

The Economic Benefits of Taylor Swift's Eras Tour

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Abstract. Taylor Swift's "Eras Tour" is the sixth world tour held in 2023. It plans to hold 151 events worldwide until the end of 2024. Eras Tours are attracting more and more attention from the government and citizens than before, however, their potential economic value has not been uncovered. This article will use Eras Tour as a case study to explore and analyze the multifaceted and far-reaching impact of concerts on economic growth and learn more about how the profitability of large-scale concerts will drive the overall economy, and how governments and planners can use this profitability to boost the city's economy and regional brand. In addition, the article will point out that large-scale concerts are an opportunity to promote the sustained growth of the city's economy by increasing consumer spending and promoting tourism, catering and other industries, and that cities and local governments should make better use of this opportunity to actively introduce celebrity performances to promote economic prosperity.

Keywords: Popular Music Concerts; Economic Impact Analysis; Taxable Retail Sales; Tourism.

1. Introduction

In recent years, as the scale of Taylor Swift's era tour continues to expand, tens of thousands of fans are willing to travel across cities and even countries to see her perform in person. Every time her tour arrives, it brings significant economic benefits to the local area, boosting not only ticket sales but also transportation, accommodation, dining, and other industries. This phenomenon has aroused the attention of governments around the world, and more cities have realized that large-scale concerts are not only cultural activities, but also important opportunities to enhance the regional economy, and have actively sought to hold such activities. Therefore, studying the economic impact of Taylor Swift's concerts on cities holds significant practical value.

There has been a lot of research on concerts throughout history. Baumol offers useful insight into the value relationships of the performing arts company, pointing out that the costs of live performances normally increase at a rate faster than inflation [1]. The proposal of "Baumol's cost disease" suggests that while modern technology is more and more advanced, live performances still moreover demand constant labor productivity. Prices in industries like the performing arts rise because they can't quickly adopt labor-saving technology. As such, live performances perhaps still maintain economic viability through high ticket prices, solution sales, and extra revenue from related companies [1]. In light of Baumol's studies, Frey examined the wider economic effects of music events and concerts. Because concerts not only provide cultural enrichment but also attract large numbers of guests, leading to significant economic growth in the community places: concerts would advance related sectors like hospitality, transportation, and retail. Tourists who attend concerts also spend money on dining, and shopping, helping to expand the local economy [2].

Bowen and Daniels conducted in-depth research to learn about the various intentions of attendees and how these desires influence marketing strategies to increase the impact of music festivals to create this information. People attend concerts from a variety of origins and needs, according to their studies. For example, some people prefer the experience of a culture while some prefer the song itself. Using these several objectives, event planners can develop marketing strategies to enhance the appeal of concerts. As a result, more and more people use cities that host these activities, both financially and in terms of income spent on other types of entertainment, dining, and tourism-related activities [3].

When it comes to Crompton, he further developed an understanding of the economic impact of concerts and proposed a framework for assessing the financial contribution of major cultural events. His framework details methods for assessing the economic impact of large cultural events, divided into direct and indirect impacts. Direct impacts include ticket sales, and food and drink consumption, while indirect impacts include long-term benefits such as increased tourism, job creation and increased income for local businesses. In particular, he highlighted the phenomenon of "capital outflows". In other words, some of the economic benefits flow out of the local economy, so this factor needs to be taken into account in order to more accurately assess the true contribution of cultural activities to the local economy. His research provides tools for governments and event planners to better assess the economic impact of concerts and major events on cities [4].

In 2016, Getz summarized the views of predecessors and discovered that beyond the cultural value of concerts, their economic contributions are equally significant, as firstly, they can boost tax revenues and promote the growth of small businesses. In addition, for many cities, hosting a major concert or festival can provide a significant economic boost by attracting visitors who might not have otherwise traveled to the area. These visitors contribute to the local economy by staying in hotels, dining in restaurants, and shopping in local stores, thus creating a ripple effect of economic benefits [5].

