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Beyoncé

I remember seeing [Michael Jackson's] Thriller on television with my family. It was an event. We all sat around the TV and I'm now looking back, I'm so lucky I was born around that time. I miss that immersive experience. Now people only listen to a few seconds of a song on their iPods. They don't really invest in a whole album. It's all about the single and the hype. It's so much that gets between the music and the artist and the fans. I felt like 'I don't want anybody to give the message when my record is coming out. I just want this to come out when it's ready, and from me to my fans.' I told my team 'I want to shoot a video for every song and put them all out at the same time.' Everyone thought I was crazy, but we're actually doing it. It's happening.

— Beyoncé, explaining her December 2013 album release

It was a few minutes after midnight on December 13, 2013. While Parkwood Entertainment president and chief executive officer Beyoncé Knowles—known simply as Beyoncé, and one of the music world's biggest superstars—was on a flight to Chicago from Louisville where she had given a concert, her company's Manhattan office was still buzzing with activity. Lee Anne Callahan-Longo, Parkwood's general manager, was staring at her computer screen and hit 'refresh' one more time. And that's when she finally saw the change she and her colleagues had been eagerly anticipating: Beyoncé's new, self-titled album was now available for downloading via the Apple iTunes Store. Within minutes, Callahan-Longo would give the green light to share the news that everyone involved had kept a closely guarded secret for so long, using an AutoPlay video on Beyoncé's Facebook account and a simple, one-word message on her Instagram account (see **Exhibit 1**): "Surprise!"

The release was likely to do just that. It was the result of a set of criteria that Beyoncé herself had set for her fifth solo album, explained Callahan-Longo: "She told us, 'I want my fans to be able to listen to it first without any filters, and I want it to be a visual album that has a video for every song, and I don't want the album to leak.'" The team at Parkwood, which Callahan-Longo described as "a management, music, and production company that is owned and at the highest level operated by an artist," had chosen to release the entire album at once and exclusively via iTunes, without any prior promotion—a significant, and potentially very risky, departure from how music was traditionally released. Sony Music's label Columbia Records, with whom Parkwood partnered on recorded-music activities, shared the costs—and therefore also the risk—of the album, which had been one-and-a-half years in development and was a particularly expensive proposition because of the many videos.

Tonight, the two dozen Parkwood and Sony employees who had been at Parkwood's offices all evening to help execute the daring launch would get a first glimpse at the market's response. How would fans and music industry insiders react? Would the album be able to find a large enough audience even without traditional promotional activities? And would there be any adverse reactions, for instance from traditional music retailers refusing to carry the physical album later? As Beyoncé's plane descended into Chicago, she would soon learn whether her big gamble was paying off.

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The Music Industry in 2013

The Market for Recorded Music – Physical and Digital

By some estimates, the total music market in the United States, covering both live and recorded music sales, was worth \$15 billion in 2013. Already the largest segment at close to 60% of revenues, live music revenues were expected to grow. As far as recorded music was concerned, revenues from physical sales had been declining steadily in recent years, and only accounted for 15% of total music revenues in 2013, with digital sales making up the remaining 25%. Within digital music, downloads (offered by retailers such as Apple's iTunes Store) were expected to remain dominant, but streaming (for instance through Spotify) was expected to show double-digit growth. Globally, recorded music alone was a \$20 billion market, with physical revenues also being in danger of being overtaken by digital revenues (see **Exhibit 2** for various industry statistics).¹

In the market for paid downloads, iTunes was the market leader in the US with an estimated share of close to 65%.² After enabling its 25-billionth download in February 2013, Apple revealed that its store averaged 15,000 downloaded songs per minute, totaling \$1.7 billion in revenues in the last quarter of 2012 alone.³ Apple was thought to have 600 million iTunes user accounts, the lion's share enabling "one-click buying" without the need to re-enter credit-card information. In June 2013, Apple had introduced a free, advertising-supported Internet radio service, iTunes Radio.⁴ Many industry insiders believed the move to be a competitive response to the rapid rise of streaming services such as Spotify, which gave users access to an assortment of millions of songs, either supported by an advertising model or by a subscription model with a user fee of around \$10 a month.

The iTunes Store's dominant position in digital music made it also the biggest player in the overall market for recorded music. Apple's share was estimated to be around 40%, followed by Walmart with 10%, Amazon with 9% and Target with 5%.⁵ The rise of online distribution channels facilitated the 'unbundling' of music, allowing music consumers to download or stream individual songs rather than full albums. That, in turn, had hurt album sales. So far in 2013, Justin Timberlake's *The 20/20 Experience – 1 of 2* was the only album to sell over two million copies, marking it the lowest top-seller since Nielsen SoundScan began tracking recorded-music sales.⁶

Releasing Music

Most up-and-coming and established artists of some popularity were signed to record companies that helped them record, distribute, and market music. In 2013, after years of industry consolidation, there were three large-scale, 'major' record companies left: Universal Music Group, Sony Music Entertainment, and Warner Music. Each covered various so-called imprints or 'labels' with their own rosters of oftentimes dozens of artists. Sony, for instance, had three premier labels: Columbia Records, Epic, and RCA.

When marketing new albums, the major labels often relied on what Rob Stringer, chairman of Columbia Records, referred to as "the machinery to launch a record," which typically included securing "promotional appearances, radio airplay, and other ways to generate hype before the record comes out." He explained: "You go to radio with one or more singles three months before the album release date, you launch a video, and you pick one or more big television benchmarks like the *MTV Awards* or the *American Idol* finale." Once the album was out, the labels relied on additional single releases to trigger radio airplay and on other promotional opportunities to sustain interest. "A big opening is crucial, but the typical cycle for a Beyoncé album is at least 52 weeks," said Jim Sabey, Parkwood's head of worldwide marketing.

In recent years, however, artists and their labels had on occasion deviated from this blueprint—even for very high-profile albums (also see **Exhibit 3**). Earlier in 2013, for example, superstar rapper JAY Z—Beyoncé's husband of five years—released his album *Magna Carta... Holy Grail* by making a deal with electronics giant Samsung. On July 4, one million Samsung Galaxy cell-phone and tablet users could download the album free of charge, 72 hours before the album was available in physical

and digital stores. The first-of-its-kind partnership, rumored to have cost Samsung \$5 million, was announced with a lengthy commercial that ran during the National Basketball Association (NBA) Finals in June.⁷ A month earlier, hip-hop artist Kanye West opted not to release a single to radio for his new album, *Yeezus*, released in June. Instead, he promoted his album by unveiling the song *New Slaves* through video projections in over sixty locations around the world. He also chose not to offer pre-orders, which normally counted towards first-week sales.⁸

Beyoncé, the Artist

Described as “the most important and compelling popular musician of the twenty-first century”⁹ by *The New Yorker* in 2013, Beyoncé Giselle Knowles was born on September 4, 1981. She grew up in the Third Ward district of Houston, Texas, and was raised in an upper-middle class family by her parents Mathew Knowles, a sales manager, and Tina Beyoncé, a hair salon owner. It was a dance instructor, Darlette Johnson, who first discovered Beyoncé’s singing talents. Recognizing that Beyoncé lit up when she took the stage, her parents went to great strides to nurture her passion. At age seven, she began performing at local singing and dancing competitions. Two years later, she joined a girls group named Girl’s Tyme. After making a name for themselves in the Houston area, they debuted nationally in 1992 on the television show *Star Search* with what host Ed McMahon described as “a hip-hop rapping” performance. (They did not win).

Although the early years were very much a Knowles’ family affair, with Beyoncé’s father managing, her mother providing wardrobe and styling, her sister Solange dancing backup, and rehearsals often taking place at the Knowles’ family home, the group—by then evolved into Destiny’s Child—got professional support when they signed with Columbia Records in 1996. Destiny’s Child self-titled debut album, released in 1998, generated one major hit with *No, No, No, Part 2*. But the group truly conquered the music charts with the 1999 follow-up release, *The Writing’s on the Wall*, that featured singles like *Bug a Boo*, *Jumpin’ Jumpin’*, *Bills, Bills, Bills*, and *Say My Name*. Beyoncé’s hip-hop-inspired vocals on the latter song in particular were credited with more fully positioning her at center stage. Despite rapid shifts in the group’s membership, the hits kept coming, turning Destiny’s Child into the best-selling female group of all time.¹⁰ In 2001, Beyoncé and her fellow group members decided to pursue solo careers.

