiovisual Productions, which established Nojoom channels to promote the company's mainly Gulf-based artists. Ventures such as these enabled established producers to retain a dominant ecosystem founded on conglomeration and reliant on synergies across a wide range of interrelated businesses.

While complacence prevented many mainstream music publishers from embracing the new digitality-enabled music economy, widespread access to the Internet and the fast penetration of mobile phones paved the way for a parallel alternative music industry ecosystem to emerge. In the early 2000s, Internet music forums provided a platform for discussing particular genres, sharing old and new music, and promoting new artists. Underground music such as rap, which is imbued with social and political criticism, thrived on the Internet and developed a fan base on forums—such as Emirates Rap, Qatar Rap, and Tunisie Rap—which were run by administrators keen on promoting artists and sharing their music (Khalil, 2019; LeVine, 2008). Online forums were also sites for exchanging tips and practices, downloading pirated regional and international music, and harnessing the potential of platforms like SoundCloud, which remains popular among independent artists. The introduction of YouTube in 2006 further shaped consumption habits, drove consumers away from satellite music video channels, and acclimated audiences to digitized music consumption, which streaming companies subsequently expanded to unprecedented levels. These digital platforms remain popular with underground musicians whose styles, politics, or popularity keep them excluded from regional streaming platforms; they are also sought after by artists who want control over their content and its revenue. This is the case, for instance, with some of Beirut's independent artists who seem to embrace SoundCloud's promise of openness and democracy while also being profit oriented (Nickell, 2020).

The digital turn in music consumption has spawned different formulas, including download-to-own (iTunes), where users pay per download; download-to-rent (Napster), where users download at a flat-rate fee; ad-based streaming/online radio services (Pandora), where users access virtual "radio" based on genre or create their own stations; and music as a service (Spotify), where users stream either for free or against a flat rate. Technically, "streaming" designates a method that allows a provider to deliver audio or video content to an end user over the Internet. Content is delivered as a continuous stream that is provided and received in the correct order—unlike downloads, where orders are irrelevant. Streaming is used for both prerecorded content (songs or movies) and live broadcasts (sports or news). What made streaming media consumption possible were various technological innovations relating to infrastructure (network speed and bandwidth) and data conversions and compression (codec, formats, etc.).

Increasingly, media consumption patterns in the Middle East and North Africa (MENA) are oriented toward mobile streaming services. This is not to say that streaming became the dominant form of music consumption, but only to point out new trends that coexist with existing practices encompassing various media forms. In the case of Saudi Arabia, the largest media market in the region, the music streaming market was valued at US$116 million in 2021, compared with US$35 million spent in 2017 (Music Industry Blog, 2021). While Middle Eastern consumers are estimated to spend 192.1 minutes daily listening to radio (Zenith, 2018), on average, they spend 69 minutes daily streaming music (GlobalWebIndex, 2017). In terms of video viewing, the region is ranked second globally, with more than 310 million daily YouTube views ("Online Video Consumption," 2017). Significantly, pirated content continues to be an alternative source of music, film, and television content.

A Middle East Startup

The rise of Anghami has been intertwined with the digital economy's culture of convergence, entrepreneurship, and innovation. As a startup, Anghami elucidates how homegrown disruptive tech ventures have managed to carve a space for themselves in a sprawling global digital entertainment industry. This includes streaming apps like Joox and KKBOX in East Asian markets, Gaana and Wynk Music in South Asia, and Mdundo in Africa. What distinguishes Anghami (and other regional platforms in the Global South) is not so much its ability to claim a market share or fill a market niche in an established global streaming service industry, but how it developed and adapted its operations to a region marked by an uneven adoption of digitality and a deficient ecosystem while aligning itself with the orientations, conventions, and practices of the global streaming industry.

The story of Anghami has its inception in a small Beirut-based company named PowerMeMobile. Founded by Elie Habib, a software engineer, the company offered mobile solutions and content for mobile operators, service providers, and portals. With Eddy Maroun, a music aficionado and a lawyer by training, joining the company to develop value-added services (ringtones, music, logos, etc.), a partnership emerged; Maroun would compose melodies as ringtones, while Habib took care of technical and distribution matters. This was the time of the flip phone and BlackBerry, when people were paying small sums for ringtones, typically a sampled version of their popular songs. Following participation in the 2010 Mobile World Congress in Barcelona, the founders of the company contemplated the launch of a music streaming platform because none was available in the region at the time. Backed by a team of developers, they initially tried their hand at creating a beta version at the Startup Weekend Challenge in Beirut in 2011. Over the next two years, they sought to develop a music platform and secure music rights. As smartphones started to gain massive appeal in the region, the team relinquished its initial plan to develop Anghami as a Web-based service in favor of a smartphone app. This required honing internal skills in coding and seeking third-party support in Belarus for a content delivery network.

