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Strategy Lessons from Taylor Swift

Lessons that conventional businesses can learn from Taylor Swift's ability to navigate new technologies, channels, and power structures to create enduring advantage.

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Management / Strategy

Take-Aways

- Being strategic about the business side of entertainment helped Taylor Swift become a generational star.
- Swift's strong online communication with her fans reinforces their emotional loyalty.
- By removing external agents and managers, Swift freed her creativity while garnering a larger share of her profits.
- Even as Swift reinvents herself and her music, she stays relevant to her fans.

Recommendation

Talented star and savvy business maven Taylor Swift has succeeded, in part, by adhering to three strategies many businesses should consider, write Charikleia Kaffe, Adam Job, and Martin Reeves of the Boston Consulting Group. Swift's tactics have enabled her to change genres, control her creative endeavors, define new trends, and remain relevant to her fans. She has always connected with them online, and she continues to create buzz around new projects with hints on social media. By nurturing her loyal fan base and taking control of her music's production and distribution, Swift has powerfully crossed genres and created new trends while remaining relevant – a feat that holds lessons for many businesses.

Summary

Being strategic about the business side of entertainment helped Taylor Swift become a generational star.

Taylor Swift built her empire on her music, but she shaped and expanded it by being a savvy businessperson. Experts predicted that her 2023-2024 Eras Tour would boost the US economy by \$5.7 billion. Since first topping the charts in 2012, Swift has used her “strong intuition for good strategy” to create a bond with the public, upend the hierarchy of her industry, and remain relevant to her fans.

“She has managed to strike a balance between more mature and playful themes, ensuring her work continues to resonate.”

Swift mastered three strategies: building a heartfelt bond with the public in a digitized industry, taking control of her work, and continually reinventing herself. Applying her three lessons – build a loyal following despite digitization, carve your own path, and stay relevant to your consumers – can help any business avoid becoming just another commodity in the digital economy. In fact, Swift has taken full advantage of digitization instead of being hampered by it.

Prizewinning new artists now often use commercially available options to record their music and release it on social media platforms, following Swift in upending the old methodology that relied on agents and big studios. The downfall of the barriers that blocked access to producing, publishing, and consuming music reflects trends in the business world at large.

Swift's strong online communication with her fans reinforces their emotional loyalty.

Swift has always connected with her fans online. More than just posting on social media, she cultivates her followers by consistently liking, reposting, and commenting on their posts. When a website selling tickets for her Eras tour crashed, she apologized directly to ticket buyers and acknowledged the need for a fix. She also “hand-selects” fans to listen to her albums before she releases them and leaves “clues” in her social media posts about her latest projects. Strategically, her authentic interaction with her fans also protects her from imitators.

“The direct emotional bonds she has created...serve as a crucial moat for defending her position.”

Based on Swift’s average number of likes per Instagram post – 7.8 million – she is today’s “most-loved celebrity.” This gives her the ability to influence a significant number of people. When she posted about the importance of voting, voter registration on Voter.org jumped 1,266% in an hour.

By removing external agents and managers, Swift freed her creativity while garnering a larger share of her profits.

Swift turned the tables on the typical entertainment industry business model by removing the customary intermediaries. To regain control of the rights to her music, she re-recorded and re-released her first six albums. At the same time, she changed record labels and negotiated to retain the ownership of her future master recordings. She relies on an internal executive team and avoids using external agents or managers. She released the film of her Eras tour directly to the public, not through a studio, another forceful instance of her skillful “disintermediation in the digital age.”

“Strategy is an applied art, and Taylor Swift exemplifies the power of a strong intersection between art and strategy. Her strategic moves are all relevant to businesses, which should not be merely entertained and inspired by her work but should also pay close attention to the strategic lessons from her success story.”

By consolidating control, management, and distribution of her music and performances, Swift increased her financial share in each of her entertainment transactions while allowing herself to explore new genres. That freedom has allowed Swift to move from country music to pop and alternative styles, all while topping the charts for eight years since 2012.

Even as Swift reinvents herself and her music, she stays relevant to her fans.

As other artists have faded, Taylor Swift continues to grow in relevance. Her strong connection with her fans and her independent approach to business have given her the power to create new trends as she changes her music at will.

In addition to collaborating with other artists and exploring new genres, Swift set a new industry standard for concerts with her inventive Eras tour. Her 3.5-hour show featured more than 40 songs, touching on her 17 years in the industry. Most notably, each concert’s playlist contained some songs specific to that show, making each stop on her tour a unique experience for her fans.

“As old barriers to entry fall, competition is becoming more fragmented, dynamic, and fiercer than ever — and exploiting as well as shaping new business models requires agility and creativity.”

Democratization of the music industry has changed public access, sales, and distribution, demonstrating that other sectors also may need to look beyond large marketing budgets for fresh ways to build consumer loyalty. Competition now calls for new business models as flexible and creative as those Swift has mastered

in order to remain on top in a cutthroat field. That takes courage – but, as she has shown, little scares her except, “the fear of being average.”

About the Authors

Martin Reeves is chairman of The Boston Consulting Group’s Henderson Institute. **Adam Job** directs the institute’s Strategy Lab, where **Charikleia Kaffe** is an Ambassador.



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