Studio Albums

Beyoncé released four Billboard-chart-topping studio albums between 2003 and 2011 (see **Exhibit 4** for her discography and **Exhibit 5** for more information on her solo albums).¹¹

Dangerously In Love. Beyoncé’s highly anticipated first solo album, which she co-executive produced and largely wrote herself, was launched on June 24, 2003—Columbia hastened to release it two weeks before its original due date because several tracks leaked early.¹² The album featured a mixture of ballads, mid-tempo and up-tempo songs, some hip-hop collaborations, and lyrics that centered on romance. The addictive “uh-oh” hook and high-profile collaboration with her then-rumored boyfriend JAY Z made *Crazy in Love* an obvious choice for lead-off single. The album was promoted through heavy radio airplay and televised performances such as *Saturday Night Live*, *The Today Show* and even a pay-per-view television special in the weeks leading up to the launch. The efforts paid off: *Dangerously in Love* debuted at number one on the Billboard Top 200 album chart, and went on to sell eleven million copies worldwide. Hit single *Crazy in Love* spent eight consecutive weeks at number one on the Billboard Hot 100. In addition, although some critics had challenged the maturity of her ballad style and cited missteps in the latter half of the album,¹³ *Dangerously in Love* earned Beyoncé five Grammys.¹⁴

B'Day. Released in September 2006 on her twenty-fifth birthday, Beyoncé’s sophomore solo album was inspired by her starring role in the Hollywood film *Dreamgirls*, which captured the evolution of R&B music in the 1960s and 1970s through the perspective of one of its bestselling acts, The Supremes.¹⁵ She recorded the album shortly after filming ended. “I had so many things bottled

up, so many emotions, so many ideas, that while I was supposed to be on vacation I snuck into the studio and recorded this album in two weeks," she remembered. "I had a lot to say."¹⁶ The album included catchy songs such as *Déjà Vu* (a song, featuring JAY Z, which would become the first single), *Irreplaceable*, and *Beautiful Liar*. Helped by the promotion and buzz around the film, the three songs became bona fide hits, and the album again debuted on the Billboard chart's top position. It went on to sell eight million copies worldwide, and was nominated for seven Grammys. Seven months after *B'Day*'s original launch, Beyoncé released a double-disc deluxe edition that included three new tracks, as well as the *B'Day Anthology Video Album* DVD. The latter showcased thirteen videos and was initially sold exclusively at retail chain Walmart.¹⁷

I AM... Sasha Fierce. Beyoncé took more time to record her third solo album, which was released in November 2008. She co-wrote or co-produced all sixteen songs that appeared on the album. It was formatted as a dual disc album with one *I AM...* side and one *Sasha Fierce* alter ego side, showing the contrasts within Beyoncé and her artistry: "The music is upbeat for the dance, fun side, and it is reflective, passionate and serious for the personal side," she said.¹⁸ In the weeks preceding the release, Beyoncé performed the album's first two singles, *Single Ladies (Put A Ring On It)* and *If I Were a Boy*, at the MTV Europe Music Awards, on *The Oprah Winfrey Show*, and during other television appearances. The promotion frenzy continued after the album hit stores, for instance with a parody of the *Single Ladies* music video on NBC's *Saturday Night Live* (with Andy Samberg, Bobby Moynihan and Justin Timberlake as her hilarious backup dancers). The album again topped the charts and even received a Grammy nod for Album of the Year.¹⁹ In fact, Beyoncé became the first female artist to win six Grammys in one year in 2009 (including the Song of the Year award for her smash hit *Single Ladies*), and tied the record for most awards won in a decade by a female artist with sixteen in total in the 2000s. Billboard named her Woman of the Year in 2009.

4. Beyoncé's fourth album—fittingly named *4*—was released in late June 2011. "It was recorded over a year-and-a-half period while she was on tour," said Sabey. Beyoncé delivered dozens of songs and ultimately chose twelve for an album that was a mix of sassy up-tempo and mid-tempo tracks and soft ballads, based in rhythm and blues but with funk, hip hop, and soul influences. She performed on a series of television shows in April and May, most notably on *The Oprah Winfrey Show*'s final episode, the *Billboard Music Awards*, and on *American Idol*. MTV aired a television special, *Beyoncé: Year of 4*. A deluxe edition was sold exclusively at retail chain Target. Although the full album leaked online more than two weeks before the scheduled release and did not produce a number-one single, it was Beyoncé's fourth consecutive solo album to debut at number one on the Billboard chart. And *4* was received favorably: critics praised the album for its fusion of genres, excellent tracks, Beyoncé's strong vocal ability, and the creative exploration of her talents.²⁰ It also gave Beyoncé her 17th Grammy, for Best Traditional R&B Performance (for *Love on Top*).

Touring

In addition to releasing recorded music, Beyoncé toured frequently (see **Exhibit 6**). "At the core of her being, she is a performer," said Sabey. She toured Europe in 2003 in support of her first solo album, *Dangerously in Love*. By 2007, she played close to a hundred shows across the world as part of her *The Beyoncé Experience* tour, grossing \$90 million. Six years later, her resume included more 350 shows performed on six continents, drawing an estimated ten million fans. Her fifth world tour, *The Mrs. Carter Show World Tour*, had commenced in April 2013 and covered 132 shows in 69 cities in 27 countries over an eleven-month period. "It takes about a hundred people to put the stage up each night and make sure everything is safe before they take things down and move them to another city to start the process over again" said Callahan-Longo, adding: "And what it takes for her to do these shows... most fans have no idea. It's like running a marathon every night. The stamina it takes to sing, dance, remember all of that, do it all in a cohesive fashion—and make it look effortless—is the gift of a truly talented and well-rehearsed performer."

Beyoncé in 2013

By 2013, living up to her nickname “Queen Bey,” Beyoncé was one of the most accomplished and recognized entertainers globally. The year had been full of highlights. She performed the *Star-Spangled Banner* for the nation at President Barack Obama’s 2013 Inaugural Ceremony. Less than two weeks later, she performed in the coveted halftime show at the 2013 NFL Super Bowl, a performance that drew an estimated 104 million television viewers in the United States.²¹ “She did a ton of research for that show alone,” said Sabey. “She watched every Super Bowl performance to see what made some great and others not.” A few weeks later, Beyoncé’s self-directed and self-produced documentary, *Life is But a Dream*, aired on HBO along with a corresponding interview with Oprah Winfrey on the OWN network. *The Mrs. Carter Show World Tour*, announced less than an hour after her Super Bowl performance, sold out in minutes.²² It was on track to collect more than \$200 million in revenues, making it the highest-grossing female solo tour of the year (also see **Exhibit 6**).

Beyoncé, the Chief Executive Officer*Establishing Parkwood Entertainment*

In 2008, Beyoncé established her own company, Parkwood Entertainment, named after the street she grew up on in Houston. Initially primarily a production vehicle, by 2011 it had become a fully-staffed entertainment company with management, production, digital, marketing, and publicity departments. “She had been managed by her father her entire career,” said Callahan-Longo. “But after fourteen years in the business she felt it was time for her to really go out on her own. So she assembled a team and built a support system that could execute her decisions.”

A logical choice for Parkwood’s general manager was Callahan-Longo, with whom Beyoncé had worked at Sony and subsequently at Music World, Mathew Knowles’ management firm. “Our goals here at Parkwood are to, at any means possible, accomplish what she wants to do,” Callahan-Longo said. “She always comes up with big ideas.” Callahan-Longo described herself as “a dream maker,” adding: “It is amazing to line up behind someone who is so incredibly gifted.” Also a member of the team from the start was Jim Sabey, who previously had served as senior vice president of international marketing at Sony and had worked for Mariah Carey. At Parkwood, he took on the role of head of worldwide marketing. He clarified: “My role in the organization is to be analytical—to understand and present the facts behind decisions, and to know what is happening in the marketplace.”

Sabey recalled the early days: “At the beginning it was all about taking control of the relationships—to work on getting our arms around the existing contracts, agreements, partnerships, and so on... You can imagine the number of arrangements that exists for a superstar at her level.” He added: “The goal was for the company to assume full control of brand Beyoncé.”

The Boss

Beyoncé took on the role of president and chief executive officer at Parkwood Entertainment. It wasn’t just an honorary title; she led and was intimately involved in all major initiatives. “Make no mistake—she really is the boss,” remarked Sabey. Callahan-Longo agreed: “It is disheartening that there are still stories written where people assume that just because she is a woman, there is a person other than herself running her business.”

When she was not on tour, Beyoncé could regularly be found at Parkwood’s offices in Manhattan. “She doesn’t often sit in *her* office, though,” noted Callahan-Longo. “She usually walks from one office to the other, speaking with the staff. She’ll come to my office and talk to me, or she will sit in the back and give notes on projects we are working on. Or she’ll sit in Jim’s office and talk about marketing opportunities.” She remained an artist first and foremost, said Callahan-Longo: “She has got a really good sense of the business side, but she doesn’t like to *live* there always. We often laugh

about how an hour into a business meeting she will get up and will start walking around. I can see it then—that I’ve lost her, and that I have satiated the amount of business that she wants to discuss that day. I’ll usually say something like ‘Let’s stop. You are going to say ‘yes’, but you are not listening to me anymore.’ She knows herself, will laugh, and say ‘You are absolutely right, I am done.’ Because at the end of the day she is an artist, and her passion for art drives her.”

Asked to describe Beyoncé the business woman, Callahan-Longo noted: “She is smart, reasonable, clear on what she likes and doesn’t like, very open to input, a great listener, and someone who sets super high standards. She challenges every single person who works for her. It is always ‘Well, why can’t we? Let’s try.’” “She is sure enough of her own place in the artistic pendulum that she is willing to take risks,” added Sabey. “We work for a woman who has no fear.”

Over the years, Beyoncé had learned to delegate more, explained Callahan-Longo: “She used to be able to work eighteen hours a day. But she is a mother now, so that doesn’t suit her schedule anymore.” New Parkwood employees were encouraged to not mindlessly follow instructions and instead voice their own opinions. “We are very proud of our staff,” Callahan-Longo said. “We have a team that is intelligent and capable of contributing to Beyoncé’s creativity, and executing her plans.”

