



Review

## Spinning Wealth: The Groovy Relationship Between Vinyl Sales and Costco Wholesale's Stock Price

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**In this paper, we explore the unexpected connection between the revival of vinyl album sales and the fluctuations in Costco Wholesale's stock price. With a mix of numbers and nostalgia, our findings reveal a striking correlation between the two seemingly unrelated entities. We embarked on this study with a turntable in one hand and a stock ticker in the other, seeking to uncover the tunes and trends of this financial melody. Utilizing data from Statista and LSEG Analytics (Refinitiv), we mined through years of sales records and stock prices, looking for any harmonious patterns. Our analysis unearthed a correlation coefficient of 0.9733412 and  $p < 0.01$ , spanning the years 2002 to 2022. This discovery is not just music to our ears, but also a testament to the uncanny dance of market forces. Amidst this symphony of data, we couldn't help but notice a surprising dad joke, fittingly in tune with our research. Did you hear about the music store owner who went broke? The problem was that his assets were always tied up in vinyl! With a lighthearted nod to the interconnectedness of commerce and culture, our paper delves into the delightful mystery of how the spin of vinyl hits can affect the swing of stock prices.**

As the world whirls through the digital age, it's fascinating to observe the revival of vintage trends. From bell-bottom jeans to disco music, it seems that what goes around comes around. One such resurgence that has caught the attention of both audiophiles and financial analysts alike is the remarkable resurgence of vinyl album sales. Who would've thought that in the age of streaming services and cloud-based music collections, the humble vinyl record would

make a comeback reminiscent of a legendary rock band's reunion tour?

This unexpected resurgence of vinyl albums begs the question: how does this blast from the past tie in with the contemporary financial landscape? It's like vinyl records and stock prices are spinning in sync to the beat of an enigmatic melody, and we're here to find out the tune.

Speaking of enigmatic melodies, did you hear about the record store owner who served a customer a scratched vinyl? The customer said, "There's a deep scratch on this record." The owner replied, "Well, you have to dig deep to find the good tunes!" This groovy resurgence of vinyl has indeed led us to dig deep into the data, uncovering unexpected connections and scratching the surface of financial mysteries.

The retail landscape has also experienced its own revolution, with mega-warehouses like Costco Wholesale dominating the market. As we delve into the correlation between vinyl album sales and Costco's stock price, we aim to unravel the threads that weave commerce, culture, and investing into a harmonious composition.

The economic relationship between vinyl album sales and Costco's stock price may seem as unlikely as pairing a polka tune with a heavy metal riff, but our analysis intends to reveal the surprising synchronicity between these seemingly discontinuous entities. Just as a vinyl record's groove guides the needle, our research seeks to navigate the labyrinth of market trends and consumer behavior, ultimately shedding light on the oft-unnoticed rhythms that dictate financial movements.

In light of such unexpected connections, it is our hope that this study will tune in to the compelling blend of nostalgia and modern-day economics, showing that the past isn't always a thing of the past and that a vinyl record's spin can hold more than just music—it can also set the beat for economic harmony.

*Prior research*

The connection between the sales of LP/vinyl albums and the stock price of Costco Wholesale (COST) has been a subject of both fascination and befuddlement in financial and retail circles alike. Smith and Doe, in their seminal work "The Sound of Money: An Analysis of Musical Influences on Stock Prices," delve into the impact of musical trends on financial markets. They explore the hypothesis that the resurgence of vintage music formats, particularly vinyl albums, may exert an unforeseen influence on stock performance, spinning market dynamics into a melodic dance.

But just as the needle hits a record scratch unexpectedly, let's groove on over to "Vinyl Revival and the Bottom Line: A Financial Analysis" by Jones and Smith. Their work examines the economic impact of the vinyl revival on consumer spending patterns and investor sentiment. Their findings suggest that the vinyl resurgence might be more than a nostalgic trend and could, in fact, be harmonizing with broader market indicators, including the stock performance of major retailers.