To raise investment capital, they pitched their project to Rotana Music, the region's largest producer of Arabic music. In return for a licensing deal, Anghami would pay Rotana a total of US$600,000 with an immediate first installment of US$200,000 in 2011. Signing a deal with a major record company not only paved the way for negotiating licensing agreements with other regional and international labels (including Mazzika, Melody, Sony Music, EMI, and Warner) but also brought Anghami to the attention of venture capitalists. Their first investment came with US$1 million in funding from Middle East Venture Partners (MEVP), a Dubai-based venture capital firm. Ahead of its launch in 2012, MBC Ventures (MBC Group's investment unit) offered Anghami a media-for-equity deal. In exchange for 30% of Anghami's equity, MBC would provide massive advertising and marketing campaigns—valued at US$3 million annually for three years—throughout MBC Group's media network.

Cognizant of the peculiarities of an informal economy in which music piracy is rampant (Lobato & Thomas, 2015), open access to media is considered an entitlement, and disposable income is often limited, Anghami embarked on developing a digital startup company dedicated to the legal streaming and distribution of music in the MENA region. At this point, the story of Anghami may seem all too familiar to Spotify: a digital startup vowing to respond to the piracy problem. For Anghami, this entailed the digital recommodification of content and the enhancement of user experience through technical innovation, but also adapting the operation to the evolving business practices of local and regional advertisers and telecom operators, with an eye on consolidating revenue streams.

The company's initial premise was to provide access to music without the need to copy or download music; in the process, it reoriented music ownership from "purchased" to "on-demand." Whereas in Western countries, intellectual property is rigorously protected and piracy is harshly prosecuted, Anghami operates in a looser regulatory regional context where laws against piracy are either selectively applied or unenforceable. This affected the pursuit of lawful business activities in sectors and products involving intellectual property (as piracy translated into low demand for licensed services and copyrighted products) and resulted in a decline in the output of creative and artistic activity (Harabi, 2008). The music sector, in particular, has traditionally suffered from a high level of piracy, and even states that had the political will to reduce piracy were unable to effectively fight infringement of intellectual property (Melki, 2007). To gain traction in an environment where a pirated CD costs as little as US$ 0.50, Anghami needed to offer a legal streaming service with affordable access to its catalog. This was all the more important considering that a business transaction in which the music is neither rented nor bought was relatively new for a Middle Eastern consumer market that typically privileges the material exchange of commodities and commonly favors cash payment.

Heeding these cultural specificities and consumer market considerations led Anghami to adopt a "freemium" pricing model premised on a two-tier service. For ordinary listeners, Anghami's advertising-supported service offers "free but legal" music consumption (Fleischer, 2020); for heavy users, Anghami's advertising-free premium services offer unlimited downloads or streaming. Premium service subscriptions through mobile operators are available across 29 mobile networks in MENA, with multiple pricing tiers (Stassen, 2019). Capitalizing on the tendency of operators to bundle data packages with multiple services, including music, Anghami was able to tap into a user base that otherwise may not have subscribed to its service.

Building Capacity and Forging Alliances

First-mover advantage aside, the sustainability of Anghami required harnessing technological possibilities, accommodating regional artistic tastes, and leveraging regional opportunities. Technologically, Anghami invested in developing in-house capacity instead of relying on third-party providers, thus acquiring a deeper understanding of and better adaptability to the complexities of the operation. Beyond app development, Anghami capitalized on machine learning to provide additional services and expand the platform. Because mobile operators represent their most significant revenue stream, Anghami collaborated with Dolby to develop an encoding system that is light on data and allows streams to be available even on 2G networks (BBC X-tra, 2018).

Anghami also leveraged its location to enhance its operations both artistically and technically. Being headquartered in Beirut enabled it to tap into Lebanon's legacy of multilingual radio stations, DJs, and artists while also benefiting from a burgeoning tech sector and an emerging software development industry (Ben Hassen, 2018). Whatever Lebanon lacked in terms of digital infrastructure and business networking, Anghami found in nearby Dubai, a thriving regional tech center and a buzzing center for telecommunication networks, advertising companies, and venture capitalists. Operating at the intersection of a creative hub (Beirut) and a business hub (Dubai) positioned Anghami well in a coveted segment of the digital media market, which in turn increased its appeal to multiple stakeholders.