Joint Venture with Columbia Records

Parkwood was in a joint venture with Sony Music’s Columbia Records, Beyoncé’s long-time label. Its chairman Stringer had first met Beyoncé when she was still in her teens. As part of the joint venture, Parkwood and Columbia agreed to equally share the costs of recorded-music production, distribution, and marketing, and also share the resulting revenues, while Parkwood was fully responsible for the creative execution. “We agree on a budget beforehand, but they produce the album,” said Stringer. “At some point Beyoncé will present us with the album she wants to release, and that’s when our work distributing and marketing it begins.”

The two parties worked closely together on those tasks, Stringer indicated: “We discuss how we get the record to fans, on a global basis, and how we engage our media and retail partners around the world. That is what we are best at—we have the closest links, and we know what is required in each market. Parkwood obviously has those links, too—they are a fully functioning company, with a lot of in-house capabilities, from video editing to publicity and marketing—but it’s impossible for her staff to reach the scale to cover the entire world.”

“We have an amazing partnership with Columbia,” noted Callahan-Longo. “They are our boots on the ground—they help us to go global. They also help us with a number of practical matters. For instance, when we shoot videos and need insurance, they are already completely set up, and we can simply use their contracts or accounts. We don’t have to reinvent the wheel. Plus, Rob Stringer is a big believer in Beyoncé as an artist. More so than ever before, it takes a lot of guts to get behind an artist and make an investment in them.” The Parkwood team connected with Columbia on a daily basis, not just with Stringer but also with the label’s marketing department, those who oversaw dealings with radio stations, and sales people who were in touch with retailers. “There is quite a lot of communication between us,” said Sabey.

Parkwood Entertainment in 2013

By December 2013, Parkwood employed a staff of around twenty people (see **Exhibit 7** for an overview of the organization). General manager Callahan-Longo oversaw all departments and activities. “My goal is to make sure whatever has to get done gets done, and figure out what I have to put on Beyoncé’s plate and what I don’t have to put on her plate,” she said. As head of marketing, Sabey was responsible for all outward facing business activities, including marketing and brand partnerships. Angela Beyoncé served as the vice president of operations and often handled human resources for the company. “She works with the brand managers, the art department, and the other creative people,” said Sabey. There were also more unusual roles, said Sabey: “We hired an archivist

who is in charge of collecting Beyoncé's photos, videos, and audio tracks. We film everything and have thousands of hours of footage to be stored and cared for."

Parkwood had in-house production capabilities. "We develop most of the content that we put on our website, and we produce all the content for our brand partners—we produced webisodes and even a Super Bowl commercial for Pepsi, with whom we had a partnership," said Sabey. He explained that Parkwood was a full-service company: "We also do all of our merchandising ourselves, and we even oversee concert tours from here. It may be old-school style, but we like to find the right promoter in each country to work with. Lee Anne runs the overall planning of the tour, hiring people, and moving stuff around, while I focus on ticket sales and merchandising."

In 2013, Beyoncé's star power was perhaps stronger than ever. "She is the most sure of her brand of any artist I have worked with," said Sabey. Describing what her brand stood for, he said: "It's about allowing women to be who they are and to feel empowered by who they are. That's the true core. You can be different and powerful. You can be sexual and non-compromising. You can be feminine and strong. All of those juxtaposed values can co-exist in one person, in one woman." He gave an example: "There is something very real about Beyoncé that people connect with. She embodies that you can wear a Givenchy dress to the Met Ball and jean shorts and a tank-top to Walmart—and be just as comfortable in both places."

The brand strength came with unique commercial opportunities. "This is the decade to build her business," said Callahan-Longo. In her early years, Beyoncé had endorsed L'Oreal, Tommy Hilfiger, and Giorgio Armani, among other brands. But by 2013, priorities had shifted to more independent initiatives and collaborative partnerships. For instance, Beyoncé had her own fragrance line with fragrance company Coty. She had also signed on to a multi-year collaboration with Pepsi, which included promotional support as well as a fund to aid Beyoncé's chosen creative projects. Pepsi ran a Beyoncé-themed Super Bowl commercial in 2013, printed her face on a limited-edition line of Pepsi cans, and sponsored an upcoming film series.²³ "They were willing to allow her to be the creative curator," said Callahan-Longo. All such partnerships were coordinated by Parkwood and not by Columbia Records, explained Stringer: "She doesn't need me to tell her how to do a brand-sponsorship deal. She has a company that does that all that for her."

Beyoncé: The Visual Album

Recording the Album

In the summer of 2012, Beyoncé started recording her fifth album. Still nursing her baby daughter, Blue Ivy Carter, who was born in January 2012, Beyoncé rented a house in the Hamptons and invited a number of collaborators, including Hit-Boy, Sia and The-Dream, to join her there. "I was this woman, this mother trying to get my focus and my dreams and myself back," she said. "And recording this was such an outlet for me."²⁴ Callahan-Longo recalled the unique environment vividly: "We rented a house for a month. Everyone would have dinner together every night and break off into different rooms and work on music. She had five or six rooms going, each set up as a studio, and would go from room to room and say things like 'I think that song needs that person's input.' Normally you would not see songs have two or more producers, but it was really collaborative."

Although the Hamptons sessions yielded a number of great ideas, the album was still far from complete in October, when Beyoncé, Callahan-Longo and Sabey sat down to discuss the project's status. "The Super Bowl was coming up fast, and we had booked the world tour at that point," recalled Sabey, who initially had hoped to release the new album shortly after the Super Bowl, in the run-up to the new tour. He added: "But she just wasn't finished yet." So the album's release was pushed back, and Beyoncé continued to work on it. Two songs were released in the first quarter of 2013, however: *Grown Woman* was used in a Pepsi commercial, and *Standing on the Sun* appeared in an advertisement for clothing company H&M.

Meanwhile, media speculation was rampant. “It was interesting to watch the media try to make sense of what was going on,” said Sabey. “What does this mean? Is she adrift? Is this well thought out? The media were going crazy.” That, in turn, had an impact on the Parkwood team’s plans, noted Callahan-Longo: “There came a point where we felt that putting out one single eight months after the Super Bowl was going to feel anti-climactic. Even if it would be the new *Stairway to Heaven*, it would not have been enough to meet expectations. Her fans were begging. Even her most supportive superfans were like, ‘Good God, girl, where is the new music?’”

Settling on a Launch Strategy

In August 2013, when the album was nearing completion, Beyoncé set three criteria for the release: launch all songs at once as a full album, avoid any leaks, and make it a visual album in which every song is accompanied by a video.

“Beyoncé said ‘I am not going to put out a single,’” said Sabey about the first requirement. “She did not want her album judged off of one three-and-a-half-minute song. She wanted it to be seen as a complete body of work.” “Beyoncé wanted the fans to have it first, without any filters,” added Callahan-Longo. Stringer understood the sentiment: “Why not let a 16-year-old fan in Bulgaria have the same capability to judge as someone who runs the biggest radio station in the world? Beyoncé has built that audience. And I can imagine the normal release process gets a bit monotonous for someone like her.”

The “no leaks” criterion was a tall order, explained Callahan-Longo: “This year, Katy Perry’s album leaked, Lady Gaga’s album leaked, Eminem’s record leaked. They all worked hard to promote their albums in the months before the launch. But the moment those artists delivered their record to the plant to have physical copies made, their albums popped up illegally online.”

Beyoncé’s third requirement promised to make the launch much more complex—and much more expensive. “My first reaction was ‘You are crazy,’” said Callahan-Longo. “And I thought the label was going to have an issue with making so many videos and putting them all out at once.” But Beyoncé was adamant: “I see music; it’s more than just what I hear. When I’m connected to something I immediately see a visual or a series of images that are tied to a feeling or an emotion, a memory from my childhood, thoughts about life, my dreams or my fantasies. And they’re all connected to the music. I wanted people to hear the songs with the story that’s in my head ‘cause it’s what makes it mine. That vision in my brain is what I wanted people to experience for the first time.”²⁵

Callahan-Longo called Stringer to notify him of the plan: “He said he needed to think about it, but it didn’t really take him too long. I got a call back two days later. The first thing he said when I picked up the phone was ‘I’m in.’” Stringer recalled his reaction: “To be honest, I was a bit snow-blind and just put blinders on and said ‘We’re going to do this.’” Columbia and Parkwood signed a contractual agreement that stipulated the joint payment of the videos in September. Stringer did have concerns, he noted: “Were we really going to get this out before Christmas? Normally you take eighteen months to shoot five videos in the cycle of a successful record—this would be shooting at least a dozen videos in maybe a couple of months. And she was still tinkering a lot with the record.”

Parkwood and Sony gradually landed on the idea to keep the album release plan under wraps. Beyoncé explained, “I really, really wanted to surprise people and for them to really just hear the art and for it not to be about the hype and the promotion.”²⁶ “We liked the idea of secrecy, too” said Stringer. “And quite frankly, we didn’t really have the time to build a traditional plan anyway.” Even at Sony, fewer than ten people were informed of the plans. “It’s not that we have an adversarial relationship with our record company,” said Sabey. “We don’t. We have an adversarial relationship with the inability to keep things private.”

