



Research on Music Album Sales and Commercial Economic Value: Taking Taylor Swift as Evidence

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ABSTRACT

Taylor Swift is one of the most influential celebrities in the 21st century in many ways. Behind her success, not only should her song writing skills be studied, her commercial ideas and advertising skills are also crucial to be researched. By looking at data from official websites about Swift's album sales, ticket sales, and streams, this article aims at studying Swift's commercial styles and combining Swift's experience with economic studies. In the end, some factors contributed to Swift's business and some characteristics of Swift's re-recording works are concluded. Analysis of this topic can encourage younger artists to gain reputation and revenue at the same time and inspire more artists to fight for their own rights and ensure their profits.

Keywords: Commercial Economic Value, Taylor Swift, Celebrity Advertising, Re-recording, Album Sales.

1. INTRODUCTION

1.1. Research Background and Motivation

For roughly the last two decades, the music, life and public image of American musical artist Taylor Swift have been major focal points of global celebrity culture.[1] By switching her personas as girl-next-door, cheerleader, heartbreaker, nerdy girl, businesswoman or cottagecore explorer[2], Swift managed to become both a symbol of pop culture and "the music industry". Swift was named the 78th most powerful woman by Forbes in 2020, and according to statistic, Swift became the sixth most followed celebrity on Twitter in 2021 with 88.51 million followers.

When other female singers debuted at the same time as Swift like Katy Perry(whose album Prism hit the largest first-week sum in 2013 with 286,000 copies sold) are fading from the Billboard charts inch by inch, or devoted themselves to beauty makeup investments like Rihanna, it seems like a miracle that estimated by Forbes, Swift's net worth in 2021 was about US\$550 million, coming from her music, merchandise, promotions, and concerts. Swift also has a deep influence on Generation Z songwriters and singers. "Obviously I think she(Swift)'s the best songwriter of all time, but she's so business-savvy and she really cares about her career in that regard too – that's been really inspiring for me to watch somebody take control of their career and their life like that", said one of the 19-year-old singer Olivia Rodrigo who enjoyed her

fame after the success of Driver's License in 2021. In the interview, the 23-year-old singer Conan Gray also praised, "She(Swift)'s just my song writing icon, and I'll never understand how she does what she does."

Swift's re-recording is another interesting phenomenon to look at. Ended her deal with Big Machine Labor Group in 2018, Swift signed a new agreement with Universal Music Group, which agreed to let Swift have her future master recordings. Having her ownership of master recordings means Swift can have a bigger control of her music and maximize her profits from her recordings. Re-recorded songs and albums by original artists have appeared more often in musician's or band's discographies over the last two decades[3], but Swift is probably the one who knows how to maximize her commercial profits from re-recordings best.

Therefore, analysing Swift's commercial activities is of great reference value for other artists who are currently or planning to fight for their rights and meanwhile help them make better commercial plans. Due to Swift's influence on Generation Z teenagers and other artists, it's crucial to analyse Swift's secret to her huge commercial success in the music industry to encourage young artists to chase their dreams and maximize their profit. Swift's business model may also be useful and instructive for other artists to try and get their own master recordings in the future.

1.2. Literature Review

Research related to this topic so far mainly focused on several topics. In this passage, past papers are processed and discussed on different topics. From the perspective of Swift's characteristics, Fogarty and Arnold focused on Swift's talents in music and skills in building popular images for the public and concluded that by balancing different personas and applying different commercial skills, Swift can become one of the best businesswomen in the music industry. Wilkinson illustrated how Swift's hard work and zaniness made her famous. Then from the perspective of the social influence, Franssen discusses how Swift's celebrity role changes over time and how Swift benefits from celebrity politics. Driessen talked about how Swift's political coming-out influenced her music and her fans. Mills and Winder did some research on the relationship between artists and record labels and had a deep analysis of artists' re-recording processes and results. From the economic aspect, Zehr established a streaming model[4] using Swift as an example. Reidel focused his research on Swift's economic skills like advertising and considers Swift's success as a paradox[5]. Last but not least, considering the impact of media, Dwen discusses the media revolution in the music industry[6], while Gray and Jeon focused on the impact of fandom, for which Jeon built a mathematical model. Chon specialized in the relationship between starting position of an album and its future sales and found that with a higher starting point, an album is more likely to be a hit. These previous research are indeed helpful when analyzing the economic laws behind the music industry. However, to study Swift as a sample in the music industry, these research topics need to be combined and some of them need to be further developed.

