Title

The Impact of Social Media on Music Demand: Evidence from Quasi-Natural Experiments.

Abstract

We study how TikTok affects demand for music on paid streaming platforms. We use Universal Music Group's (UMG) global withdrawal of its catalog from TikTok in February 2024 as a quasi-natural experiment. Recent work using this setting reaches mixed conclusions about whether TikTok primarily promotes or cannibalizes streaming demand. We show that these findings can be reconciled once we account for power-law-like concentration in exposure (10% of songs account for 95% of TikTok creations) and that, in such environments, common DiD implementations (levels, log, and Poisson) target different estimands. We document sharp heterogeneity: the typical long-tail song exhibits little change when TikTok access is removed, while highly viral titles experience meaningful declines in Spotify streams. Because the viral head accounts for a disproportionate share of total listening and revenue, these losses drive the market-level implications. UMG songs with no prior TikTok exposure show null effects, consistent with TikTok operating as a discovery channel. We assess identification threats from interference across catalogs, drawing on both a TikTok creator-side analysis and a second, independent disruption---the 2025 U.S. TikTok outage---which affects all labels symmetrically and corroborates the complementarity interpretation. We also document downstream consequences for rights holders, with UMG songs becoming less likely to reach Spotify Top-200 charts.

Joint work with Daniel Winkler, Christian Hotz-Behofsits, Nils Wlömert, Jura Liaukonyte