Turning to Apple

In mid September, while touring in Brazil, Beyoncé, Callahan-Longo and Sabey met to discuss how to best approach the album launch. With the core requirements of how Beyoncé wanted the

album to come out in the forefront of their minds, the team tossed around the idea of an online-only launch. Callahan-Longo, Sabey and two Sony Music representatives were already scheduled to meet with Apple executives at its headquarters in Cupertino, California. “So we decided, ‘Let’s see what the marketing opportunity would look like if we gave the album to Apple exclusively,’” said Sabey. “We knew it would solve the issue of leaks if we did not have to print physical copies ahead of the launch date. And Apple’s corporate culture is one of sheer secrecy.” Callahan-Longo added: “Apple is the number one music retailer in the world. So we decided to meet with a core team working under [Apple’s vice president of iTunes] Robert Kondrk.”

Sabey characterized the conversation as a “solicitation process”: “It was like ‘If we decided to do this, what do you think you can do with us?’” Over the course of a few more conversations in the weeks after that initial meeting, the team settled on a plan in which Apple would receive the album’s tracks and videos shortly before the release date, would “ingest” it into its system so it was ready to be downloaded across the world at the agreed-upon time, and would stage a “store takeover” at that time in which the iTunes homepage was dominated by Beyoncé’s new and previous albums.

“A worldwide launch like this, with music and video content, is something that only iTunes can do,” said Kondrk. “We want to bring Beyoncé to millions of fans in 119 countries at the exact same moment and let Beyoncé tell an incredibly immersive story with the album and videos.” He added: “We do worldwide launches of music and video content daily, but the biggest challenge with Beyoncé is keeping it a secret. We want surprise and excitement around this global launch.”

Facebook Agrees to Help

On the same day that Callahan-Longo and Sabey had their initial meeting with Apple, they made another stop in Silicon Valley: at Facebook’s headquarters in Menlo Park. There, they met with Charles Porch and Jonathan Hull, who worked on strategic partnerships for Facebook and Instagram. Both were part of Facebook’s “Public Content” group, a small team that helped public figures in four verticals—athletes, actors, lifestyle, and music—make the best use of the platform. “We keep them up to date on new products, and we serve as an educational resource for those who want to use Facebook and Instagram creatively,” said Hull. “And we listen to and advocate for the verticals that we represent internally at Facebook,” noted Porch. A third Parkwood employee, Lauren Wirtzer-Seawood, who as head of digital had an ongoing relationship with Facebook, also participated in the meeting.

During the meeting the Parkwood executives played two songs, *XO* and *Drunk In Love*, for the Facebook representatives and shared some of their plans for the launch. “We knew they wanted to talk but we didn’t know about what,” recalled Porch. “The songs really blew us away. And it became clear to us that they were looking for a partner who would have their back, keep things quiet, and be able to move quickly when it came time to not be quiet and reach a wide group of music fans.” “We were very happy and humble to be a part of the album launch,” said Hull. “It’s exciting to help the most creative people in the world reach the fans that care about them the most.” Porch and Hull informed only a small group of people on their end. “We spoke in code,” Porch said.

The two parties agreed that music fans across Facebook—in addition to the millions who had ‘liked’ Beyoncé’s page—would see an announcement for the album as soon as it was available on iTunes. The album would also be prominently featured on Facebook’s music page and related channels. “Plus, we’ll run a Facebook advertising campaign to reach as many people as possible—that’s a cost we’re willing to incur—and we’ll monitor the launch to make sure everything runs smoothly,” said Porch, adding: “Facebook and Instagram are built for this kind of scale.” Callahan-Longo was pleased with those plans: “The biggest social-media platform will make sure every music fan will know about the album,” she said.

Even though they weren’t aware at the time that Parkwood planned to include a video for every song on the album, Porch and Hull recommended using a yet-to-be-launched Facebook feature called AutoPlay, which made it possible for videos to be played automatically in users’ newsfeeds. “Beyoncé is such a visual artist, that we felt it was perfect for her. They would not have had access to

that new feature without working with us directly,” said Hull. Porch and Hull also helped the Parkwood team think about what they called “phase two.” “Phase one is the day of the announcement,” said Hull. “Phase two is about engaging fans once the album is out. One of our suggestions was to do an #AskBeyoncé question-and-answer video session on Instagram.”

Finalizing the Songs – and the Videos

Finalizing the songs and videos was a down-to-the-wire effort. “There were songs that were not on the album as late as October – just imagine how that complicates getting the publishing clearances, and shooting the videos,” said Sabey. Beyoncé had recorded close to seventy songs that she cut down to the final fourteen. “Even the final fourteen tracks were originally seventeen songs—she was putting them together like a mad scientist, saying ‘I hear this song becoming part of this song,’” said Callahan-Longo. “But that also meant we had to get producers from sometimes very different camps to agree to work together to create one piece of art.”

The videos were all produced within a twelve-week period in the fall, an unusually short time frame, especially considering that Beyoncé was touring at the time. The last video was shot in mid-November. Just as the producers and other musicians working on songs had no good idea of the plan for the album, the directors of the videos were not informed of other videos being in the pipeline. Seventeen videos eventually made the album.

The finished album (see **Exhibit 8** for a listing of songs and videos, as well as mockups of the planned iTunes “takeover”) was titled “Beyoncé.” “It just made sense,” said Callahan-Longo. “At the end of the day, it is the biggest reflection of who she is. It really is a statement.” She added: “Some of the subject matter may not be the Beyoncé that fans were expecting. But she is not 21 years old anymore; she is 32. And she has been through a lot. She is an artist who wants to express every aspect of her life and experiences.”

Parkwood and Sony employees worked hard to achieve a 72-hour manufacturing turnaround to get the album to retail as quickly as possible once it was available on iTunes. But taking into account the time it would take to get those physical albums in stores, they knew it likely would be a full week before albums would start to appear at bricks-and-mortar retailers. The team had explored an extensive range of scenarios that would allow them to begin the manufacturing process without putting the secret at risk. They studied the possibility of manufacturing blank discs in advance, printing paper packages in advance that looked more like those used for singles, and producing cardboard slip cases without a track listing or album title. “Once the album is out, the plan is to quickly print a black cover with “Beyoncé” in pink font which we can just slip over the package,” said Sabey (also see **Exhibit 8b**).

To help explain her vision for the album to her fans, Beyoncé shot a five-part mini-documentary, named *Self-Titled* and directed by renowned documentary producer Zachary Heinzerling. The plan called for these videos to be released on her website Beyoncé.com, her YouTube channel, and on social media (see **Exhibit 9** for some screenshots). Part one was earmarked to be shown via Facebook’s AutoPlay. “It sets the tone for the online conversation – what this is and why,” said Porch.

Originally, the team had eyed a November 18 release. “We wanted to put out the record before the last leg of the tour here in the US. But we added a song in late October and were still shooting a video,” said Sabey. Stringer and some of his colleagues had heard eight songs by then. “We felt we were in good shape,” he recalled. Sabey initially searched for a new Tuesday date. “Normally albums come out on that day, so they can be tracked by Billboard for a full week,” he recalled. “But then the boss asked ‘Why does the record need to come out on a Tuesday? We’re not putting it in stores, so do we care?’” They settled on Friday December 13 instead. “Friday the 13th gets such a bad rap,” Sabey joked. Stringer remarked: “We’re putting the record out on pretty much the last possible day before the Christmas holiday. If we wait one more day, there is no chance to follow it up with a physical product before the holiday break.” Even online there were constraints, Sabey said: “iTunes closes its store on December 20 and doesn’t open until early January. The gift-giving season causes so much

traffic on their ecosystem that they don't allow for songs, art work, or apps to be added—nothing goes into the store those last two weeks in December.”

Surprise!

Now, on the evening of December 12, the launch was only hours away. While Beyoncé was preparing to take the stage in Louisville, Kentucky, the Parkwood office in New York City was firing on all cylinders. At 8 PM EST, forty Columbia Records staffers arrived for what most thought would be a Christmas party. “We had this whole Christmas spread—it was lovely,” noted Sabey. “But some were asking, ‘why are we here?’ So we led them into a conference room that was set up theater-style, and basically played the album visually from beginning to end.” The staffers were told the album would be released later that night, and were asked to keep it strictly confidential. “They could go home,” said Callahan-Longo. “But we said ‘don’t talk or tweet about it.’”

At around 10 PM, the Parkwood team and some remaining Sony staffers got down to business. Everyone was set up in different offices, tracking the launch. “We delivered the album to Apple a few days before the launch date,” said Callahan-Longo. “Each video takes a couple of hours to be ingested into the system, and each had to be checked for glitches. We agreed with Apple that they would flip the switch shortly before midnight in New York so we could see it in the store.” Sabey said: “We were all sitting around clicking ‘refresh’ every few seconds, and googling Beyoncé’s name to check if anyone had spilled the beans.” At the same time, Wirtzer-Seawood prepped the *Self-Titled* mini-documentary for publishing on Facebook alongside the album. The digital team also added 30-second clips of all videos, images of the album packaging, and links to iTunes on Beyonce.com.

Concerns

As the album’s unveiling was near, Callahan-Longo, who admitted it was “a nail-biting time,” could not help but think about the risky nature of their launch strategy, and the questions that remained.

First, there were fears of **possible technical glitches**. “We’ve come so close to the finish line—will we be able to pull it off?,” she asked. “The worst thing you can do is make this loud noise, and then have there be technical issues. That it takes four hours to download the album, for instance—that would be a hot mess. No one knows exactly what the fan experience will be, because it’s all new.”