1.3. Research Contents and Framework

This article focuses on the factors that make Taylor Swift one of the most successful businesswomen in the music industry. It discussed Swift's commercial influence and the factors that make Swift successful both theoretically and evidently. It can be divided into four parts. The first part made an introduction to provide some background information. The second part is mainly about the analysis of data. It starts by looking through each of Swift's album's sales in the debut week and comparing them to the sales of albums released in the same year. By comparing the data in different years, it's easier to learn about Swift's huge commercial influence. The qualities that make her one of the best-selling female singers can then be analyzed. Swift's re-recording program serves a great part in the analysis as well. The commercial value, factors that influence the streams of the re-recording songs, and part of the opportunity costs of re-recording are parts of the analysis. When the analysis is done, based on the data and discussion, the third part contains the results

and discussion. In the last part, the passage can be concluded.

2. METHODOLOGY

2.1. Data Sources

This article analyses the album sales, streams, and concert ticket sales of Taylor Swift. Considering the necessity of authority and particularity of data, data uses in this passage mainly come from relatively authoritative websites like Billboard charts, the Rolling Stone charts, Forbes, and RIAA(Recording Industry Association of America).

2.2. Data Analysis

2.2.1. Factors that Make Swift One of the Best-Selling Singers

To start with, here's a figure about Swift and other artists' best-selling albums'(released in the same year) sales volume in the US in the debut week. After releasing only 2 albums, Swift's third studio album *Speak Now* sold more than a million copies in its first week in the US, and the albums after it still sold great.

There can be multiple reasons. First, Swift is good at creating demands for her music. In other words, Swift is clear about when to switch her personas and which personas should she appeal to the public. Swift's early image of a good girl made her a standard teen idol. Swift could attract a lot of fans at the very beginning, which can be seen as consumers in her commercial activities. From many parents' perspectives, it's better for their children to fall in love with a sweet, polite girl who spoke no curse words and wore a proper dress in public than to imitate those who wrote about sex, drugs, and violence in their songs. From the teenagers' perspective, Swift's high-school-girl lyrics and catchy melodies can resonate with some elements of their own lives like a secret crush or breakups. They see Swift as a reflection of themselves. In this case, they are more willing to buy her albums. Swift won the love and support of fans of all ages at the very beginning, and some of them were quite loyal, which means her songs and albums were able to gain a lot of demand. This can account for her explosive growth in sales from *Fearless*(2008) to *Speak Now*(2010). When Swift got the age that is no longer suitable for innocent teen idols, Swift began to make full use of her social influence and began her political coming-out[7]. In 2019, Swift released the single *You Need To Calm Down*, in which she discussed the problem of discrimination against LGBTQ+. #YouNeedToCalmDown hashtag dated between 13 June 2019 and 13 September 2019, 8.2% (n=1,675) contain videos, 23.6% (n=5,855) contain at least one image, and in total, 36% (n=7,530) contain elements other than text.[8] Then the single *Only The*

Young(2020) concentrated on mid-term elections in the United States, gaining more attention to mid-term elections from the public and creating a better image for herself. The Man(2019), similarly, spoke for feminism. Through this method, Swift is able to build an emotional connection with female groups and get more love from these people, even if some of them disliked her in the past. This is a smart idea to maintain a good reputation, and expand her potential consumers while using her influence to support the public interests.

