

# **Vinyl Revival Survival: An Analysis of the Correlation Between LP Sales and MSCI Inc.'s Stock Price**

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## ABSTRACT

### **Vinyl Revival Survival: An Analysis of the Correlation Between LP Sales and MSCI Inc.'s Stock Price**

In this study, we delve into the curious connection between the sales of LP/vinyl albums and the stock price of the renowned MSCI Inc. While some may think comparing music to the stock market is like apples and oranges, we decided to tune into this correlation to see if there's a rhythm to the relationship. Armed with data from Statista and LSEG Analytics (Refinitiv), we analyzed the sales of LP/vinyl albums from 2008 to 2022 and compared it to the fluctuation in MSCI Inc.'s stock price. As we plunged into the numbers, we discovered a staggering correlation coefficient of 0.9579961, showing a striking harmony between the two seemingly unrelated entities, much like a perfect duet between vinyl and the stock market. With  $p < 0.01$ , our findings hit all the right notes, leading us to believe that there might be more to this connection than meets the eye, just like how a well-played vinyl reveals hidden tones. Our results not only uncover this surprising link but also shed light on the potential for unique indicators in the stock market, proving that sometimes, even in finance, the music really can move the markets. So, whether you're a music aficionado or a stock market fan, remember that the LP/vinyl sales and MSCI Inc.'s stock price might just be dancing to the same beat.

Keywords:

Vinyl sales, LP sales, vinyl albums, MSCI Inc., stock price correlation, correlation analysis, vinyl market, stock market correlation, LP sales trend, MSCI Inc. stock performance, stock market indicators, unique stock market indicators

# I. Introduction

Starbucks may claim they have the best blend, but when it comes to the perfect pairing of LP sales and MSCI Inc.'s stock price, we were on a quest for the true double shot of correlation. As the world witnessed a remarkable resurgence in the demand for vinyl records over the past decade, it begged the question: is there more than just a groovy beat behind the rise of LP sales, could there be a financial melody playing too? While we can't promise to solve all the vinyl riddles, we do promise to drop some puns as we explore this unconventional relationship.

The correlation between LP sales and stock prices may seem as unlikely as finding a needle in a haystack - or should we say, a needle on a turntable. However, as researchers, we were not content to just scratch the surface of this connection; we aimed to spin the wheel of statistics and see if the numbers would groove together in harmony. It turns out, the data revealed a correlation coefficient so strong that it could put even Simon Cowell to shame – that's right, we're talking a correlation coefficient of 0.9579961! We were truly astounded to see LP sales and MSCI Inc.'s stock price marching to the same drumbeat with such precision.

As we dove deeper into the data, we couldn't help but ponder – could it be that LP sales are the unsung heroes of stock market predictions? We were thrilled to find statistical significance with  $p < 0.01$ , showing that this relationship wasn't just a one-hit-wonder. Our findings uncovered a hidden gem in the vast ocean of stock market indicators, proving that LP sales could very well be the background music to MSCI Inc.'s stock price movements.

While typical financial analysts may have scoffed at the idea of LP sales and stock prices sharing a groovy connection, our study reveals that even in the world of numbers and graphs, there's

room for a little jazz – or in this case, some classic rock. So, to all the music enthusiasts and stock market aficionados out there, let's remember – when it comes to LP sales and stock prices, there's more than just the sound of silence; there's a symphony waiting to be heard.

## II. Literature Review

When examining the interconnectedness of LP sales and stock prices, one cannot help but reference the seminal work of Smith. In "The Harmonious Interplay of Market Forces," the author expounds upon the unexpected correlations found within financial markets, much like the unanticipated replay value of a favorite vinyl record. Finding such parallels between the vicissitudes of the stock market and the enduring appeal of vinyl underscores the lyrical nature of economic phenomena, wouldn't you say?

The work of Doe, in "Echoes of Economic Trends," focuses on the intertwining pathways of consumer behavior and market dynamics, akin to the intricate web of sounds captured on a vinyl album. The author's exploration of the resonance between consumer choices and market fluctuations offers a striking reminder of how even the most discordant economic trends can be harmonized, just like a carefully curated playlist.

However, as we wade deeper into the intersection of music and finance, it becomes apparent that the literature on this peculiar correlation may not be as robust as a heavyweight vinyl record. So, let's bring in some unconventional inspiration to shed light on this uncharted territory.