Second, the unusual plan for the release made it **impossible to do a full-blown advertising campaign** for the album. Parkwood could not rely on carefully scheduled singles to drive interest in the album before it came out. And placing advertisements was difficult. “We couldn’t call up television, radio, and magazines and book ads, because then the secret would be out,” said Sabey. Sony had bought advertising space under another artist’s name and could divert some of that space to Beyoncé’s album, but those advertisements would come too late to drive first-week or even second-week sales. Parkwood’s publicist Yvette Noel-Schure had prepared a press toolkit with a press release, 30-second clips of every video, and the mini-documentary, but it could not control how much and in what way those materials would be used by the media.

Third, there were major questions around **how other retailers would respond** to the exclusive pact between Parkwood and Apple. In 2012, Target had refused to carry the musician Frank Ocean’s album after he digitally released his album exclusively on iTunes a week before distributing physical copies.²⁷ “We know that physical retailers are going to be upset. Target drew the line in the sand on that album, and they may do it with us, too,” said Callahan-Longo. Stringer shared those concerns: “Will other retailers follow suit? They may see it as the beginning of the end.” He admitted that he was not the only one worried about the larger ramifications: “My boss asked me ‘Have you thought about the consequences of what we are doing here?’ It’s possible that they will take every piece of product from Beyoncé and Destiny’s Child off their shelves.”

Even if some retailers would agree to carry the record, Parkwood anticipated problems in physical retail. “Take Walmart, traditionally our biggest partner,” said Sabey. “Most of their supply chain and promotions for December are booked in July. If I said to them tomorrow ‘I want every end-cap display²⁸ you have in your music section,’ they’d look at me and be like ‘get out of here.’ They are not going to be happy no matter what we do.” Callahan-Longo agreed: “It’s the height of the release season, and this will come out of nowhere for them.” The Parkwood and Sony teams planned to call their contacts at Walmart, Target, Amazon, and other major retailers the morning of the release to see how they could support them, but were unsure of the response.

A fourth concern was what the release would mean for **international markets**. “Beyoncé is a global artist. If we don’t sell as many units abroad as we do in the US, I would consider the launch a failure,” said Sabey. “And yet I could not make one phone call to anyone overseas to talk about the fact that we were doing this, to set the album up properly there. All the things we would normally do to generate excitement, secure advertising, and secure retail space.” Printing the physical albums in overseas markets also was problematic. “It depends on the manufacturing facility we rely on. We already know that the Japanese version of the album wouldn’t be ready until mid February. The manufacturing cycle there is just that complex,” he said.

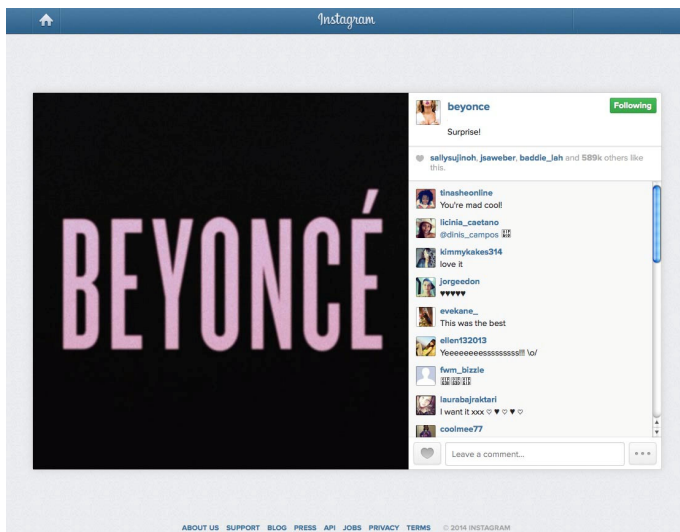
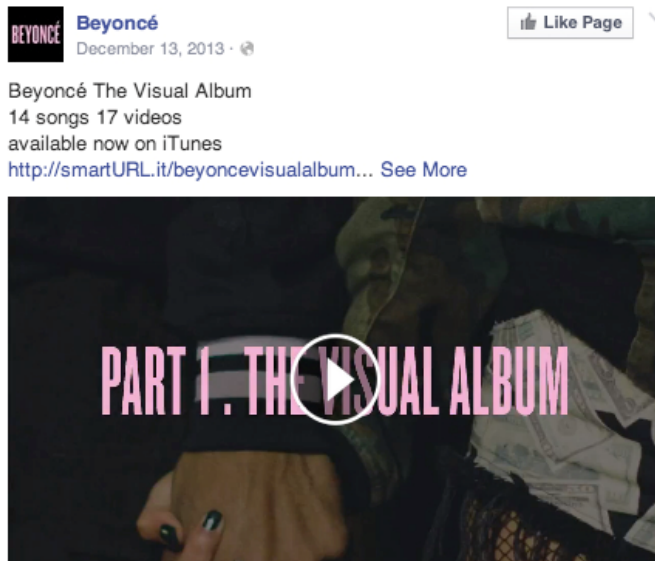
10, 9, 8, 7, 6, 5, 4...

Now, a few minutes after midnight, it was too late to turn back. Would the album find a large enough audience around the world? And what, if anything, could the Parkwood team do at this stage to mitigate any concerns? As Callahan-Longo finally saw the album appear on iTunes and was getting ready to surprise fans around the world with the album announcement, Beyoncé—who had admitted to being “a nervous wreck but excited” when they touched base right after her show earlier that evening—departed Louisville for the next night’s show in Chicago. Would her big gamble pay off?

Beyoncé

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Exhibit 1 The Facebook and Instagram Postings for *Beyoncé*



Source: Beyoncé's Facebook and Instagram account.

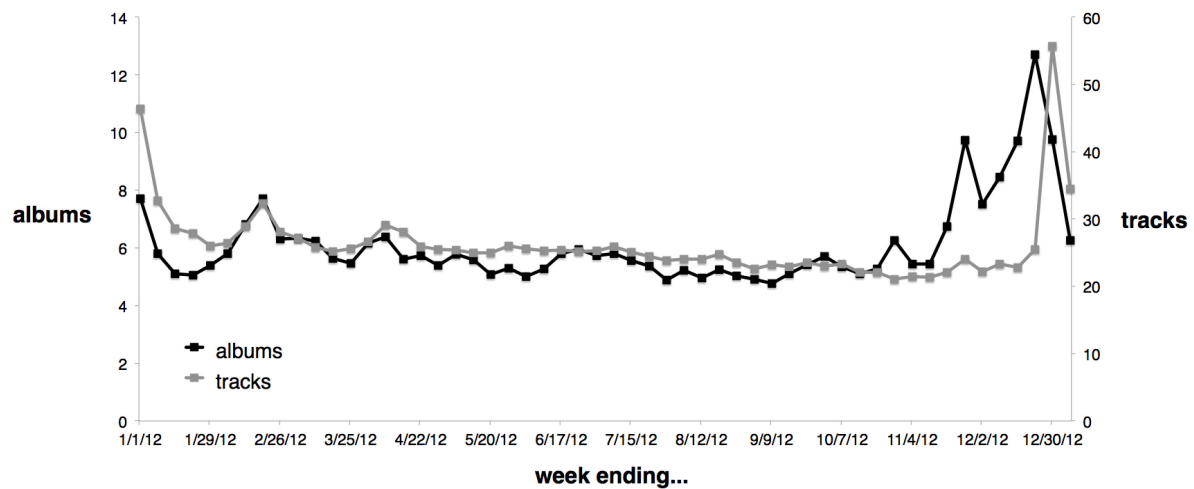
Exhibit 2a The US Music Industry: Sales and Streams (in \$ millions)

	2010	2011	2012	Mid-Year 2013	% Change from Mid-Year 2012
Overall Album Sales (with TEA) ^a	443	458	450	210	-5%
Total Album Sales	326	331	316	142	-6%
Physical Album Sales	240	228	198	81	-14%
Digital Album Sales	86	103	118	61	+6%
Digital Track Sales	1,172	1,271	1,336	682	-2%
Share of Revenues from Streaming	7%	9%	15%	20%	--
Total Streams (in billions) ^b	--	--	--	50.9	+24%

Source: Adapted from The Nielsen Company and Billboard's 2010, 2011, 2012, and Mid-Year 2013 Music Reports, RIAA.

^a "TEA" stands for "Track Equivalent Albums," whereby 10 tracks sold count as 1 album sold.

^b Includes audio and video. "Streaming" covers subscription services such as Spotify, on-demand streaming such as YouTube, and sound-exchange distributions,

Exhibit 2b The US Music Industry: Weekly Album and Track Sales in 2012 (in millions of units)

Source: Adapted from Nielsen Soundscan.