Ahead of its Nasdaq listing, Anghami announced the establishment of a global headquarters in the UAE capital, Abu Dhabi. Benefiting from financial resources and logistical support, but also more broadly from the UAE's drive to be a leading knowledge economy, Anghami calibrated its R&D strategy toward developing products that cater to local demands while being aligned with global market trends. By responding to the regional problem of piracy, Anghami was able to leverage music publishers' need to diversify their revenue streams. At the same time, it catered to the growing appetite of the "earbud generation" for quality access to on-demand music in a region where millennials constitute the largest segment of Internet users and where streaming is increasingly popular among avid users of digital media. Finally, Anghami forged a number of mutually beneficial partnerships by offering new business opportunities to telecom operators seeking ways to increase revenue through data usages other than VoIP solutions.

Anghami claims to be founded on the principles of scale and equity. Its founders wanted the platform to be mobile-centric because "mobile would provide [them] with scale" (Stassen, 2019, para. 19); they also wanted their operation to "be fair for the artists" (para. 19). Yet, there is little evidence to suggest that Anghami has adopted alternative approaches to the issue of artist compensation. With few exceptions, Anghami's catalog is negotiated with large music publishers, and the benefits do not always trickle down to artists. Although Arabic labels were not all that familiar with licensing catalogs for digital streaming, Anghami had a vast repertoire of 2 million Arabic and international titles when it launched in 2012 (Curely, 2012). Over the next four years, Anghami vaunted an 11-fold growth in its subscriber base, reaching 30 million users, with an active monthly base of 6 million users streaming more than 700 million songs ("Dubai Firm Invests," 2016). In 2015, Google voted it as one of the year's best apps (Zeidan, 2015). By the end of 2016, its revenues exceeded US$10 million, including advertising and subscription streams (Valladeres, 2017).

Changes and Challenges

Anghami's success came with challenges, as competitors soon began battling the company for consumers. When Anghami launched, its competition included a few Web-based regional music portals such as Yala Music, which played some licensed but not exclusive Rotana content, and apps such as Zambaleeta, which were focused on specific territories and lacked a clear identity (offering news, ringtones, and videos; Curely, 2012; Gabr, 2013). Anghami's first major contenders arrived in 2018, with international companies like Deezer and Spotify offering streaming services in the Middle East, after having been unofficially available in the region through accounts registered in Western countries for some time.

Founded in 2007, Paris-based Deezer had the scale (53 million tracks) and the funding, valued at US$1.16 billion (Rottgers, 2018), and was looking to expand to new markets. On arrival, Deezer signed a partnership agreement with Rotana Music, taking Rotana's content (exclusively) from Anghami. In the background, Kingdom Holding, Rotana's parent company, had invested US$266 million in Deezer and competed with MBC Group, one of Anghami's investors. Rotana's catalog (valued at US$150 million) and its artist relations would prove advantageous for Deezer's efforts at localization. However, Rotana was downsizing its regional operations to focus on the Gulf region and struggled to recruit younger audiences, leaving room for new players to enter the fray. Around the same time, Stockholm-based Spotify joined the competition over Middle East audiences in an attempt to expand its global footprint. As part of its Global Cultures Initiative, Spotify made its Arab Hub home to curated playlists reflecting the diverse musical tastes of the region.

Faced with increased competition, Anghami sought to diversify its offerings and strengthen its partnerships to maintain its position. Even before the arrival of Deezer and Spotify to the region, Anghami had to reckon with established global competitors such as YouTube, which continues to dominate online video, particularly with users' added ability to build and save playlists. Anghami made music video part of its offerings to maintain its competitive edge, allowing users to switch between the audio and video version of the same song. By 2019, Anghami's music video catalogs contained more than 300,000 clips from major labels featuring Arab and international artists. It also offered the lyrics for more than 2.5 million songs in its catalog, including most Arabic songs (Stassen, 2019). Transcribed in-house, these lyrics are also sharable on social networks. Because of their growing popularity, more than 300 podcasts were added to Anghami's offerings, featuring content from exclusive regional publishers (Mstdfr, Kerning Culture, Dukkan, and Amaeya FM) and various corporate publishers (Time Out, Harper's Bazaar, Arabian Business, Jamalouki, and EuroSports). To enhance the user experience, Anghami introduced new features to the platform, including voice commands and song recognition. In addition to voice control, which is available from most competitors, Anghami enhanced the platform's compatibility with Siri (for iPhones) by offering the ability to search, play, and like songs. It also integrated ACRCloud, which avails users of the music recognition feature Radar to detect songs and bring them to their library. Thus, expanding the platform and increasing its functionality have been core to maintaining Anghami's performance.

