

TikTok music streaming news drives down Spotify's stock

Article

The news: Spotify stock took a tumble Wednesday after reports that ByteDance, TikTok's parent company, is in talks with music labels to expand into music streaming, per Yahoo Finance.

Why it's worth watching: We identified [music streaming](#) as one of five potential businesses for TikTok in its quest to evolve into a super app.

[TikTok](#) is considered the go-to platform for discovering new music, which has propelled obscure songs into the **Billboard 100** and **Spotify Viral 50**.

- **ByteDance** filed for a “**TikTok Music**” US trademark in July, [per](#) Insider.
- The company already runs a music app called **Resso** in India, Brazil, and Indonesia.
- TikTok teamed up with **Ticketmaster** and now enables users to discover events and buy concert tickets through the app.

The combination of social video feeds and streaming music on demand is a one-two punch that could augment TikTok’s dominance in user engagement and create a super app.

Music streaming app competition: TikTok’s arrival as a music streaming service will challenge the music streaming app market. Spotify, which is purely a streaming service, has the most to lose.

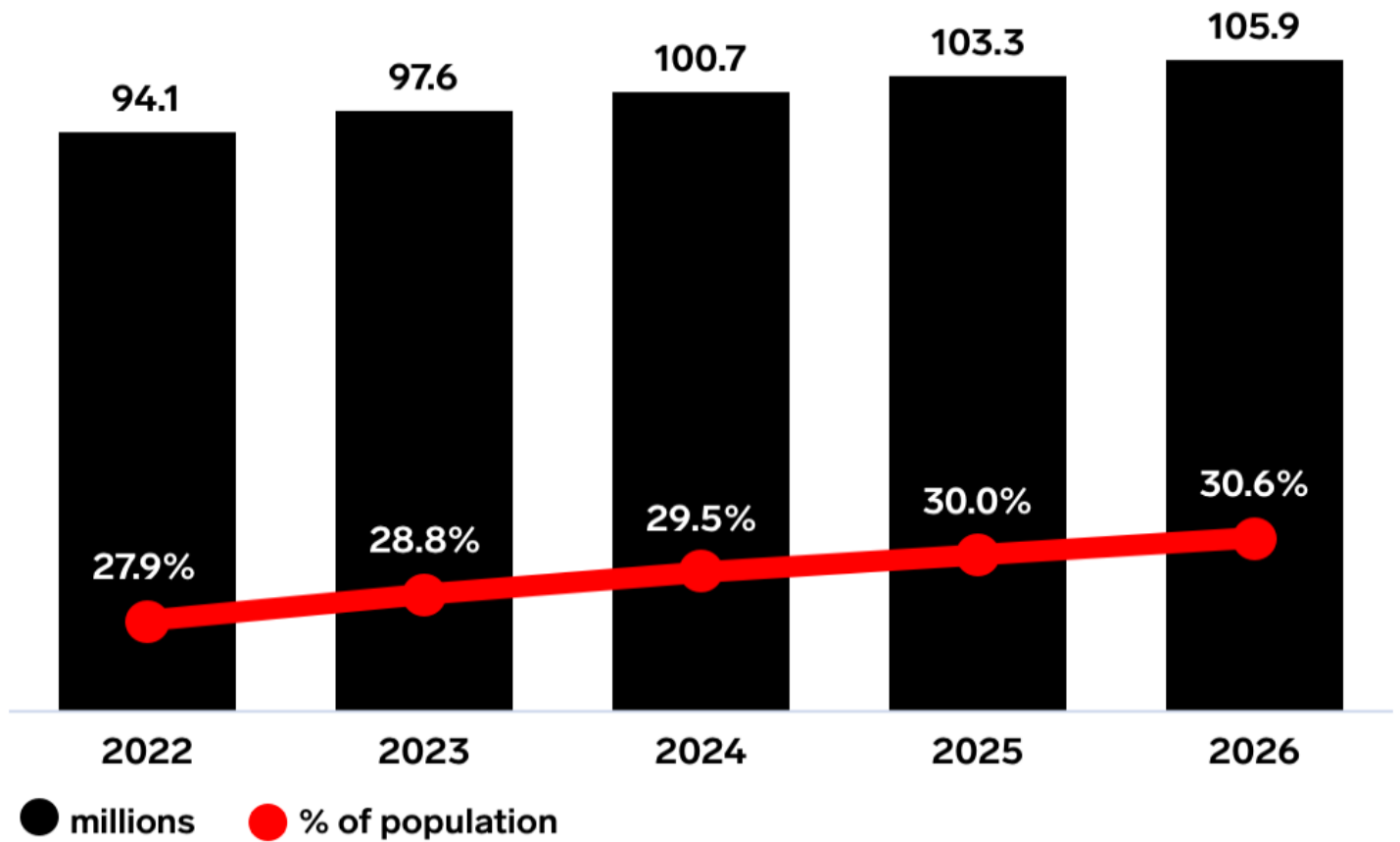
- **Apple Music** is tied to iOS devices and is part of a larger ecosystem.
- **YouTube Music** is similarly tied to Android and Google services.
- **Amazon Music** is tied to Prime subscriptions.
- All the above are adjuncts to wider device and services ecosystems, which means they are not solely relying on streaming service subscriptions for growth.

Why this could succeed: TikTok’s entry into music streaming comes at a precarious time for Spotify with its [stock down 75%](#) earlier this month.

- Spotify seems to have saturated music streaming and has recently expanded into [podcasts](#) and [audiobooks](#) for growth. The company has **433 million monthly active users**, per Yahoo.
- TikTok will have **750 million monthly users worldwide in 2022**, It is now the third-largest of the Big Five [worldwide social networks](#) (**Facebook, Instagram, TikTok, Snapchat, and Twitter**).

TikTok Users

US, 2022-2026



Note: internet users who access their TikTok account via any device at least once per month

Source: eMarketer, April 2022

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