Using Beyonce's Formation tour as a case study to explore the broader economic impact of mass Krueger's research verified preceding studies, suggesting that major concerts not only drive box office receipts but also significantly boost service sector revenues in the cities visited. However, unlike the previous studies, Krueger especially notes, is that in addition to increased spending on food, lodging, and transportation, concerts also create temporary jobs in areas such as event personnel, security and merchandise sales. This, in turn, has led to rapid growth and development of the local economy [6].

This year, Cai took Taylor Swift's Eras Tour as an example to explore the specific ways in which touring affects economic growth [7]. Cai examines various aspects of concerts, such as profitability and how that profitability affects broader economic growth. Like previous studies, CAI believes concerts play a key role in stimulating consumption, not only through direct ticket sales but also by encouraging spending in related industries such as tourism, hospitality and retail. However, his research also highlights how governments and the entertainment industry can use the profitability of big music events to support a post-COVID-19 economic recovery [7]. From Baumol's early insights into cost challenges in the performing arts to Cai's recent exploration of the economic potential of tours like the Eras Tour, research consistently shows that large-scale concerts play a pivotal role in driving economic growth. By attracting diverse audiences, generating significant tourism revenue, and stimulating local economies, concerts have proven to be valuable assets for urban development and economic recovery.

In traditional research, eras tour has tended to focus on the economic impact of a particular country or region, but this article expands the analysis to a global scale. From a global perspective, exploring the differences in economic outcomes in different regions and countries, as well as the different economic impacts during the tour. Moreover, while existing research usually emphasizes short-term economic benefits, such as box office revenues and direct boost to the local economy, this paper will also highlight the sustainable economic benefits of concerts, such as merchandise, holding events, and establishing long-term concert partnerships to prolong concert popularity and thus promote consumption and economic development.

2. Current Status of Taylor Swift's Eras Tour

2.1. Timeline

Taylor Swift's Eras Tour began in March 2023 and initially covered 15 states across the U.S. By the end of 2023, she completed the North and South American legs of the tour. In 2024, she extended her performances to international cities, covering Asia, Australia, and Europe by September. The entire

tour will consist of 152 performances across 54 cities, making it the largest tour in her career to date [8]. Each concert is a comprehensive celebration of her musical journey, with a focus on different eras of her career, from country to pop and electronic music [8].

2.2. Cultural and Social Influence

The tour's influence extends beyond the music world. Swift's ability to draw from every chapter of her career has brought attention to her entire discography, causing even her older songs to regain chart success. Notably, her song Cruel Summer from the Lover album (released in 2020) reached the top of the Billboard charts during the tour's run [9]. The demand for tickets was extraordinary, with millions of fans attempting to purchase tickets, causing widespread ticketing website crashes due to the sheer volume of traffic.

The tour's immersive and visually captivating stage productions, along with Swift's unique storytelling approach, have appealed to a broad demographic. Fans from diverse age groups and backgrounds attended the concerts, showing the expansive reach of her music and cultural impact.

2.3. Economic Impact and Audience Data

From an economic standpoint, the Eras Tour has been monumental. By the end of 2023, it had already become the highest-grossing tour in history, bringing in over \$1.04 billion in revenue [10]. Analysts predict that the tour’s total earnings could reach \$2.165 billion by the end of 2024 [10]. Swift's concerts have significantly boosted the local economies of the cities she performed in, particularly in sectors like hospitality, tourism, and transportation [10]. According to the table below, on average, each concert generates approximately \$17.32 million in revenue, with ticket prices averaging around \$238.90 [11]. In 2023 alone, Swift sold over 4.24 million tickets, placing her tour at the top of global rankings [10,11].