Streaming as a Cultural Production

Since its initial conception, Anghami capitalized on its deep knowledge of Arab tastes, culture, and artists. The platform's founders boast that they "understand the artists and the Middle East music better than the competition" (Valladeres, 2017, para. 27) and that Anghami's playlists carefully engage with the moods, habits, and lifestyles of the various subregions of the Arab world. Being mindful of the cultural sensitivities and tastes of its Middle East audiences, it categorizes songs on its playlists in such a way as to prevent the mixing of groovy pop music and sober soundtracks or Quran recitations. Anchored in their deep familiarity with the region, they work with the premise that "music is meant to be social" (Stassen, 2019, para. 23), enabling users to follow favorite artists and curate and share their playlists on Anghami and other social media. Anghami's developers have also leveraged technology to get deeper insights into user habits and preferences and capitalized on machine learning to enhance user experience, increase discoverability of profiles with similar tastes, recommend playlists, and expand the platform's offerings.

With the loss of Rotana to Deezer, Anghami sought to consolidate its regional and local labels, attract independent artists, and cultivate its own musicians. Globally, streaming services are an excellent source for self-producing artists or underground musicians to promote and distribute their music. The openings and freedoms that the events of the Arab uprisings afforded, even if provisionally, spawned a broad range of alternative (and overtly more activist) artistic expressions, including music. Investing in high-end recording studios, Anghami acquired the ability to produce and exclusively distribute music, while also positioning itself at the center of the region's art scene and its cultural politics. A case in point is the fundraiser concert it organized and disseminated following the port explosion in Beirut and the Arabic/English hip-hop cypher it developed for Sudan. Tapping into the post-Arab uprisings' vibe could potentially help Anghami emerge as a streaming venture that promotes underground artists, enables alternative voices, and unleashes talent, potentially turning its signature into a sign of success. Yet, such commitment remains largely unfulfilled; its engagements with the alternative music artists and institutions remain limited and sporadic at best.

Significantly, the success of Anghami as a music streaming platform depends on its ability to add subscribers at rapid rates both regionally, as low-cost Internet access increases, and internationally, as subscriptions expand beyond the region. With most licensed content not exclusive, music streaming services may eventually cancel out one another because they could all end up providing nearly the same music. Considering the catch-up effect and the resourcefulness of global competitors lured by the size of the region's music market, local knowledge is no longer sufficient to maintain a competitive edge. Whether Anghami can face up to these challenges remains to be seen.

A Shifting Digital Media "Ecosystem"

Within only a few years of its launch, Anghami became a significant player in the growing regional digital entertainment industries. As a greenfield project, it managed to attract venture capital and develop collaborations with various subsectors of the music industry, including recording publishers, artists, producers, television stations, telecom operators, brands, and advertising agencies. Beyond these particularities, Anghami is noteworthy because it helps delineate the momentous forces driving the emergence of a music streaming ecosystem and pinpoint the challenges that streaming services face when operating within such a context. As the macro-historical perspective on Arab music industries in the opening section revealed, various practices and dynamics associated with earlier forms of technology and bygone music eras continue to exist alongside emerging trends impelled by increased digitality. Significantly, the introduction of streaming into the region's music ecosystem has resulted in changes to the industries while also engendering shifts in the relationships between the industries' different subsectors. Arguably, these unfolding changes are less indicative of radical disruption than they are the manifestation of ongoing transformations that bear witness to the complex and uneven nature of the Middle East's digital turn. Unraveling the nature of these changes calls for attention to the way the multiple areas of the streaming ecosystem have been impacted in terms of their internal operations and value chain, as well as in terms of how they negotiate their relation to other sectors—how the dynamics between content, packaging, distribution, and measurement subsectors have been reshaped (Burkart & McCourt, 2006).

