

Taylor Swift's *Blank Space*: Filling the Economy with Record-Breaking Profits

Whether you admire her or not, Swift's achievements are undisputable. Encouraged by a devoted fanbase and a determination to extend her passion to perform, Swift lined up shows in 5 continents across 21 months. Each show was imminently sold out after tickets were released; the frenzy so severe that Ticketmaster's system broke down. It set a record attendance with shows in 53 cities seen by 10.1 million fans across the globe. Aside from her talent for ballad-writing, Swift is known to be a lucrative forward-thinker and a marketing genius. She has found ways to capitalise on her fan's admiration through this extensive tour rendering her a 'mastermind' of business acumen. Her team's strategic pricing strategies and creation of multiple revenue avenues earned Swift impressive sums per night. Her success as a businesswoman was apparent throughout the last few years with the *Eras Tour* garnering a monstrous \$2bn in ticket sales, making it the highest-grossing tour of all time. However, the tour's impacts run deeper than simply ticket sales, with Swift causing short-term 'booms' in local economies and creating multiple revenue streams.

Dynamic pricing, a strategy where ticket prices fluctuate based on demand, played a pivotal role in the *Eras Tour*'s success. Unlike traditional fixed-price models, Swift's team utilised dynamic pricing to adjust ticket costs in real-time. The prices reflected factors like venue size, seat location, and the rapidly growing demand. As tickets became increasingly scarce, prices soared, ensuring that Swift capitalized on the overwhelming interest from her massive fanbase. By implementing this strategy, Swift was able to maximise revenue, particularly for concerts in high-demand cities where the competition for seats was fierce and fans were willing to pay premium prices. Ultimately, dynamic pricing transformed ticket sales into a demand-driven, market-responsive system, mimicking those which are studied at university level Economics. Somewhat controversially, Swift has spoken out against the use of dynamic pricing for her tour, yet it was employed by Ticketmaster, the official ticket vendor for the tour. This caused a large row between fans and Ticketmaster especially after the site crashed during the presale. This has led to multiple fans suing Ticketmaster since the site was not prepared for the overwhelming demand and ensured that every seat was sold at the highest possible value. This model sneakily used by Ticketmaster, conveniently drove the *Era's Tour* to record-breaking earnings, contributing to Swift's financial success.

Taylor Swift's *Eras Tour* not only captivated millions of fans but also generated staggering earnings. On average, Swift earned around \$13 million per night, factoring in ticket sales, merchandise, and sponsorship deals. Merchandise sales, including clothing and posters were another key revenue stream, with fans eagerly snapping up tour-specific designed items. The merch's prominent identification with the tour landed Swift an estimated average of \$2 million in merch sales per-show according to Billboard. Adding to her genius strategy, Swift cleverly released her album '*The Tortured Poets Department*' midway through the tour. This move helped keep fan engagement high, providing fresh content for the tour and encouraging fans to purchase both tickets and merchandise related to the new album. The inclusion of new songs in the set list was determined by the success of the new album which went straight to the top of the billboard 100. The release of the new album kept Swift on top of the charts as well as the stages, solidifying her successes across both domains. The release not only kept excitement around the tour alive but also boosted streaming numbers and album sales, further maximising her profitability.

The *Eras Tour* had a significant economic impact on the cities it visited, with ripple effects spreading through multiple sectors. Large-scale events like Swift's concerts tend to trigger a multiplier effect, where the initial spending by concertgoers on tickets and food boosts local economies in various

ways. Although the impact is minor on a national scale, smaller cities like Cardiff and Gelsenkirchen in Germany benefitted greatly through multiplier effects. Cardiff saw Airbnb searches rise by 250% for the nights of the concert, reflecting the number of fans travelling from outside cities to attend the show. The influx of tourists and concertgoers led to a rise in consumer spending, benefiting both large businesses and small local enterprises. Stockholm, home to less than 2 million inhabitants, saw hotel prices double due to soaring demand and a rise in prices for various services. The 180,000 visitors produced an evident impact on the economy – inflation was 0.1 percentage points higher the month Swift visited. On average between 500 and 800 temporary positions were created per event, reducing unemployment rates in these host cities. Swift's weekend in LA generated 3,300 jobs alone, just under half of the 7000 jobs that the 2023 Las Vegas Grand Prix generated. The F1 event lasted three days with an economic-stimulation ability larger than a typical concert's, showcasing the power of Swift's LA gigs. Swift's overall effect was positive, with the tour injecting millions into local economies improving their economic image.

In conclusion, Taylor Swift's *Eras Tour* was not only a monumental musical achievement but also an economic powerhouse. Compared to other artists, Swift's earnings are extraordinary. For example, Sheeran's *Divide Tour* grossed \$776 million, but with far more shows. Taylor Swift's *Eras Tour* stood out from previous tours by taking fans on a journey through her entire discography, with each album represented by distinct segments, costume changes, and stage setups. She included an exceptionally long setlist of 3+ hours, offering an immersive experience unlike any other tour. Swift's ability to generate such high earnings in fewer performances accentuates the financial success of the *Eras Tour*. By leveraging dynamic pricing and stimulating local economies, Swift's tour left an indelible mark on both the entertainment industry and the cities it touched. The financial success of the tour sets a precedent for future tours to employ similar strategies to earn record-breaking amounts per night. The *Eras Tour* highlights how music can drive growth in both the entertainment industry and local economies, connecting them economically.