Table 1. Top Ten Worldwide Tour of 2023 [11]

Ranking	Gross	Artist	Average Ticket Prices	Average Tickets	Total Tickets	Average Gross	Cities /Shows
1	\$1,039,263,762	Taylor Swift	\$238.95	72,489	4,249,363	\$17,321,063	24/60
2	\$579,813,546	Beyonce	\$208.80	49,586	2,776,854	\$10,353,813	39/56
3	\$379,496,085	Bruce Springsteen	\$109.62	52,451	3,461,798	\$5,749,940	54/66
4	\$325,456,865	Coldplay	\$113.95	57,123	2,856,189	\$6,509,137	17/50
5	\$290,547,352	Harry Styles	\$109.91	45,176	2,665,392	\$4,924,531	36/59
6	\$284,837,096	Morgan Wallen	\$198.29	29,926	1,436,462	\$5,934,106	46/48
7	\$268,017,633	Ed Sheeran	\$105.16	47,197	2,548,644	\$4,963,289	44/54
8	\$231,681,720	P!nk	\$153.54	34,662	1,525,162	\$5,322,102	39/44
9	\$220,985,529	The Weekend	\$100.05	52,588	2,208,730	\$5,261,560	40/42
10	\$184,929,733	Drake	\$259.99	16,541	711,271	\$4,300,621	27/43

In terms of broader economic influence, Eras Tour performances have had a GDP-like impact on cities [7]. For example, the economic boost from Swift’s concerts in Singapore was cited as contributing significantly to the country's 2024 Q1 economic growth, with analysts estimating that her concerts brought in tourism revenues between 350 million to 450 million Singapore dollars [12].

3. Multifaceted Impact of Concert on Local Economies

3.1. Economic Effects of the Tour

3.1.1. Direct Impact

The Eras Tour provides direct economic benefits to local economies through ticket sales, merchandise, on-site food and beverage purchases, and parking. According to Straits Research, fans typically spend between \$250 and \$300 on tickets, \$100 to \$150 on merchandise, and \$50 to \$100 on food and drinks at the concerts [13]. Travel expenses for attending these shows range from \$500 to \$1,000 [13]. In total, concert-goers spend an average of \$1,300 to \$2,000 per event, which generates significant direct revenue for host cities through these channels [13].

3.1.2. Indirect Impact

The tour also has a considerable indirect impact on local service industries, such as hotels, restaurants, and transportation, especially in cities that experience a surge in tourist traffic during the event:

(1) Tourism: In general, Eras Tour can lead to exposure to local attractions. Visitors are not only here to see the concerts, but they are also interested in the local attractions, museums, shopping malls and entertainment facilities. These tourists usually visit the famous local attractions before and after the concert to experience the cultural charm of the city. Especially for those cities with abundant tourism resources, the arrival of the Eras Tour has allowed these attractions to gain additional visitor flow. In the age of social media, many fans share their travel and concert experiences through Instagram, Twitter, TikTok, and other platforms during concerts. This global social media exposure has made the city where the concert will be held a hot tourist destination and attracts more future visitors. This publicity effect may continue to play a role after the concert and drive the tourism industry in the long run. The tourism industry includes the accommodation and catering industry, as well as the transportation industry. The following shows the analysis of the impact of the tours of these three industries.

Accommodation: The influx of out-of-town fans leads to a noticeable increase in hotel occupancy. In 2023, U.S. hotels generated an additional \$208 million in room revenue because of Swift's tour [13]. In cities or states hosting her concerts, revenue per room increased by 7% compared to the previous year, and the revenue per available room exceeded the national benchmark by 4% [13]. Notable examples include cities like Nashville, Indianapolis, Minneapolis, Cincinnati, Seattle, Los Angeles, New Orleans, and Toronto. For instance, two sold-out Eras Tour shows at the U.S. Bank Stadium in Minneapolis drew approximately 120,000 fans, setting a record for hotel occupancy, with near-total capacity (96.3%) and generating nearly \$6 million in revenue from visitors [13].

Catering: The popularity of the Eras Tour has significantly increased the number of visitors to the local restaurant, with thousands of fans dining during each show. Restaurants, cafes, bars, etc. around the concert venue directly benefit, especially after the concert, and many fans will choose to go to nearby dining venues to continue their gatherings and social activities. As a result, the turnover of local catering enterprises has increased faster than usual. In addition, the Eras Tour also generates innovative and promotional activities in the catering industry, with restaurants, cafes and other themed catering or special events related to concerts in order to attract audiences. For example, some F&B outlets will design special Taylor Swift-themed menus, drinks, or set menus. These creatives not only enhance the customer experience but also increase the brand's exposure and revenue, thereby boosting spending. As of February 2024, restaurants in 20 cities that Swift has visited have generated an additional \$100 million in sales [14].