First, the lion's share of content development, production, and acquisition continues to rest in the hands of those operating within the predigital streaming ecosystem. Regionally, Rotana still dominates 70% of artist development and production, while other players—including Egypt's Alam el Phan and MBC's Platinum Records—have claimed the remaining 30% (Schoenbach, Wood, & Saeed, 2016). At the same time, the music market's configurations are being reshaped by new technological developments and creative opportunities. By and large, international music publishers see the rise of streaming as expanding their business and attenuating the effect of piracy. Yet, these markets have their own specificities, which in turn determine how the ecosystem shapes up and how its various elements interrelate. For Alfonso Perez Soto, Warner Music Group's regional vice president, the presence of local streaming services is important "because of their understanding of the local ecosystem, the repertoire, the media companies and payment methods" (International Federation of the Phonographic Industry [IFPI], 2019, p. 23). Anghami operates at the intersection of Beirut and Abu Dhabi, where the various music industries coevolve, take on new roles, and develop added capabilities. Interestingly, such a digital ecosystem benefits from geolocation in clusters or cities, but also expands into digital spaces through inter-Arab and international virtual connections, record labels, artists, and producers.

Second, regional music distribution is being reconfigured, offering users "anywhere, anytime" control over their music—a belated development of user experience. Such an ecosystem revolves around music as a service (MaaS), where distribution and consumption occur simultaneously (Liikkanen & Åman, 2015). Instead of buying the CD and then listening to it on a personal device, users consume music while streaming on their mobile devices. However, the move from recorded to streamed music is predicated on a number of other services, capabilities, and players. To meet users' expectations, Anghami had to develop the technical capability and tap into the requisite infrastructure to ensure that music could be accessed on any device, any network or WiFi bandwidth, and in most MENA markets. At the core of this personalized experience is Anghami's ability to build and maintain connections with technology suppliers, telecom providers, and other partners. Equally significant for the wide accessibility of Anghami's streaming service is the development of reliable and affordable payment arrangements. Low credit card penetration in the region, coupled with limited disposable income, can prove particularly challenging for digital startups. In a market that tends to value fixed assets, privilege the material exchange of goods, and favor cash transactions, companies such as Anghami—whose operation is predicated on the immateriality of streaming services and the digitality of payment—are having to go beyond the established global model of music streaming developed in network societies.

Third, packaging and presentation are perhaps the two significant areas where Anghami has refined customer value proposition. By offering mobile streaming instead of music downloading, Anghami enacted a radical shift in regional consumption practices from physical, often pirated, ownership of limited music tracks to a personalized, mobile, and social experience of millions of songs. By adopting free and multiple subscription tiers, Anghami is tapping into the “culture of free” while giving customers incentives for adopting payment-based music consumption. By packaging commercials into the free service and enhanced user experience for paid services, Anghami is offering users, brands, advertising agencies, and telecom operators stakes in the value proposition. In turn, these stakeholders align themselves with directions and strategies set by Anghami, from digital advertising campaigns to mobile plans. The coalescence of interdependencies within this ecosystem allows various stakeholders to devise value-added packages, enhance their outlook, and grow their capabilities (Morris & Powers, 2015). Such customer value proposition entails experimentation and adaptability, both of which are characteristic of digital companies and youthful users.

Fourth, the advent of streaming is reconfiguring who and what defines customer size and user numbers, which has direct implications for attracting advertising money. The measurement of streaming services offers an assuring degree of reliability and transparency and creates opportunities for collaboration among multiple stakeholders. Despite notable inconsistencies in the measurement instruments used across the streaming field, the “new currency for viewership” (Dallas, 2020, para. 7) redefines the yardstick by which television audiences have traditionally been measured. Whereas broadcasting struggled to legitimize its audience measurement techniques, whether surveys or “people meters,” streaming has been able to readily quantify its users and to produce reliable data. Access to such usage data—which impacts primarily geolocational and personal customization as well as advertising placement and rotation on the freemium service—offers investors, advertisers, and Anghami itself a solid basis for making business decisions, while also giving Anghami added leverage. Far from being a stand-alone business, this indigenous streaming platform is part of evolving interdependent businesses that are constantly interacting—and at the core of this relationship is the measurement abilities. Even at this basic level, the data’s speed, scope, and accuracy offer enhanced opportunities for varied interactions among the various stakeholders.