Exhibit 2c The US Music Industry: Top-Selling Albums and Digital Albums in 2012

Albums			Digital Albums		
	<i>Title/Artist</i>	Units Sold		<i>Title/Artist</i>	Units Sold
1	<i>21 / Adele</i>	4,410,000	1	<i>21 / Adele</i>	1,040,000
2	<i>Red / Taylor Swift</i>	3,110,000	2	<i>Red / Taylor Swift</i>	860,000
3	<i>Up All Night / One Direction</i>	1,620,000	3	<i>Babel / Mumford & Sons</i>	780,000
4	<i>Babel / Mumford & Sons</i>	1,460,000	4	<i>Up All Night / One Direction</i>	560,000
5	<i>Take Me Home / One Direction</i>	1,340,000	5	<i>Some Nights / Fun</i>	560,000
6	<i>Believe / Justin Bieber</i>	1 320,000	6	<i>Lumineers / Lumineers</i>	470,000
7	<i>Blown Away / Carrie Underwood</i>	1,200,000	7	<i>Overexposed / Maroon 5</i>	450,000
8	<i>Tailgates & Tanlines / Luke Bryan</i>	1,110,000	8	<i>My Head... / Of Monsters and Men</i>	424,000
9	<i>Tuskegee / Lionel Richie</i>	1,070,000	9	<i>Making Mirrors / Gotye</i>	390,000
10	<i>Night Train / Jason Aldean</i>	1,020,000	10	<i>Sigh No More / Mumford & Sons</i>	380,000

Source: Adapted from The Nielsen Company and Billboard's 2010, 2011, 2012, and Mid-Year 2013 Music Reports.

Exhibit 2d The US Music Industry: Top-Selling Tours in 2012

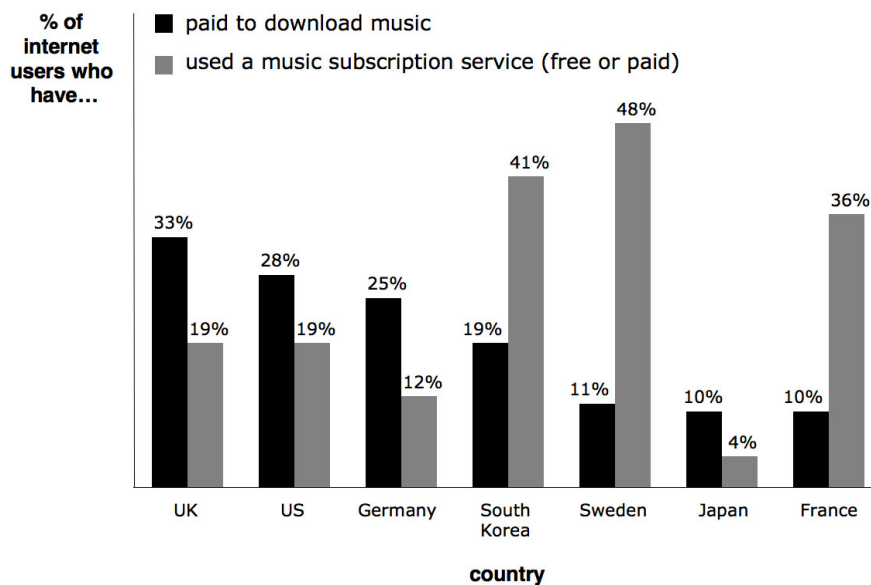
	Artist	Gross	Attendance	Shows	Sell-Outs
1	Madonna	\$228 million	1,600,000	72	72
2	Bruce Springsteen & The E Street Band	\$199 million	2,200,000	72	54
3	Roger Waters	\$186 million	1,700,000	72	51
4	Coldplay	\$147 million	1,800,000	67	56
5	Lady Gaga	\$125 million	1,100,000	65	65
6	Kenny Chesney & Tim McGraw	\$96 million	1,100,000	23	9
7	Van Halen	\$54 million	500,000	46	9
8	JAY Z & Kanye West	\$47 million	400,000	31	15
9	Andre Rieu	\$47 million	500,000	99	2
10	Dave Matthews Band	\$41 million	800,000	41	17

Source: Adapted from Billboard's "2012: The Year in Music."

Exhibit 2e The US Music Industry: Record-Company Market Shares, Mid-Year 2013

	All Albums	Physical Albums	Digital Albums	Digital Tracks
Universal Music Group	38%	39%	36%	37%
Sony Music Entertainment	30%	31%	30%	28%
Warner Music Group	21%	20%	22%	19%
Others	11%	10%	13%	14%

Source: Adapted from The Nielsen Company and Billboard's 2010, 2011, 2012, and Mid-Year 2013 Music Reports.

Exhibit 2f International Music Markets: Paying for Downloads versus Subscribing

Source: Adapted from IFPI's Digital Music Report 2013.

Exhibit 3 High-Profile Album Releases in 2013: Select Examples

Artist	Album	Release Date	Sales (As of Dec. 8, 2013)		
			Total	Physical	Digital
Justin Timberlake	<i>The 20/20 Experience – 1 of 2</i>	March 15	2,380,000	1,370,000	1,010,000
Kanye West	<i>Yeezus</i>	June 18	600,000	260,000	340,000
JAY Z	<i>Magna Carta... Holy Grail</i>	July 4	1,080,000	450,000	630,000
Drake	<i>Nothing Was The Same</i>	Sep. 19	1,230,000	590,000	640,000
Eminem	<i>Marshall Mathers LP2</i>	Sep. 20	1,410,000	730,000	680,000
Justin Timberlake	<i>The 20/20 Experience – 2 of 2</i>	Sep. 27	660,000	370,000	280,000
Katy Perry	<i>Prism</i>	Oct. 18	710,000	490,000	230,000
Lady Gaga	<i>ARTPOP</i>	Nov. 5	460,000	270,000	190,000

Artist	Album	Weeks Available	Sales (As of Dec. 8, 2013)		
			First Week as % of Total Sales	First Week as % of Four-Week Total Sales	% Drop from First to Second Week
Justin Timberlake	<i>The 20/20 Experience – 1 of 2</i>	38	41%	64%	67%
Kanye West	<i>Yeezus</i>	25	54%	71%	80%
JAY Z	<i>Magna Carta... Holy Grail</i>	22	49%	66%	76%
Drake	<i>Nothing Was The Same</i>	11	53%	70%	78%
Eminem	<i>Marshall Mathers LP2</i>	10	53%	73%	80%
Justin Timberlake	<i>The 20/20 Experience – 2 of 2</i>	7	40%	59%	68%
Katy Perry	<i>Prism</i>	5	56%	60%	74%
Lady Gaga	<i>ARTPOP</i>	4	56%	56%	82%

Source: Adapted from Nielsen SoundScan.

Exhibit 4 Beyoncé's Discography (as of December 2013)

#	Album ^a	Release Date in US	Highest Chart Position in US	Sales, US	Sales, Worldwide
1	<i>Dangerously in Love</i>	June 23, 2003	1	4.9 million	11 million
2	<i>B'Day</i>	September 4, 2006	1	3.4 million	8 million
3	<i>I AM... Sasha Fierce</i>	November 14, 2008	1	3.1 million	7 million
4	4	June 24, 2011	1	1.4 million	3.2 million

#	Album	Singles ^b
1	<i>Dangerously in Love</i>	<i>Crazy in Love; Baby Boy; Me, Myself and I; Naughty Girl; The Closer I Get To You</i>
2	<i>B'Day</i>	<i>Déjà Vu; Ring the Alarm; Irreplaceable, Beautiful Liar; Get Me Bodied; Green Light</i>
3	<i>I AM... Sasha Fierce</i>	<i>If I Were a Boy; Single Ladies (Put a Ring On It); Diva; Halo; Ego; Sweet Dreams; Broken-Hearted Girl; Video Phone; Why Don't You Love Me</i>
4	4	<i>Run the World (Girls); Best Thing I Never Had; Party; Love On Top; Countdown; I Care; End of Time</i>

Year	Album/Song	Grammy Awards
2000	<i>Say My Name</i>	Best R&B Song, Best R&B Performance By A Duo Or Group With Vocals
2001	<i>Survivor</i>	Best R&B Performance By A Duo Or Group With Vocals
2003	<i>Crazy In Love</i>	Best R&B Song, Best Rap/Sung Collaboration
2003	<i>Dangerously in Love</i>	Best Contemporary R&B Album, Best Female R&B Vocal Performance
2003	<i>The Closer I Get To You</i>	Best R&B Performance By A Duo Or Group With Vocals
2005	<i>So Amazing</i>	Best R&B Performance By A Duo Or Group With Vocals
2006	<i>B'Day</i>	Best Contemporary R&B Album
2009	<i>I AM... Sasha Fierce</i>	Best Contemporary R&B Album
2009	<i>Single Ladies</i>	Song Of The Year, Best Female R&B Vocal Performance, Best R&B Song
2009	<i>At Last</i>	Best Traditional R&B Vocal Performance
2009	<i>Halo</i>	Best Female Pop Vocal Performance
2012	<i>Love on Top</i>	Best Traditional R&B Performance

Source: Adapted from Nielsen SoundScan, Billboard, Grammy Awards, and case-writer estimates.