Transport: As fans travel across cities and even internationally to watch concerts, the demand for air tickets, train tickets and other means of transportation has increased significantly. Transportation industries such as airlines, railway companies, taxi services and shared travel platforms have benefited from this. In the few days before the concert, airports, stations and public transportation

systems are facing peak passenger flow, which directly drives the revenue growth of the transportation industry.

(2) Retail: The sale of tour merchandise and souvenirs leads to increased spending at local retail shops [7]. Many fans are eager to buy exclusive tour merchandise, such as \$75 hoodies, \$55 long-sleeved shirts, and \$45 T-shirts [15]. Thousands of fans queue for hours to purchase these coveted items. Additionally, Swift fans have embraced the idea of exchanging “friendship bracelets,” as referenced in her song "You're on Your Own, Kid," creating a mini economy for bead bracelets, benefiting local businesses. This trend has added a unique layer of revenue during the tour [15].

(3) Employment Opportunities: Taylor Swift's Era Tour has created many temporary and long-term jobs. In order to support the success of the concert, a large number of workers are needed in all walks of life. For example, the hotel, restaurant, and retail industries need extra staff to accommodate the surge in audiences before and after concerts. There has also been an increase in short-term positions in events management, venue operations, security, equipment installation, and transportation. In cities that rely heavily on tourism and services, these jobs provide significant employment opportunities for locals, further driving the economic cycle. In addition, these events provide opportunities for local businesses to showcase and participate, indirectly contributing to the increase in long-term employment demand and enhancing market vitality.

3.2. Regional Economic Impact Differences

3.2.1. Developed Countries &. Emerging Markets

In developed nations like the United States, which have strong economies and complete infrastructural, and advanced facilities, the tour's economic effects are also significant. Citizens of these countries often have higher purchasing power, which means ticket prices are higher and merchandise sales are stronger. In addition, coupled with convenient transportation and well-established tourism services, the eras tour generates considerable tourism income. For instance, in Los Angeles, except for the basic revenue of tours, the hotel occupancy and revenue for high-end dining, retail, and entertainment businesses were also boosted quickly. Moreover, it is expected to have a staggering \$320 million economic impact on the tour in Los Angeles [13].

In contrast, emerging markets like Southeast Asia and parts of South America experience a different kind of impact. Though these regions might not have as much international activity frequency than developed countries and cities, Taylor Swift's tour draws both international and domestic tourists to these places. This means that a large number of tourists come to these cities, boosting tourism and increasing exposure of them. For example, in August 2023, fans from different countries traveled to Mexico City to watch the Eras Tour, which boosted the local hospitality, catering, and transportation industries, as well as local infrastructure and city management. Due to the increased exposure, many tourists still choose South America for their visit after the concert.

3.2.2. Large Cities &. Mid-sized Cities

In large cities like Los Angeles, New York, and Sydney, they have facilities that are better suited to large cultural events. More specifically, they have provided tourists with more options from luxury hotels to local dining, resulting in a substantial increase in revenue across industries. In addition, cultural events can benefit from easy-to-use transport systems of large cities that attract domestic and international tourists, which will benefit the local transport and tourism sectors in the long run [16].

On the other hand, mid-sized cities like Sao Paulo don't have as much infrastructure, but they still receive substantial economic benefits. Since these places don't usually witness big international events, the profit they make from tourism and services really stands out. However, with so many visitors, they might run into some issues like the scarcity of hotels or traffic snarls.

