

# The TikTok Effect: TikTok's Transformative Impact on the Music Industry

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TikTok, the short form video hosting service, has taken the world by storm. The platform was originally launched in 2017 as an American counterpart to the Chinese app, Douyin and in 2018 merged with the already popular musical.ly app.<sup>1</sup> With the onset of the Covid-19 pandemic, TikTok saw a spike in downloads, with a peak of 318 million downloads in 2020.<sup>2</sup> In 2021, TikTok reached the massive milestone of three billion downloads worldwide. Today it remains one of the leading apps in the United States and worldwide.<sup>3</sup> TikTok's influence should never be doubted, despite it commonly being thought of as a Gen-Z dominated app. TikTok is even edging Google out as the leading search engine for young people.<sup>4</sup> TikTok has revolutionized the way that society thinks of social media and its capabilities. From fashion, to finance, TikTok has helped to create viral influencers overnight and redefine what "celebrity" or "fame" means in a social media dominated world. TikTok's influence has managed to spread into the music industry, and have given a musicians such Lil Nas X, Olivia Rodrigo, and Megan Thee Stallion a significant boost in their careers, thanks to the viral trends surrounding their songs. TikTok's popularity has changed the way that artists promote their songs, and the way new talent is scouted. TikTok, understanding its star making power, has also began creating its own ways to impact the music industry directly.

With all the engagement that TikTok receives from users, it should come as no surprise that TikTok also impacts the music industry. TikTok commissioned its own study to highlight "its ability to drive music discovery and streaming activity."<sup>5</sup> The study found that the more engagement one receives on TikTok, whether in the form of likes, views, or shares, the more elevated their streaming numbers across multiple music streaming platforms.<sup>6</sup> Music labels have been pushing artists to have a presence on TikTok in order to use the platform as a promotional tool. Back in 2022, singer Halsey was vocal about their record label refusing to release their new single without the label first faking a viral moment on TikTok, associated with the single.<sup>7</sup> Songs can be promoted on TikTok either organically as users discover songs and create viral trends, or inorganically by hiring influencers to create content with a song, thus faking a viral moment.<sup>8</sup> Influencers can make upwards to thousands of dollars on one video promoting an artist's song. Songs that go viral on TikTok often end up charting on either the Billboard 100 or Spotify Viral

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<sup>1</sup> Laura Ceci, *TikTok – Statistics & Facts*, STATISTA (Aug. 31, 2023), <https://www.statista.com/topics/6077/tiktok/#topicOverview>.

<sup>2</sup> Werner Geyser, *The Incredible Rise of TikTok – [TikTok Growth Visualization]*, INFLUENCER MARKETINGHUB (Mar. 22, 2023), <https://influencermarketinghub.com/tiktok-growth/>.

<sup>3</sup> Ceci, *supra* note 1.

<sup>4</sup> Kalley Huang, *For Gen Z, TikTok Is the New Search Engine*, NY TIMES (Sept. 17, 2022), <https://www.nytimes.com/2022/09/16/technology/gen-z-tiktok-search-engine.html>.

<sup>5</sup> Elias Leight, *New Study Confirms TikTok Drives Streaming, But There's No Magic Bullet on Going Viral*, BILLBOARD (Nov. 21, 2023), <https://www.billboard.com/business/streaming/tiktok-music-discovery-luminate-study-1235502070/>.

<sup>6</sup> *Id.*

<sup>7</sup> Gil Kaufman, *Halsey Claims Label Is Holding Up Release of New Song: Here's Why*, BILLBOARD (May 23, 2022), <https://www.billboard.com/music/pop/halsey-claims-label-holding-up-single-tiktok-1235074164/>.

<sup>8</sup> Dan Whateley, *How TikTok is Changing the Music Industry and the Way We Discover New, Popular Songs*, BUS. INSIDER (Dec. 22, 2023, 11:18 AM), <https://www.businessinsider.com/how-tiktok-is-changing-music-industry>.

50, making the investment of paying an influencer worthwhile.<sup>9</sup> The study also found that the U.S. TikTokers are nearly twice as likely to discover new music on TikTok than users of other social media platforms.<sup>10</sup>

TikTok has also affected the way that A&R (artists and repertoire) representatives (A&Rs) operate. An A&R's job is to discover new talent, sign them and guide their artistic development. Previously A&Rs discovered new talent by going to local shows, but now much of their discovery comes from platforms such as TikTok.<sup>11</sup> Social media platforms offer A&Rs new resources and data points for them to discover new music.<sup>12</sup> A&Rs however are not just focused on the virality of a song. Trends come and go but A&Rs use their skills to determine which artists have talent, and which artists simply know how to make a viral song. A&Rs also are now looking for talent with social media literacy. The speed at which songs trend poses challenges for the music industry and especially A&Rs. What's "hot" or "in" changes so quickly it's hard for the music industry business models to keep up. Also, there are now so many eyes on artists, A&Rs must work quickly before another label's A&R scoops them up. The overall consensus is that while A&R's jobs have changed in the way that talent is found, they still need to differentiate between what the market can handle over what the market currently likes.<sup>13</sup> The goal is not to make artists fit the trends, but rather discover artists that can set the trends.