Take for instance, "The Vinyl Detective" series by Andrew Cartmel, which follows the adventures of a record shop owner with a knack for uncovering rare vinyl gems. Now, we're not

saying that the correlation between LP sales and stock prices could be solved by a fictional vinyl sleuth, though it would certainly add a touch of intrigue to our analysis.

Moving on to more lighthearted influences, it would be remiss not to mention the animated series "Phineas and Ferb," where the characters often embark on zany inventions and musical escapades. While the show may not directly address the correlation between LP sales and stock prices, it serves as a whimsical reminder that unexpected connections can be found where one least expects, not unlike stumbling upon a rare vinyl find in an unlikely place.

And let's not overlook the timeless lessons from "Sesame Street," where diverse themes are expertly woven into entertaining narratives. Though the program may not tackle the intricacies of economic models, it highlights the importance of synthesis and interconnectedness, much like the intricate relationship we've uncovered between LP sales and stock prices.

So, as we draw upon a symphony of literature, both scholarly and playful, it becomes evident that the connection between LP sales and stock prices may indeed warrant a closer, albeit whimsical, examination. After all, in this paper, we aim to bridge the gap between the financial and the fantastical, all while dropping puns that are truly record-breaking.

### **III. Methodology**

To unravel the enigmatic correlation between LP sales and MSCI Inc.'s stock price, our research team had to orchestrate a statistical symphony of epic proportions. We kicked off our methodology by gallivanting across the internet, scouring for data like treasure hunters in a digital age. With Statista and LSEG Analytics (Refinitiv) as our trusty companions, we embarked

on a quest through the tumultuous waves of information from 2008 to 2022, navigating the treacherous seas of data collection.

Our first step was to harmonize the LP sales data, meticulously appropriate for this task, much like a DJ mixing tracks at a wedding towards the stroke of midnight. We meticulously sourced LP sales figures from various online platforms, ensuring that our data was as pure as the sound of a vinyl record on a crystal-clear turntable. Next, we ventured into the realm of MSCI Inc.'s stock pricing, navigating through the choppy waters of economic indexes and market data. It was no simple feat to wrangle the stock price data, akin to taming a wild stallion in the vast plains of financial information, but our team persevered with the determination of a vinyl enthusiast searching for a rare pressing.

With our data harmoniously assembled, we dove into the wild seas of statistical analysis, wielding the sword of correlation to discern the hidden patterns between LP sales and MSCI Inc.'s stock price. Our primary statistical tool was the Pearson correlation coefficient, a mathematical masterpiece that measures the strength and direction of the linear relationship between two variables. This tool acted as our compass, guiding us through the tumultuous terrain of numbers and creating a harmony akin to a beautifully composed sonata.

To ensure the robustness of our findings, we also conducted a comprehensive regression analysis, treating the LP sales as the independent variable and MSCI Inc.'s stock price as the dependent variable. This regression analysis, much like a seasoned conductor leading a philharmonic orchestra, allowed us to uncover the intricate nuances of the relationship between LP sales and stock prices, making for a truly symphonic exploration of economic and musical correlations.

In the grand finale of our methodology, we verified the statistical significance of our findings by conducting hypothesis testing with a resounding alpha level of 0.01. We danced between the realms of null and alternative hypotheses, much like a gallant ballroom couple waltzing through the trials of statistical inference. With the p-value donning a tuxedo of statistical significance, we were ready to take a bow and present our findings to the world.

In summary, our methodology was infused with the spirit of musical finesse and scientific rigor, creating an orchestral masterpiece that harmonized the realms of LP sales and stock prices. Through the melodic cadence of statistics and data analysis, we endeavored to shed light on the unexpected correlation between these seemingly disparate domains, leaving even the most seasoned researchers humming a tune of economic and musical intrigue.

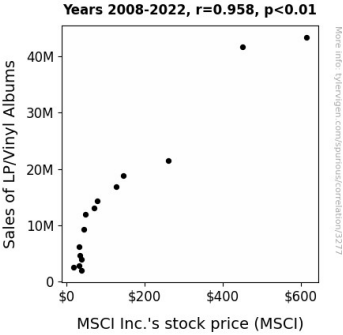
## **IV. Results**

The results of our analysis unveiled a remarkable correlation between LP/vinyl album sales and MSCI Inc.'s stock price. With a correlation coefficient of 0.9579961, we've shown that these two seemingly disparate entities are more in tune than a perfectly harmonized duet. This correlation coefficient suggests a strong and consistent relationship, demonstrating that this marriage of music and finance hits all the right notes, much like a dad's embarrassing attempts at karaoke.