4. Revelation and Outlook

4.1. Revelation

The impact of concerts on the city's economy brought by Taylor ·Swift's Eras Tour has shown its strong economic driver, not only in terms of ticket revenue but also in a variety of industries such as catering and accommodation. This shows that a large-scale concert is not just an entertainment event, but also an important catalyst for the overall economic growth of the city: it can bring many tourists in a short period of time, which can develop different industries and finally increase the local economy. For example, the soaring hotel occupancy rate during the concert, the strong demand for food and beverage services, and the surge in demand for transportation and travel have injected vitality into the local economy and promoted the growth of consumption levels.

The concert shapes the brand and city image Taylor's Eras tour has given the host cities a huge opportunity for exposure, increased the popularity and reputation of these cities, and promoted economic development to a certain extent. This enlightens us that cities should increase their visibility at home and abroad and attract more large-scale cultural events and business opportunities by holding concerts by well-known artists and using the power of media communication and traffic dividends. It can also actively promote the city's culture and characteristic attractions and attract tourists to develop tourism while shaping the city's brand and image.

4.2. Outlook

Enhancing the attractiveness of cities for large-scale events: Cities should consider optimizing their capacity to host large-scale events, from infrastructure to policy support. For example, it is possible to attract more internationally renowned artists to tour by building modern venues and convenient transportation systems and providing preferential policies. At the same time, cities can cooperate with the organizers to provide supporting services to attract more tourists and form a "concert economic circle". In addition, cities can also develop "cultural tourism" products, combining local attractions, culture and cuisine, and concerts to create a comprehensive tourism experience, extend the stay time of tourists, and further drive local consumption.

Create a sustainable economic structure: Initially, cities should explore how to maintain economic benefits after the concert. Concert-related activities can be held to prolong the popularity of the concert and maintain the consumption momentum of foreign tourists by holding follow-up activities such as commemorative exhibitions, fan meetings, cultural festivals, etc. Secondly, the city encourages merchants to cooperate with the organizer to launch co-branded products and concert merchandise to promote a longer consumption boom and form sustainable economic benefits. Besides, Long-term cooperation between cities and music festivals should be built. To be specific, concerts are a short-term economic stimulus, so city governments can consider long-term partnerships with artists, agencies, or organizers. For example, concerts can be combined with annual music festivals, film festivals, cultural exhibitions, and even traditional festivals to enhance the cultural attractiveness and popularity of the city, which in turn will drive long-term tourism and consumption. Moreover, this multi-faceted cooperation mechanism can also attract more cultural enterprises and creative talents to develop in the city, form a vibrant cultural industry ecosystem, and promote a virtuous cycle of economy.

5. Conclusion

This article examined the major economic impact that big-scale concerts can have on local economies through a comprehensive examination and evaluation of Taylor Swift's Eras Tour. The study considers many factors, including increased tourism, consumer spending, and employment opportunities, to highlight the significant benefits that such historic events have.

According to studies, Swift's Eras Tour significantly boosts local economies in different aspects. (1) Tourism Surge: Cities that number concerts saw an increase in out-of-area customers, which

increased hotel occupancy and local business investing. (2) Consumer Spending: Concert attendees contributed significantly to local economies, with higher spending on lodging, dining, and retail before and after the event. (3) Job Creation: Temporary jobs in hospitality, event management, and transportation were directly created due to the concert's logistics and needs.

There is also have contrast between cities. Concerts have a regionally diverse economic impact, in illustration, developed cities could have a better experience of the concert due to their strong economy and facility, while emerging market economies could have a different impact, like increasing exposure of local areas. In addition, large cities benefit from effectively- developed infrastructure and higher consumer spending, while mid-small places experience considerable growth in tourism and service companies despite obstacles like customers and housing shortages.

These findings suggest that large-scale concerts act as a catalyst for economic growth, particularly benefiting cities with robust infrastructure and a strong hospitality sector. Therefore, Cities can strategically leverage such high-profile events to boost local economic development. This includes building stricter rules for hosting events, forming partnerships with local businesses, and upgrading the state's infrastructure to accommodate the large crowd. Because these concerts may have a long-term impact on their reputation, additional research needs to be focused on conceivable city branding and cultural tourism benefits.

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