

Tiktok and Audius Partnership

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Metadata

Tik Tok has made its stance clear in the battle of crypto adoption with its Audius partnership. If the blockchain is the next revolution, will Audius be the next Spotify? This article is an insight into what this partnership means for the music industry.

SEO Keywords that will rank this content

- Tik Tok Partnership
- Tik Tok
- Music Streaming
- Music
- Blockchain

Actual Content:

Overview of the traditional music streaming industry



Online music streaming is a staggering industry with a global market share of 20.9 billion as of 2019. According to [Grand View Research](#), this figure is predicted to experience a 17.8% compound annual growth rate from 2020 to 2027.

Spotify enjoys the largest market share of this billion-dollar industry while other providers like Pandora, Amazon, and Apple Music trail behind.

These companies generate revenue from display ads and premium subscriptions offered to streamers. With the growing popularity and global smart gadgets penetration, this industry will enjoy exponential growth in the coming years.

The year 2018, however, saw an emergence of something different from what we know, a music streamer on the blockchain. This move by Audius may not have raised many eyebrows until Tik Tok announced their partnership with this blockchain-based music streaming platform.

With this partnership, Tik Tok has made its stance clear in this battle of blockchain, cryptocurrency adoption. If blockchain is the next evolution, then Audius is the next Spotify.

What is Audius?

Simply put, Audius is an open-source music streaming service platform deployed on the blockchain network. It is a community of artists, music lovers, developers, and blockchain enthusiasts.

This decentralized streaming platform comes with a user-friendly interface unlike other blockchain environments and provides social media features to its users.

It uses its own cryptocurrency called AUDIO which hit a record high [market capitalization of \\$1 billion](#) after the Tik Tok partnership was made public.

AUDIO, an ERC-20 token, serves three functions in the network- security, staking and governance. It will also be used for rewarding artists when they upload their content and fans when they stream.

Formerly deployed on the POA network, an Ethereum sidechain, Audius recently moved part of its service to the Solana network. More interesting to note, provision is made for developers to build on the Audius network with unique access to the audio catalog.

Creators on Tik Tok will access the Audius music library and seamlessly apply this music to their video.

Summary of Tiktok's influence on the music industry

Tik Tok's user base has exploded to a mouth-watering [1 billion users worldwide](#), and it seems just every music lover and their favorite artists are on the platform. While Spotify, Soundcloud, and the likes remain the go-to for new releases, Tik Tok is usually the place of discovery.

Following the outpouring of content from the short video platform, it is usually impossible to predict the next trend. Influencers, however, work hard to entertain their followers with the best and get their content to go viral.

And what do you know about influencers? They influence right... Yes, artists pay these influencers to use their songs in their videos. And when they do, you guessed right, the search for that song on streaming platforms skyrockets.

During the early days of TikTok, top Billboard's tracks became the 'most used' music on the platform, but this relationship has gone the other way round. Music used in trending Tik Tok videos will disrupt Billboard's algorithm to get a large search volume.

As reported by [Business Insider](#), 67% of users will search for a song on streaming platforms after hearing them on Tik Tok.

Tik Tok has become an indispensable promotional tool for artists and record labels to feed their content to an ever-consuming audience.

Artists pay influencers, Billboard's algorithm gets disrupted, artists make money, and the cycle repeats.

What does this partnership mean for artists on Tiktok?

Audius uses a user-centric model in rewarding creators, and this can prove to be an escape route from the traditional 'pro rata' model.

Providers like Spotify and Apple music pay right holders of a track using a pro-rata system. With this payment model, the right holders get a share of the overall monthly revenue generated by these platforms in proportion to how many times their music was streamed.

This payment method has, however, attracted a lot of critics on the basis of transparency. The critics which comprise independent artists and market analysts, have it that this model favors stardom artists to the detriment of small and even mid-sized artists.

In this model, a streamer's money goes to the payment pool rather than the right holders that have the song. At the end of the month, the most famous tracks attract the largest share to their right holders.

Audius, a blockchain-based music streaming platform, is about to change the streaming economy with a user-centric approach to rewarding right holders.

With the user-centric model proposed by Audius, the revenue generated by a song goes straight to the right holders instead of entering the pool of revenue generated overall.

So if Mr. A listened to track A, his money goes to the right holders of track A instead of the right holders of track B who have the most-listened song in the month. This model distributes the power placed in the hands of star artists to a system that rewards everyone's hard work in a more transparent manner. An artist makes a dollar and takes home a dollar minus the service fee and other commissions.

Furthermore, Audius' user-centric approach will encourage consumption from music lovers because fans know where their cents are going.

Conclusion

Blockchain has taken the world by storm. While its application remains prominent in cryptocurrency and NFTs, blockchain is bound to penetrate all areas of life. It will be a game-changer when fully adopted, disrupting various industries and giving birth to utilities yet to be imagined.

Audius is working hard to be a pacemaker in this emerging technology as far as the music industry is concerned. It is solving what stands to be the biggest problem in the music industry and it has chosen the blockchain as its technology.

Before the world fully wakes, Audius will have a lot of stories to tell- interesting ones.