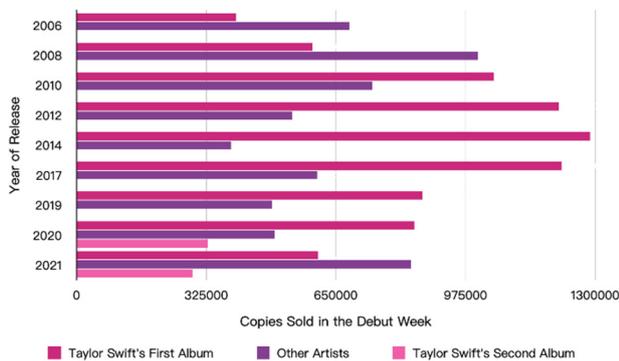


Figure 1 Comparison between Swift and Other Artists' Sales Volume in the Debut Week

2.2.2. Re-recording

2.2.2.1. Overview

Figure 2 shows the percent increase in on-demand audio streams of Swift's original version of country albums industrywide. With the development of the digital music industry, it is normal to have an increase in the on-demand audio streams every year. Due to some TikTok challenges last year, Swift's song Enchanted got popular again after 11 years of release, which explains why the percent increase in on-demand audio streams of Speak Now was much higher than others industrywide. Swift's fame can help her old country music get some attention easily, so it's easy to see the streams of Taylor Swift increased faster than industrywide. This leads to the question of why the streams of Fearless increased even slower than the average industrywide.

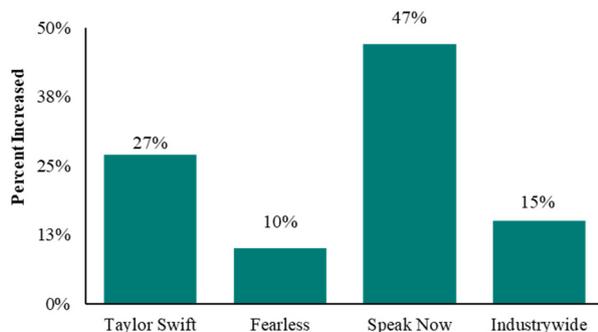


Figure 2 Percent Increased in on-demand audio streams in 2021

This shows evidence that the original versions of her albums and Taylor's Versions are substitutes. Audiences demand music, and most of the time they only need to stream or download one version of a song. Considering Swift's great influence and her popularity worldwide, many of her loyal fans will choose to listen to the new Fearless(Taylor's Version) instead of the original Fearless. In addition, to improve the competitiveness of Taylor's Versions, Swift decided to put some old songs that were not able to be put into her original albums due to multiple reasons. This is without doubt a smart method to increase the demand for Taylor's Versions. For example, when Swift announced that All Too Well(10 Minute Version)(Taylor's Version)(From the Vault) will be released with the album Red(Taylor's Version), her fans went crazy and pre-purchased lots of her pieces of vinyl, CDs, and merchandises. Swift also directed a microfilm for the song, which reduced Scooter Braun's investment in the original version of her song. Swift also tweeted several times to call on her fans to stream her versions instead of the original versions to stop the bullying of Braun. Through these methods, Swift manages to direct the distribution of profits generated from those recordings.[10]According to Rolling Stone, Swift was the highest-paid female musician in 2021 gaining \$80 million, and was the only one in the top ten who didn't sell music copyright and had no side line income. Swift's Red(Taylor's Version) was the second most selling album published in 2021, right after Adele's 30.

2.2.2.2. The Analysis of Weekly Streams of Two Versions

Figure 3 shows the differences between the weekly streams of different versions of singles in Fearless and Fearless(Taylor's Version)(Swift named her re-recordings Taylor's Version because she owns the masters to these songs) during Apr.16 and Jun.4 in 2021. As shown in the graph, the streams of Taylor's Version songs are much higher than the streams of the original ones at first, and then they tend to be equal. You Belong With Me(Taylor's Version) was played even less than its original version since Apr.23.

