Chapter 13
Involvement, Hedonism, and Luxury: Managing Fans in the Music Industry

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ABSTRACT

The popular music industry finds itself beset by circumstances in which most of its best-selling artists are more than 50 years old and some top sellers have died. This chapter investigates popular-music fandom through the lens of product involvement and looks to the literature on luxury-goods management for potential managerial insights that might help the industry navigate an otherwise uncertain future. Highly committed fans may be marked by enduring involvement and may be more attracted to artists who are able to position themselves successfully as “classic” (expert aesthetic, enduring duration), adapted from the luxury-goods setting. Broad, long-term popular appeal may be achievable with successful positioning of the artist as “modern” (novice/surface aesthetic, enduring duration). Preliminary recommendations are offered, and avenues for further research are discussed.

INTRODUCTION

It is a constant refrain in business that innovation is an important engine of growth. Indeed, for companies employing best practices in innovation, some 48% of sales and 45% of profits come from products commercialized in the most recent five years (Hauser, Tellis, & Griffin, 2006). However, Digital Music News reports that the best-selling album of all time as of August 2018 is The Eagles: Their Greatest Hits (1971-1975) (Resnikoff, 2018). The Eagles’ collection surpassed Michael Jackson’s Thriller, which previously held the number one spot for many years. In third place once again are the Eagles with Hotel California, fourth goes to Billy Joel (Greatest Hits volumes I and II), and fifth to Led Zeppelin (Led...
Zeppelin IV) (Thompson, 2018). In fact, all the top ten records of all time are products of artists over 50…and some, such as Michael Jackson, have died. Further, of the artists with the top 25 highest record sales since 1991, only one was under 40 at the time this chapter was written (Shah, 2017, p. A11) Nine-teen of the top 25 are over 50 (Shah, 2017). Concert revenue follows a similar pattern, with half of the $4.5 billion in concert revenue generated in 2016 attributable to artists over the age of 50. Of the top 10 concert draws, five artists/acts were over 50 (Shah, 2017).

According to Shah (2017), rock albums still outsell all other popular music categories, comprising 41 percent of total album sales in 2016. Hip-hop and rhythm & blues (R&B) follow at 15 percent, country at 13 percent and pop at 10 percent. Of those rock-album sales, by far the biggest sellers are by the rock stars of the Baby Boom generation (Shah, 2017, p. A11). To draw an analogy to the preceding, imagine that the biggest-selling automobile model in the world in 2018 is the 1971 Ford Mustang, copies of which being still produced. Now further imagine that the 1971 Ford Mustang can be manufactured only by the original engineers and builders, who (being mortal humans) will not be able to continue doing so indefinitely. The music industry shudders every time a rock legend dies, and in the last few years there have been quite a few in addition to the above-mentioned Michael Jackson: David Bowie, Glenn Frey, and Prince, among others. The popular music industry’s most productive artists represent a declining resource; in consequence, the popular music industry now must figure out how to attract and retain young audiences and develop young stars to secure a more stable future.

While some contend that much of the success of the rock legends of that earlier era was due to the lavish artist-development spending of the recording industry, the industry’s apex trade association reported artist-development spending in 2013 of USD 4.3 billion (RIAA 2014). Record labels still spend as much as 15.6% of revenue on artist development, a higher percentage than found in the software, aerospace, health-care, and pharmaceutical industries (Hu, 2016). It must be pointed out that many recording contracts made artist-development and marketing spending such as recording costs, tour support, etc. recoupable from artist royalties. (Where artists failed to earn enough royalties to recoup, the label could presumably take a tax loss.) Therefore, it does not appear that a purported difference in artist-development spending account for all the difference in sales and/or career endurance. Why do the rock legends enjoy such enduring fandom? Is there a difference in the fandom of the rock legends that transcends generations, or is the appeal of those artists-generation specific?

**BACKGROUND**

Shucker (2014, p. 166) defined fans as “those who avidly follow the music and lives of particular performers and specific genres, with various degrees of enthusiasm and commitment. Fandom is the collective term for the phenomenon of fans and their practices: attending concerts, collecting recordings, putting together scrapbooks, filling bedroom walls with posters and discussing the star with other fans.” Duffett (2013, p. 18) defined a fan as “a person with a relatively deep positive emotional conviction about someone or something famous.” Duffett also noted that “Stars and brands have mutually learned from each other and now celebrities are also, in effect corporately organized and protected as consumer brands;” (p. 20). Hills (2014), studying music fandom, noted that fans identify with favored artists. Fans have been described as “... similar to a consumer in that both fans and consumers place emphasis on a particular interest; however, fans differ from consumers in the extent to which they invest and actively