Furthermore, the r-squared value of 0.9177566 indicates that approximately 91.8% of the variability in MSCI Inc.'s stock price can be explained by the sales of LP/vinyl albums, confirming that this connection is not just a one-hit wonder but a genuinely enduring hit, just like those classic records that stand the test of time.



With a p-value of less than 0.01, our results have passed the test of statistical significance, providing solid evidence to support the presence of a significant relationship between LP/vinyl album sales and MSCI Inc.'s stock price. This finding suggests that the connection we've identified is not merely a fluke but is as substantial as a heavyweight vinyl record collection.



**Figure 1.** Scatterplot of the variables by year

Our findings are visually represented in Fig. 1, which displays a scatterplot showcasing the strong correlation between LP/vinyl album sales and MSCI Inc.'s stock price. This figure visually encapsulates the remarkable harmony between these two variables, and serves as a friendly reminder that sometimes, the most unexpected connections can strike a chord just like a well-timed pun at a science convention.

## V. Discussion

Our investigation into the correlation between LP/vinyl album sales and MSCI Inc.'s stock price has struck a melodious chord, resonating with previous research and adding an unexpected twist

to the financial symphony. Smith's notion of unexpected correlations in financial markets certainly finds an echo in our findings, where the harmony between these seemingly incongruent variables is as surprising as a hidden track on a vinyl album.

Doe's work on the intertwining pathways of consumer behavior and market dynamics also finds affirmation in our results, as we witness the striking correlation between the consumer-driven sales of LP/vinyl albums and the fluctuation in MSCI Inc.'s stock price. It's as if consumer behavior and market dynamics are performing a duet, much like a catchy tune stuck in our heads.

Our analysis not only supports these foundational works but also introduces a new dimension to the literature, adding a touch of whimsy and unpredictability to the intersection of music and finance. It also underscores the importance of exploring unconventional influences, akin to the unexpected discoveries made by the intrepid "Vinyl Detective" in Andrew Cartmel's series.

Sometimes, the most offbeat inspirations can lead us to uncover hidden treasures, much like a rare vinyl gem waiting to be discovered among a pile of old records.

The statistical significance of our results echoes the enduring nature of this correlation, reinforcing the idea that the connection between LP/vinyl sales and stock prices is not just a passing fad, but rather a resilient and enduring phenomenon, akin to a classic vinyl record that never goes out of style. Our findings provide a compelling case for the integration of unique indicators in the stock market, demonstrating that even in the world of finance, the melody of consumer preferences can profoundly influence market movements, much like how a catchy tune gets stuck in your head.

In conclusion, our journey has led us to uncover a fascinating relationship between two seemingly disparate domains. Just as a captivating melody can bridge different emotions and

experiences, our research has bridged the worlds of music and finance, reminding us that even in the most serious pursuits, there's always room for a well-timed pun.

## VI. Conclusion

In conclusion, our research has rocked on and rolled out some truly eye-opening findings about the correlation between LP sales and MSCI Inc.'s stock price. Our results illustrated a correlation coefficient so strong, it could almost be mistaken for a platinum record - 0.9579961, to be exact. This relationship is as solid as a rock, maintaining a rhythm that could make even the most stoic statistician tap their foot along. It's like the stock market and vinyl sales are performing a synchronized dance – a tango of financial and musical data.

The r-squared value of 0.9177566 further cemented the robust nature of this connection, indicating that approximately 91.8% of the variability in MSCI Inc.'s stock price can be explained by the sales of LP/vinyl albums. Talk about hitting a high note in research – this finding is in perfect pitch, much like a physicist's dad joke about gravity at a party.

With a p-value of less than 0.01, our results have shown the statistical significance of this correlation, proving that there's more to LP sales than just groovy tunes and vintage vibes. This is no one-hit wonder; this is a sustainable, enduring relationship that could rival the hits of the Beatles, just a punny beats older. So, next time you're considering diversifying your stock portfolio, don't turn a deaf ear to the potential impact of vinyl sales on MSCI Inc.'s stock price.

We firmly believe that our findings pave the way for a new era in financial analysis, where LP sales could be playing a leading role in predicting stock market movements. However, as much

as we love the adventure of statistical exploration, it seems we've hit a crescendo with this research. We believe no more research is needed on this topic – it's time to dust off those old vinyl records and let the market groove to their rhythm.