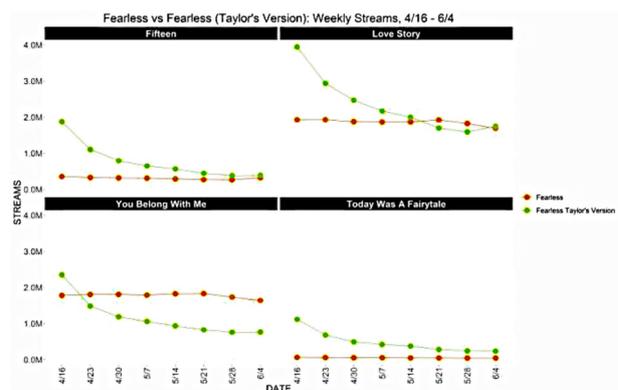


Figure 3 Weekly Streams of Different Versions of Taylor Swift songs in the first few weeks

Due to the publicity before release, listeners could be really curious about the new re-recording songs—would they be different in styles, how the change in Swift’s vocals would influence the re-recordings, etc. These people may listen to the re-recording songs a few times, but they’re relatively less likely to loop them for a continuous period, especially when there is new music coming out because these are still old songs after all. Swift’s enormous fan base also explains the huge advantage of the streams of re-recording songs in the first week. Her fan base gives her the ability to encourage most of her loyal fans to listen to any of her albums right after they came out. However, since there were only slight differences between the two versions, and as mentioned before, the two versions are close substitutes, most audiences (and some radios) won’t have the willingness to pay for the new version. Also, fans have the right to choose between the two versions, and some of them like the original versions better due to factors like vocals, rhythm, or instruments, so they would continue listening to the original versions. What’s more, radio stations are usually unwilling to pay for the new version again if they already purchased the original version of a song.

These may explain the decrease in streams of re-recording songs and the relatively unchanged streams of original songs. Nevertheless, Swift still earns huge profits from her re-recordings even if they are played as much as her original albums because she has more profit-sharing in the streams of her re-recording albums.

2.2.2.3. Opportunity Costs

As shown in figure 4, along with her album sales, touring revenue is another large source of income for Swift. As her last tour before the pandemic, Reputation was an all-stadium tour with a total gross of \$345.7 million from 2.889 million tickets sold, making \$9.602 million in revenue from 80,248 tickets sold per city visited. It was the most successful female tour of the 2010s decade at the time, but it was passed by Pink’s ‘Beautiful Trauma’ in the following year. Considering her fame and popularity, Lover Fest(planned to take place in 2020) should have earned her a lot of profit as well but got canceled due to COVID-19.

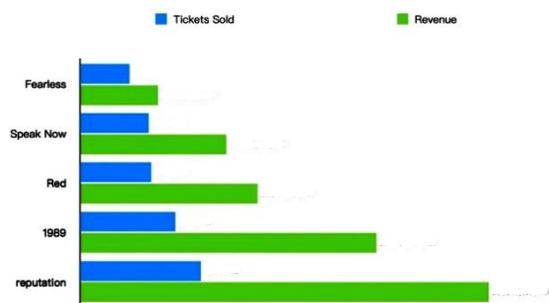


Figure 4 Original Touring Data of Swift

With the development of the COVID-19 vaccine and treatment and the change of policies, more and more artists are re-starting their tours canceled in 2021. For example, Harry Styles started his Love On Tour in North America and it grossed \$94.7 million and Dua Lipa’s Future Nostalgia Tour grossed \$40.1 million in North America, according to Billboard. It’s almost for sure that if Swift is willing to go on her first tour after the pandemic, it will be a huge success. However, after turning down the opportunity to headline Glastonbury(one of the biggest music festivals in the world), for which Swift may lose the chance to earn a bunch of money(as a reference, Kanye West could’ve been paid about 8 million dollars if he didn’t cancel his performance at Coachella, another highly anticipated music festival), Swift explained that she would focus on her re-recording works and getting these things done would be her priority. Therefore, it is of small possibility that Swift will go on tours before finishing her re-recording works and in this case, going on tours will be her opportunity cost of re-recordings.

