

TikTok creators fear economic blow of US ban

By Glenn Chapman, Julie Jammot - April 30, 2024 @ 12:37am



TikTok has gone from a novelty to a necessity for many small US businesses, says a study. FILE PIC

AYMAN Chaudhary, 23, turned her love for reading into a living on TikTok, posting video snippets about books like those banned in schools in ultra-conservative parts of the United States.

Now the online platform she relies on to support her family is poised to be banned in what entrepreneurs using TikTok condemn as an attack on their livelihoods.

"It's so essential to small businesses and creators. It's my full-time job," the Chicago resident said.

"It makes me really worried that I live in a country that would pass bans like these instead of focusing on what's actually important, like gun control and healthcare and education."

A new US law put TikTok's parent, Chinese tech giant ByteDan-ce, on a nine-month deadline to divest the hugely popular video platform or have it banned in the US.

US lawmakers argued that TikTok can be used by the Chinese government for espionage and propaganda as long as it is owned by ByteDance.

"Everybody who's involved in deciding whether this platform is going to get banned is turning a blind eye to how it's going to affect all of the small businesses," said Bilal Rehman, 24, of Texas.

His @bilalrehmanstudio TikTok account, which playfully promotes his company's interior design projects, has some 500,000 followers.

TikTok has gone from a novelty to a necessity for many US small businesses, according to an Oxford Economics study backed by the platform.

TikTok fuels growth for more than seven million businesses in the US, helping generate billions of dollars and supporting more than 224,000 jobs, the study said.

"It's become such a huge part of our economy that taking that away is going to be devastating to millions of people," Rehman said of TikTok.

Chaudhary took to TikTok to share her passion for reading in early 2020 while enduring Covid-19 lockdowns.

"I made a handful of videos and, long story short, one went viral."

Opportunities to make money from sponsors or advertising came as her audience grew, and posting on her @aymansbooks TikTok account became a job.

She saw books she extolled snapped up by readers, as she shined attention on titles banned from schools or libraries in parts of the country.

A TikTok ban would be a particularly hard blow to businesses just starting out, said eMarketer analyst Jasmine Enberg.

"Social media has democratised the commerce landscape, and TikTok really supercharged that.

"It's become a crucial platform for many small businesses, especially those that are in niche

industries or sell quirky products."

One factor setting TikTok apart from rival platforms is the potential for videos to be spread quickly by a highly engaged audience, said Enberg.

"The potential to be discovered on TikTok is really unparalleled, and that's thanks to its algorithm as well as the entertaining kind of content that it hosts."

A young generation is using TikTok as a search engine of sorts, making queries as they might on Google and seeing what the algorithm serves up, said SOCi director of market insights Damian Rollison.

"It feels like it has been created by your peers, so they're telling you the real deal about whatever the topic might be," Rollison said of the trend.

TikTok lovers say it has a unique style that will be missed if a ban is imposed.

Chaudhary said: "There is definitely a different vibe on TikTok versus YouTube or Instagram.

"TikTok has a lot more humour in it and a lot more creativity than I see happening on Instagram."

Rehman said: "My favourite part about TikTok is, it feels almost like you're on a FaceTime call with your friend.

"It feels really raw and authentic."

Rollison advised businesses relying on TikTok to make contingency plans in the event of a ban, sticking with short-form video, given the appetite for such content.

"The demand signals are so powerful among younger users that I believe the usage patterns are going to survive any of the outcomes.

"Learning that ecosystem is not only a useful but also critical strategy."