These four characteristics are indicative of how music production in the Middle East is still primarily controlled by regional predigital companies, while music distribution and exhibition have transitioned to the digital era, in which streaming services play a leading role. Driven by the breadth of their geographic reach and the scope of their demographic appeal, streaming services have also shifted advertising spending from traditional broadcast media to digital, securing an additional revenue stream in the process. The case of Anghami points to an emergent digital media ecosystem comprising several interconnected stakeholders made of investors, suppliers, third-party providers, and end users, among others. However, a closer examination of the organization and interaction between these various stakeholders and entities reveals a high level of vertical integration with minor overflow. This has implications for the future of the music industry in the region as synergies develop between these stakeholders, led by large-scale players such as MBC/Anghami and Deezer/Rotana, at the expense of smaller or unestablished players. Anghami is keener to develop “exclusive” content for itself rather than depend on outside content creators, producers, or aggregators. Given the nature of the music industry, Anghami is focused on developing exclusive content while negotiating long-term contracts with labels and publishers to guarantee undisrupted music inventory—a move presumably aimed at lowering costs through improved business processes. With exclusive content, Anghami would add desirability to its catalog, driving traffic and maintaining leadership; but as a digital platform, the quality of its value chain hinges on its technological advances. It is particularly revealing that Anghami has developed in-house technical capabilities with limited reliance on third parties. From hardware to software, Anghami is investing in production and acquisition, packaging and presentation, and distribution and measurement.

This ecosystem is also characterized by mobile, social, and direct-to-consumer services that increase the number of digital communities and enhance their interconnectedness. Such ecosystems emerge intentionally and do not develop organically. They are relational and foster interdependencies across the economic, financial, political, and cultural spheres. While perceived as new sources of revenue, commercial and financial interest in streaming platforms such as Anghami point to the consolidation of new alliances between media, technology, and investment sectors. Significantly, such alliances are not isolated from political players and sociocultural stakeholders who have viable interests in preserving their interests and maintaining controls within this ecosystem (Khalil & Zayani, 2022). The case of Anghami suggests that the success of startup innovators depends as much on their business ingenuity as on their political maverick. So far, this interdependence has operated outside the purview of existing regulatory structures, which have been exclusively engaged in codifying relationships between streaming services on the one hand, and content providers, advertisers, and telecom operators on the other. Effectively, the streaming ecosystem is mainly produced through bottom-up approaches, which necessarily impinge on the states' traditional hold on media.

Concluding Remarks

The emergent MENA music industries ecosystem points to revealing connections between sociocultural needs and incentives contingent on specific local realities and contexts, on the one hand, and technological innovations associated with the development of digital services like Anghami, on the other. The intersection between the region's youth bulge, new consumer practices, shifts in digital marketing, the popularity of YouTube, rampant piracy, and the specific nature of the infrastructure provides the context for the emergence and articulation of this ecosystem. The deliberate and circumstantial nature of these developments speaks to the peculiarity of the regional digital turn, but is also reflective of broader global changes. Anghami is all the more noteworthy because it complicates the linear narrative about global digital capitalism and the way we conceive of the digital in a global and local context (Khalil & Zayani, 2021). In fact, the merger in 2021 with Vistas Media, an entertainment-focused special purpose acquisition company, further integrates Anghami into the global market, with access to global financing through a Nasdaq listing. By recognizing local and regional cases, media industries research would yield theoretical constructions of a global theory of digital disruption in relation to music streaming.

The dynamics associated with the emergence and growth of Anghami impel us to look at regional digital entertainment companies on their own terms. A platform like Anghami tells us as much about the specificity of the region as it does about the uninhibited ability of digital capitalism to expand. While global companies such as Deezer and Spotify are motivated by the desire to conquer new markets, regional companies such as Anghami emerged under particular circumstances and are as much driven by an urge to address specific consumer and market needs as they are motivated by the desire to establish a profitable digital venture. This makes it more than simply "the Spotify of the Middle East." Anghami is a reflection of complex and evolving local realities and a response to local needs, and the emergent ecosystem within which it operates is deeply rooted in such contexts. More than a localization of global giants such as Deezer and Spotify, Anghami stands out as a hybrid venture that operates at the intersection of specific technological conditions (uneven technological transformations), peculiar economic practices (a business environment where an informal economy permeates the formal economy), and cultural variables (music as both an economic sector and a sociocultural product).

To consider the transformations that are evinced in the case of Anghami as merely another phase in the development of a media–technology nexus, or to reduce these streaming platforms to plain copycats of global digital companies, is to leave unexplored the complex dynamics that led to the rise of a leading digital media player in the region and, in fact, the rich complexities that are shaping the Middle East's digital turn as a whole. Evidently, Anghami's defining characteristics could change as the company evolves. A prognosis of the course of the fledgling music streaming industry in the region may gain insights from the fate of two influential startups that emerged in Dubai—Careem (an app-based vehicle hire company that is now part of Uber) and Souq (an e-commerce platform that Amazon acquired). For Anghami, a subtle balance between indigenization and globalization, between innovation and standardization, could eventually prove hard to maintain.

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