3. RESULTS AND DISCUSSION

In the past research about Swift, most passages focused on her song-writing skills and social roles as a mature songwriter or a feminist. Other articles also paid a lot of attention to Swift’s open letter to Apple Music and Swift removing her music catalog from Spotify to fight for artists’ interests. Some passages illustrated the history and impact of artists re-recording their works. This article attempts to process data and analyze Swift’s business skills more fully by applying some economic principles.

Comparisons and examples are used to discuss the first question about the factors contributing to Swift’s huge commercial success. Based on data found, there can be comparisons between Swift and other artists or even Swift herself in different eras. This article uses comparisons to discuss Swift’s comparative advantages in the music industry and how her change in the music genre can bring potential commercial opportunities. To be more specific, by changing her public personas and types of music in different eras, Swift can attract more fans and maintain as many fans’ support as possible. The comparison between the debut sales volume of Fearless and Speak Now is one of the good examples illustrating how Swift’s fan base contributes to her album sales. By looking at the success of the album 1989, it’s not hard to tell that Swift’s proper changes in the music genres play a great part in her continuous commercial success. Examples like Swift’s singles The Man, You Need To Calm Down, and Only The Young are used to illustrate how her changes in personas gained her good fame and popularity. In conclusion, Swift is good at these things and did a great job in the past of attracting a lot of Swift’s and selling millions of copies.

Theories and examples are great parts of explaining how the re-recording works from an economic

perspective. By analyzing some data using the economic concept of substitutes, the article can discuss why Swift's re-recordings aren't streamed much more than their original versions and how Swift's re-recording will help her stop the bully of Scooter Braun and the methods Swift uses to make sure her re-recordings are competitive. The example of All Too Well can be proof of this fact. Then a further discussion on the relationship between Swift's original versions of music and re-recording versions is developed by analyzing the weekly streams of the two versions. It turns out that though being high-profile in the first few weeks, being substitutes, and due to factors like radio stations' unwillingness to pay for the new version, audiences' decreased curiosity, and people's differed preferences, the weekly streams of the two versions don't have significant differences. The third part of 2.2.2 contains the basic analysis of Swift's opportunity cost of focusing on re-recording works. Indeed, going on tours will make her a fortune. However, Swift chose to put her re-recording works in the first place. In the short run, it seems that Swift may lose some money. In the long run, on the other hand, getting her master recordings into her own hands is important and legendary and will earn Swift more profit since she will have the freedom to authorize other companies to use her songs as advertisements or other products.

4. CONCLUSION

Under the background of Taylor Swift becoming one of the most successful artists in the 21 century, this passage is trying to figure out the factors that make Swift's impressive commercial success possible and to analyze some characteristics of Swift's well-known re-recording works. To achieve these goals, this passage uses some data, like album sales, streams, and concert ticket sales of Taylor Swift, and set up different graphs to develop the main ideas. These graphs clearly show the overall album sales of Swift, the relationship between Swift's original versions of music and re-recording versions, and Swift's opportunity cost of focusing on re-recording works. This passage can basically analyze Swift's commercial skills and some of the economic principles behind Swift's commercial activities through this method.

Nevertheless, there are some inevitable errors in the analysis. First, when discussing the factors that make Swift one of the best-selling singers, the changes in audiences' tastes are ignored. To be more specific, audiences' music tastes may change as time goes by, and these changes may have an impact on album sales. However, these changes are relatively subjective and hard to be measured accurately. Therefore, these changes are not counted into the factors in this passage. The influence of media and awards are not counted for the same reason. Also, since not all data is published, the legal issues like being sued by Plaintiffs for the lyrics of her 2014 single Shake It Off can be costly, but since the accurate cost

won't be published, this part of the cost cannot be discussed in the passage to be more precise.

There can be some future studies on this topic because Swift's business model is of referential significance to younger artists and those artists who want to own their master recordings and maximize their profit. The time of Taylor Swift is still going on. This means Swift may switch her personas again and again or even create a new business model in the future. After Swift completes her re-recording works, re-recordings may become a new trend in the music industry and Swift can be a great aspect of researching this trend.

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