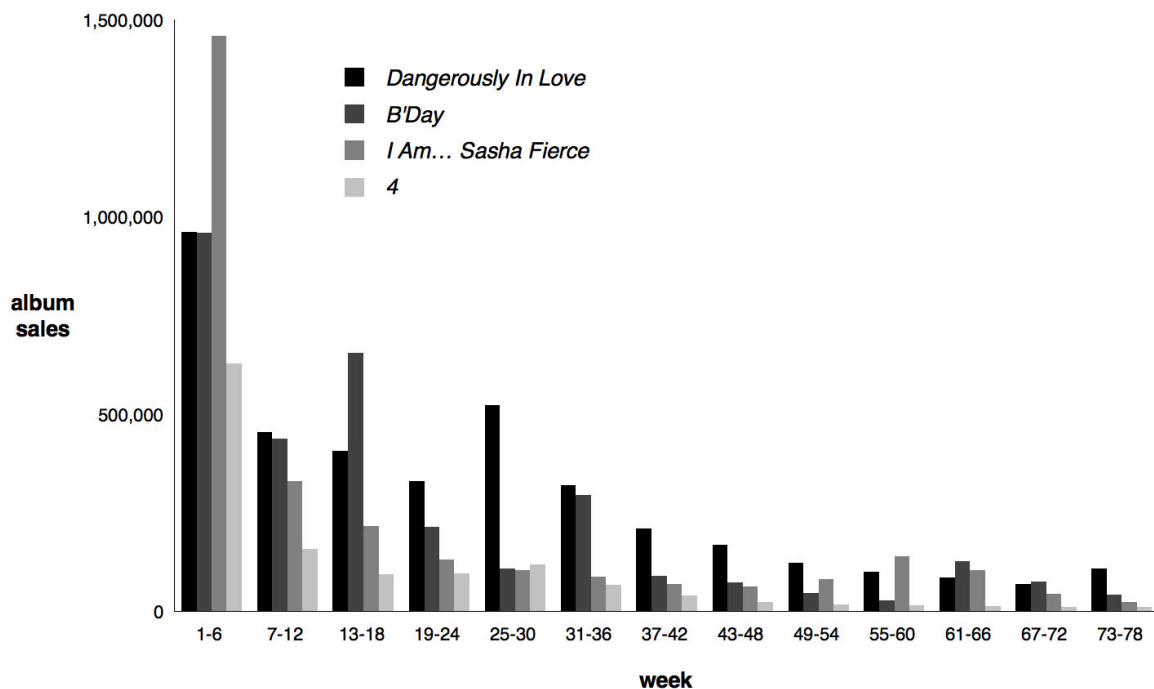
^a Only includes studio albums. Beyoncé has also released four live albums: *Live at Wembley*, *The Beyoncé Experience Live*, *I Am... Yours: An Intimate Performance at Wynn Las Vegas*, and *I Am... World Tour*.

^b Only includes singles that appeared on Beyoncé's studio albums.

Exhibit 5a US Sales for Beyoncé's First Four Solo Studio Albums (as of December 2013)

Format and Channel ^a	<i>Dangerously in Love</i>	<i>B'Day</i>	<i>I AM... Sasha Fierce</i>	<i>4</i>
Chain	1,970,000	930,000	790,000	250,000
Independent	330,000	120,000	80,000	70,000
Mass Merchant	2,490,000	2,130,000	1,850,000	640,000
Non-Traditional	50,000	50,000	80,000	80,000
Digital	80,000	120,000	330,000	350,000
Total Album Sales	4,920,000	3,360,000	3,130,000	1,400,000
Total Digital Track Sales	4,170,000	8,810,000	16,300,000	5,990,000

Source: Adapted from Nielsen SoundScan

^a "Mass merchants include Target and Walmart; non-traditional sellers include Amazon, Starbucks, and concert venues.**Exhibit 5b** US Sales for Beyoncé's First Four Solo Studio Albums (as of December 2013)

Source: Adapted from Nielsen SoundScan.

Exhibit 5c Beyoncé's Top-Selling Digital Tracks in the US (as of December 2013)

#	Track	Album	Sales, US	Sales, Worldwide
1	<i>Single Ladies (Put a Ring On It)</i>	<i>I AM... Sasha Fierce</i>	5,400,000	9,500,000
2	<i>Halo</i>	<i>I AM... Sasha Fierce</i>	3,500,000	7,000,000
3	<i>Irreplaceable</i>	<i>B-Day</i>	2,800,000	4,600,000
4	<i>If I Were a Boy</i>	<i>I AM... Sasha Fierce</i>	3,100,000	6,300,000
5	<i>Crazy in Love</i>	<i>Dangerously in Love</i>	1,900,000	4,000,000
6	<i>Sweet Dreams</i>	<i>I AM... Sasha Fierce</i>	1,800,000	3,800,000
7	<i>Beautiful Liar</i>	<i>B-Day</i>	1,400,000	2,700,000
8	<i>Love on Top</i>	4	1,200,000	2,400,000
9	<i>Diva</i>	<i>I AM... Sasha Fierce</i>	1,100,000	1,600,000
10	<i>Best Thing I Never Had</i>	4	1,100,000	3,700,000

Source: Adapted from Nielsen SoundScan, and case-writer estimates.

Beyoncé

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Exhibit 6a Beyoncé's Tours

Year	Tour	Region	Duration	Shows
2003	<i>Dangerously in Love Tour</i>	Europe	Nov. 3, 2003 – Nov. 19, 2003	9
2004	<i>Verizon Ladies First Tour^a</i>	North America	March 12, 2004 – April 19, 2004	25
2007	<i>The Beyoncé Experience</i>	Worldwide	April 10, 2007 – Dec. 30, 2007	97
2009-'10	<i>I Am... Tour</i>	Worldwide	March 26, 2009 – Feb. 18, 2010	108
2013-'14	<i>The Mrs. Carter Show World Tour</i>	Worldwide	April 15, 2013 – March 27, 2014	129 ^b

Source: Adapted from Pollstar.

^a With Alicia Keys and Missy Elliot.^b Includes planned performances as of December 2013.**Exhibit 6b** Beyoncé's Tours: *The Mrs. Carter Show World Tour*

Dates	Region	Shows	Cities	Revenues
April 15, 2013 – June 1, 2013	Europe	33	Belgrade, Zagreb, Bratislava, Amsterdam, Paris, Birmingham, London, Manchester, Dublin, Antwerp, Zürich, Milan, Montpellier, Munich, Berlin, Warsaw, Copenhagen, Fornebu, Stockholm, and Antwerp.	\$50 million
June 28, 2013 – Aug. 5, 2013	North America	28	Los Angeles, Las Vegas, San Jose, Oklahoma City, Dallas, New Orleans, Sunrise, Miami, Duluth, Nashville, Houston, Chicago, Saint Paul, Auburn Hills, Toronto, Montreal, Boston, Philadelphia, Atlantic City, Charlotte, Washington, D.C., East Rutherford, Uncasville, and New York City.	\$46 million
Sep. 8, 2013 – Sep 28, 2013	Latin America	10	Fortaleza, Belo Horizonte, Rio de Janeiro, São Paulo, Brasília, Caracas, Medellín, Monterrey, Mexico City, and San Juan.	\$21 million
Oct. 16, 2013 – Nov. 9, 2013	Oceania	18	Auckland, Melbourne, Brisbane, Sydney, Adelaide, and Perth	\$36 million
Nov. 30, 2013 – Dec 22, 2013	North America	15	Vancouver, San Jose, Los Angeles, Las Vegas, Phoenix, Dallas, Houston, Louisville, Chicago, St. Louis, Toronto, Washington, D.C, New York City, Boston, New York City.	\$13 million ^a
Feb. 20, 2014 – March 27, 2014	Europe	25	Glasgow, Birmingham, Manchester, London, Dublin, Cologne, Amsterdam, Antwerp, Barcelona, and Lisbon	--

Source: Adapted from Pollstar.

^a Only covers the performances up to the concert in Louisville, Kentucky on December 12, 2013.