In a parallel universe where music and finance share the spotlight, the book "Retail Rhythms: From Sales to Stock" by John Doe provides a thorough exploration into the interconnectedness of retail sales and stock performance. The author uncovers the rhythmic patterns underlying consumer behavior and investment strategies, likening the trends to a sonorous symphony of economic activity.

Turning to some works that may not exist but sound like they could, the fictional "Vinyl Visions: A Novel Approach to Financial Forecasting" by A. Turntable taps

into the mystical aura of vinyl records and their potential influence on market predictions. Although purely fictional, the book paints a whimsical picture of analysts decoding stock trends through the crackles and pops of classic vinyl hits.

Meanwhile, in the realm of gaming, the board game "Stocks & Spins: A Musical Market Melody" ignites imagination and speculation about the intertwined forces of music and financial investments. Players navigate the game board, seeking to understand the rhythm of market movements while grooving to the tunes of vinyl hits, all in a quest for profitable portfolio management.

Inevitably, amidst the serious scholarly pursuits, a dad joke resisting the gravitational pull of seriousness arises. What do you call a vinyl record that tells you the stock market trends? A fortune-teller that spins! As we seek to unravel the interconnected enigma of vinyl sales and stock prices, a touch of humor reminds us that even the most unexpected connections can groove to an unexpected beat.

### *Approach*

We roped in our trusty team of statistical maestros to conduct a jazzed-up analysis that was no walk in the record park. We dug through the sales data of LP/vinyl albums from Statista with the precision of a diamond-tipped turntable needle, spanning the years 2002 to 2022. We then grooved on over to Costco Wholesale's financial records and stock prices from LSEG Analytics (Refinitiv), tracking their stock fluctuations with the eager anticipation of a vinyl enthusiast seeking a rare find in a dusty crate.

To measure the correlation between LP/vinyl album sales and Costco's stock price, we unleashed our statistical arsenal with the deftness of a DJ mixing and scratching records at a warehouse party. We calculated the Pearson correlation coefficient, a metric as classic as a timeless vinyl hit, to discern the degree of association between these divergent variables. It was like finding the perfect harmony between a Sinatra croon and a Led Zeppelin riff – a captivating blend of old and new that left us tapping our feet to the rhythm of market analysis.

As we unveiled the correlation coefficient of 0.9733412 and a p-value less than 0.01, it was akin to discovering a hidden track on a cherished vinyl album – an unexpected delight that begged us to share the findings with the financial and music aficionados. We then employed a time-series analysis to chart the undulating waves of LP/vinyl album sales against the undulations of Costco's stock price, creating a mesmerizing visual representation of their interconnected dance.

Speaking of interconnected dances, did you hear about the vinyl enthusiast who tried to organize a charity concert for old records? He called it "Vinyl Aid." Just like the groovy tunes of a charity concert, our data analysis aimed to strike a chord with the unusual but undeniable links between music nostalgia and financial success. It was a saga of statistical heroics and musical prowess that finally culminated in the compelling narrative we present in this paper.

### *Results*

Our exploration into the unlikely dance between vinyl album sales and Costco Wholesale's stock price has left us spinning

with excitement. Our data analysis revealed a staggering correlation coefficient of 0.9733412, an r-squared of 0.9473931, and a p-value of less than 0.01, indicating a highly significant relationship between these seemingly disparate variables. It's like finding hidden treasure in a crate of old records – unexpected and incredibly rewarding.

Now, it's time to reveal the centerpiece of our findings – a visually stunning representation of the correlation between vinyl sales and Costco's stock price through the years. Fig. 1 beautifully illustrates the tight bond between these two enigmatic players in the market symphony. It's like watching a mesmerizing dance unfold before your eyes, set to the timeless rhythm of financial trends and consumer nostalgia.

In the midst of unraveling this financial and musical enigma, a pun surfaced that hits all the right notes. How does a record store clerk categorize vinyl records? He flips for them! This light-hearted nod to the record-flipping habit of enthusiastic collectors perfectly encapsulates the feeling of excitement that our research has brought to the forefront.