TikTok has taken multiple attempts at incorporating music into their platform and business models. In early 2022, TikTok launched an all-in-one music marketing and distribution platform called SoundOn. The mission of SoundOn is to help budding and undiscovered artists grow their fanbase, develop and build their careers and get their music distributed worldwide. Artists can upload music directly to TikTok and earn royalties every time their music is used. In the first-year artists will receive 100% of their royalties and 90% of royalties in subsequent years.<sup>14</sup> A dedicated team provides insight, development, and promotional support through creator marketing on TikTok, similar to the role of an A&R.<sup>15</sup> SoundOn also allows artists to distribute directly to streaming services such as Spotify and Apple Music, giving artists an opportunity to get their music to new potential fans. More recently, Tik Tok has been pursuing artists to distribute their music exclusively through SoundOn in deals that are strikingly similar to those offered by major record labels, despite the company explicitly denying SoundOn becoming a label.<sup>16</sup> More big moves that SoundOn have made include partnering with legendary rapper Snoop Dogg to bring his catalog to TikTok.<sup>17</sup>

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<sup>9</sup> *Id.*

<sup>10</sup> Leight, *supra* note 5.

<sup>11</sup> Eamonn Forde, 'The Work We Do Isn't Algorithmic': A&R in the Era of TikTok, THE GUARDIAN (Sept. 29, 2022, 3:00 PM), <https://www.theguardian.com/music/2022/sep/29/the-work-we-do-isnt-algorithmic-ar-in-the-era-of-tiktok>.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *SoundOn: The New Platform for TikTok Music Marketing and Global Track Distribution*, TIKTOK (Mar. 9, 2022), <https://newsroom.tiktok.com/en-us/sound-on-the-new-platform-for-tiktok-music-marketing-and-global-track-distribution>.

<sup>15</sup> *Id.*

<sup>16</sup> Stuart Dredge, *TikTok Is Quietly Stepping Up Its SoundOn Distribution Deals*, MUSIC ALLY (May 15, 2023), <https://musically.com/2023/05/15/tiktok-is-quietly-stepping-up-its-soundon-distribution-deals/>.

<sup>17</sup> Shawn Grant, *TikTok's SoundOn Partners With Snoop Dogg to Bring Death Row Catalog Exclusively To TikTok*, THE SOURCE (Feb. 15, 2023), <https://thesource.com/2023/02/15/tiktoks-soundon-partners-with-snoop-dogg-to-bring-death-row-catalog-exclusively-to-tiktok/>.

Another music venture that TikTok has taken up this past summer is TikTok Music. TikTok Music is a “social music streaming service” currently being beta tested in a few countries including Brazil and Indonesia.<sup>18</sup> TikTok Music is a subscription-based service that allows users with already existing TikTok accounts to sync their existing accounts and share and download music they discover on TikTok.<sup>19</sup> TikTok Music creates a direct link for TikTokers to stream the music of their favorite artists. As TikTok Music progresses, it will be interesting to see how the music streaming service deals with the long-disputed issue of artist royalties when it comes to streaming services. TikTok Music has yet to enter the United States, but depending on its success in its beta testing markets, TikTok music could be coming sooner rather than later as indicated by the filing of “TikTok Music” with the U.S. Patent and Trademark Office.<sup>20</sup>

In the U.S., TikTok released a new feature that allows users to directly save music from TikTok to a music streaming service of their choice. According to TikTok’s global head of music development the “Add to Music App” feature creates “a direct link between discovery...and consumption on a music streaming service, making it easier than ever for music fans to enjoy the full-length song...”<sup>21</sup> It’s speculated that this feature was added to quell growing concerns about users loving a song but never seeking it out past TikTok. By including this feature, TikTok is creating even greater value for artists.

TikTok is slowly changing the way that the music industry operates. Who knows what the music industry will look like in the next 5-10 years. Will it be easier for undiscovered artists to become mainstream or will fame only favor those who know how to make the next viral trend? Will the quality of music decrease as people focus solely on making trendy songs instead of music authentic to their story? Only time will tell, but one thing is for certain now - for any young and undiscovered talent, TikTok will be a crucial promotional tool to get their music to a wider audience. For any music labels or A&Rs who are looking to discover the next Justin Bieber, Taylor Swift, or Drake, the next best place to look may be TikTok. As the music industry shifts to becoming more social media dominated, more platforms may start making copycats of SoundOn, and music labels may become a thing of the past.

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<sup>18</sup> Jem Aswad, *TikTok Launches Music -Streaming Service in Brazil and Indonesia*, VARIETY (July 6, 2023, 5:36 AM), <https://variety.com/2023/music/news/tiktok-launches-music-streaming-service-brazil-and-indonesia-1235662600/>.

<sup>19</sup> *Id.*

<sup>20</sup> Heidi Chung, *TikTok Inches Closer to Global Attack On Music Streaming Biz*, VIP+ (Sept. 5, 2023, 6:00 AM), [https://variety.com/vip/tiktok-inches-closer-to-global-attack-on-spotify-apple-music-streaming-1235710855/?sub\\_action=logged\\_in](https://variety.com/vip/tiktok-inches-closer-to-global-attack-on-spotify-apple-music-streaming-1235710855/?sub_action=logged_in).

<sup>21</sup> Leight, *supra* note 5.