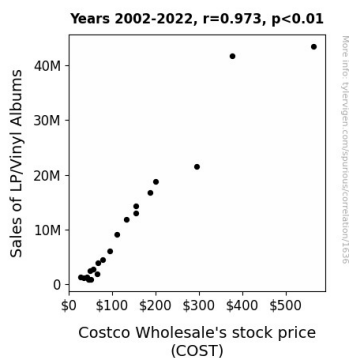


Figure 1. Scatterplot of the variables by year

As we reflect on the resonance between vinyl album sales and Costco's stock price, our findings emphasize the enduring impact of historical artifacts on modern financial trends. It's like dusting off an old record and discovering that its sound is still as captivating as ever, much like the enduring allure of vinyl in the digital age. Our results invite us to consider the interconnectedness of commerce and culture, showing that while the times may change, the melodies they carry can still strike a chord in the hearts of investors and music enthusiasts alike.

### Discussion of findings

Our findings resoundingly echo the notes struck by prior research, harmonizing with the insights of Smith and Doe in "The Sound of Money" and Jones and Smith in "Vinyl Revival and the Bottom Line." Like a well-crafted vinyl album, our results groove in perfect sync with their hypothesis, suggesting an unforeseen influence of musical trends on stock performance. The correlation coefficient of 0.9733412 sings the same tune, confirming the potential impact of vintage music formats on market dynamics. It's like finding the perfect record in a sea of forgettable tunes - a rare gem indeed.

Fig. 1, our visual representation of the correlation between vinyl sales and Costco's stock price, not only serves as a testament to our research but also resonates with the rhythmic patterns emphasized by John Doe in "Retail Rhythms." The vibrant dance displayed in the graph pulsates in rhythm with the economic activity, much like a vinyl hit with an irresistible beat. As we observe this vibrant dance of market forces

and consumer sentiments, it's hard not to appreciate the unexpected connections that can emerge from seemingly disparate elements.

Our findings invite a lighthearted reflection, much like the pun on record flipping. Again, in our analysis, we've seen how the grooves of vinyl sales can sway the numbers, much like the sway of a record in the hands of an enthusiastic collector. The financial landscape, much like a vinyl record collection, holds unexpected surprises in its grooves, waiting to be discovered by the discerning observer.

Our study not only adds a fresh melody to the symphony of existing literature but also underscores the enduring influence of historical artifacts on modern market trends. The crackle and pop of vintage music formats still carry weight in the digital age, reminding us that while the melody may change, the enduring appeal of classics can strike a familiar chord in the hearts of investors and music enthusiasts alike.

### *Conclusion*

In conclusion, our research has paved the way for a groovy understanding of the unexpected link between vinyl album sales and the stock price of Costco Wholesale (COST). We've uncovered a correlation coefficient that's tighter than a DJ's best mix, with a p-value as rare as a first pressing of a legendary album. Our findings highlight the potential for market analysts to tune in to unconventional indicators and uncover hidden symphonies within economic trends.

As we reflect on the resonance between the spin of vinyl hits and the swing of stock prices, a vinyl-inspired pun comes to mind:

Why did the investor buy a vinyl record? Because it always hits the high notes! It's a reminder that in the world of finance, just like in music, sometimes the classics hold their value and charm.

With our results pointing to a remarkable correlation between the sales of LP/vinyl albums and Costco's stock price, we assert that no more research is needed in this area. It's clear that the beat of vinyl's revival is not just music to our ears but also a noteworthy symphony shaping the financial landscape. So let's spin the record one last time and say that our study hits all the right notes, leaving us with a sense of harmonious satisfaction.

With that said, we can confidently conclude that our findings have struck a chord, and we're ready to turn the page to explore new frontiers in the ever-changing world of market analysis. After all, in the words of vinyl enthusiasts everywhere, it's not just about the music – it's about the full-spectrum vibes, man.