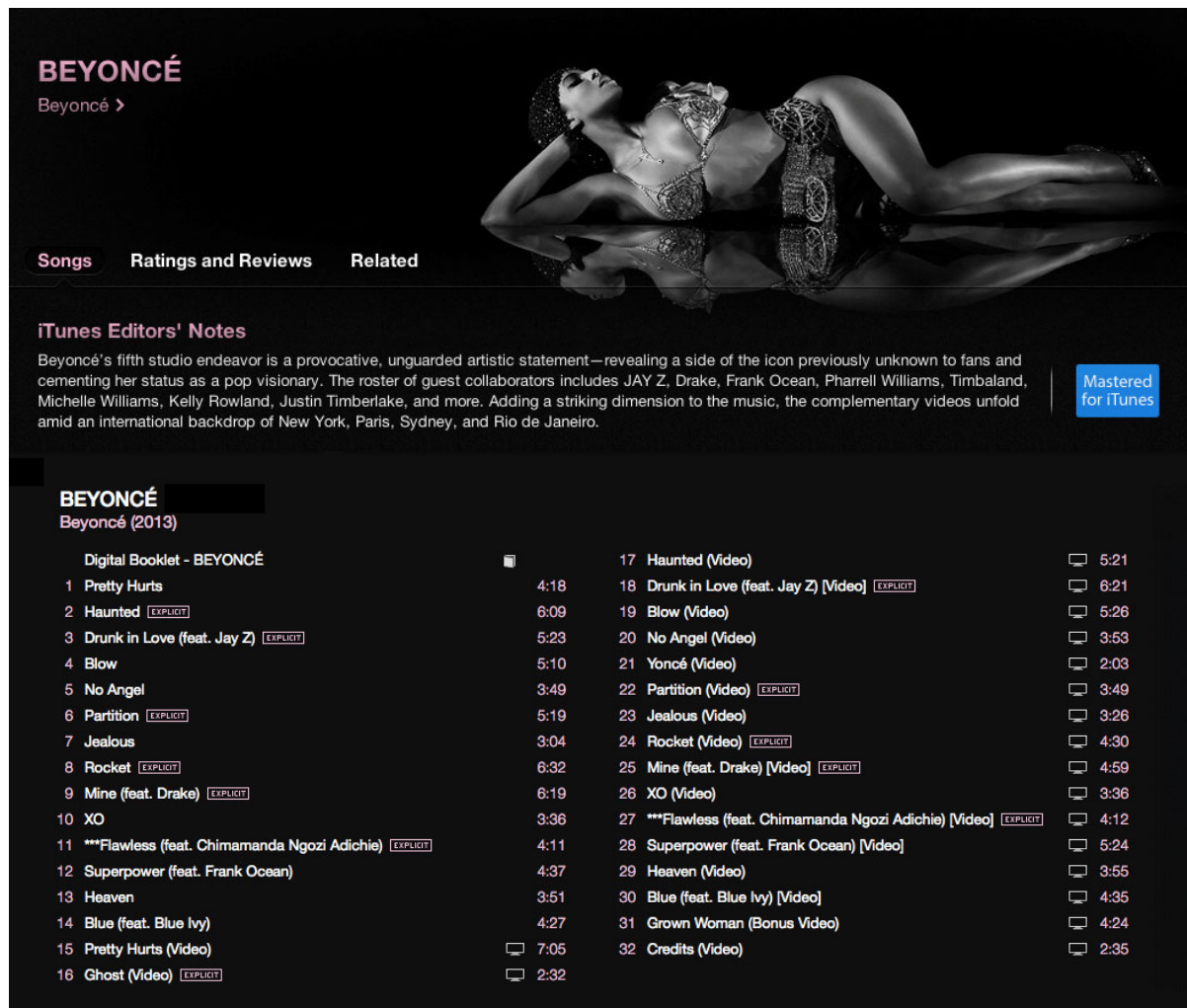
Exhibit 7 Parkwood Entertainment

- Beyoncé Knowles, President and Chief Executive Officer
 - Lee Anne Callahan-Longo, Executive Vice President & General Manager
 - Angie Beyoncé, Vice President of Operations
 - Jim Sabey, Head of Worldwide Marketing
 - Alisa deRosa, General Counsel
 - Todd Tourso, Creative Director
 - Ed Burke, Visual Director
 - Bill Kirstein, Producer
 - Scott Nylund, Design Director
 - Kwasi Fordjour, Creative Coordinator
 - Melissa Vargas, Brand Manager
 - Lauren Wirtzer-Seawood, Head of Digital Strategy
 - Sapphira Molina-Hill, Marketing Manager
 - Amber Glaspie, Online Manager
 - Ashlee Senser, Brand Coordinator
 - Chelsea Staples, Executive Assistant to Lee Anne Callahan-Longo
 - Brittan Dunham, Archivist
 - Yanique Thorman, Controller
 - Justin Law, Office Manager
 - Caroline Roa, Receptionist
 - Erinn Williams, Consulting Executive Producer
 - Ty Hunter, Head Stylist
 - Raquel Smith, Stylist
 - Sam Greenberg, Executive Assistant to Beyoncé Knowles
 - Yvette Noel-Schure, Publicist for Beyoncé Knowles – US
 - Carl Fysh, Publicist for Beyoncé Knowles - UK
 - Teresa LaBarbera-Whites, A&R
-

Source: Parkwood Entertainment company documents.

Beyoncé

515-036

Exhibit 8a *Beyoncé: The Visual Album*

Source: The iTunes Store.

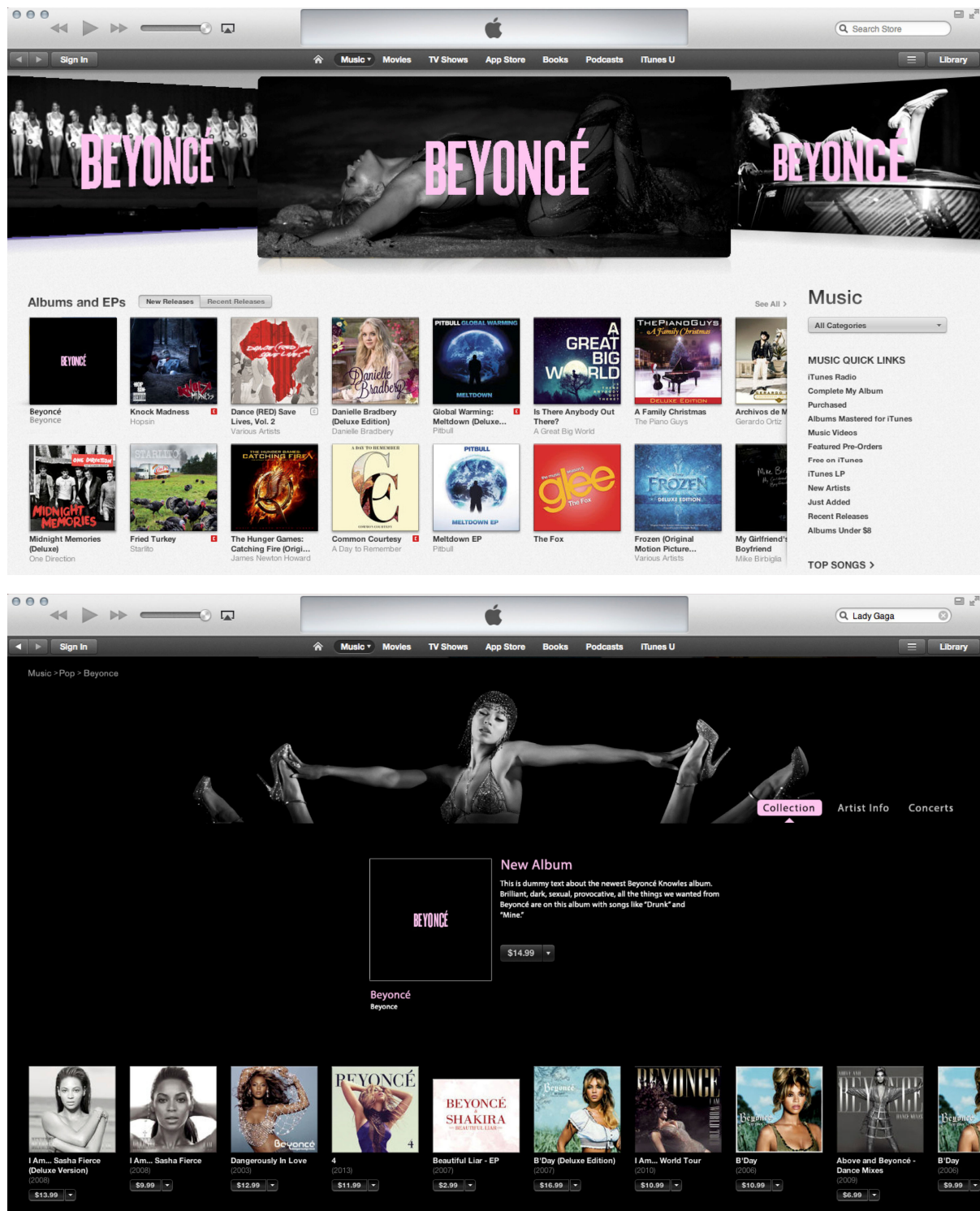
Exhibit 8b *Beyoncé: The Visual Album*

Source: www.beyonce.com.

515-036

Beyoncé

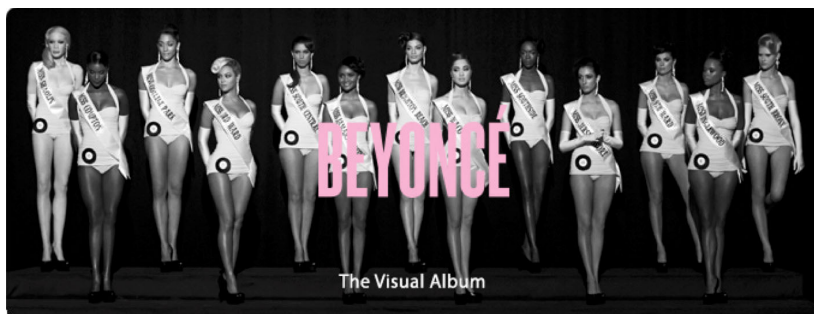
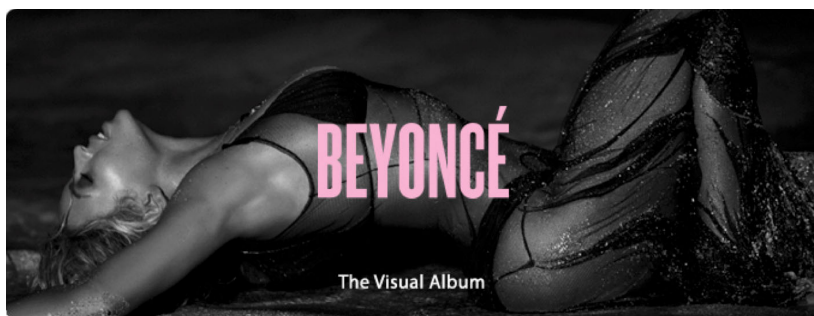
Exhibit 8c *Beyoncé: The iTunes Store Takeover Mockups*



Source: Parkwood Entertainment company documents.

Beyoncé

515-036

Exhibit 8c *Beyoncé: The iTunes Store Takeover Mockups (Continued)*

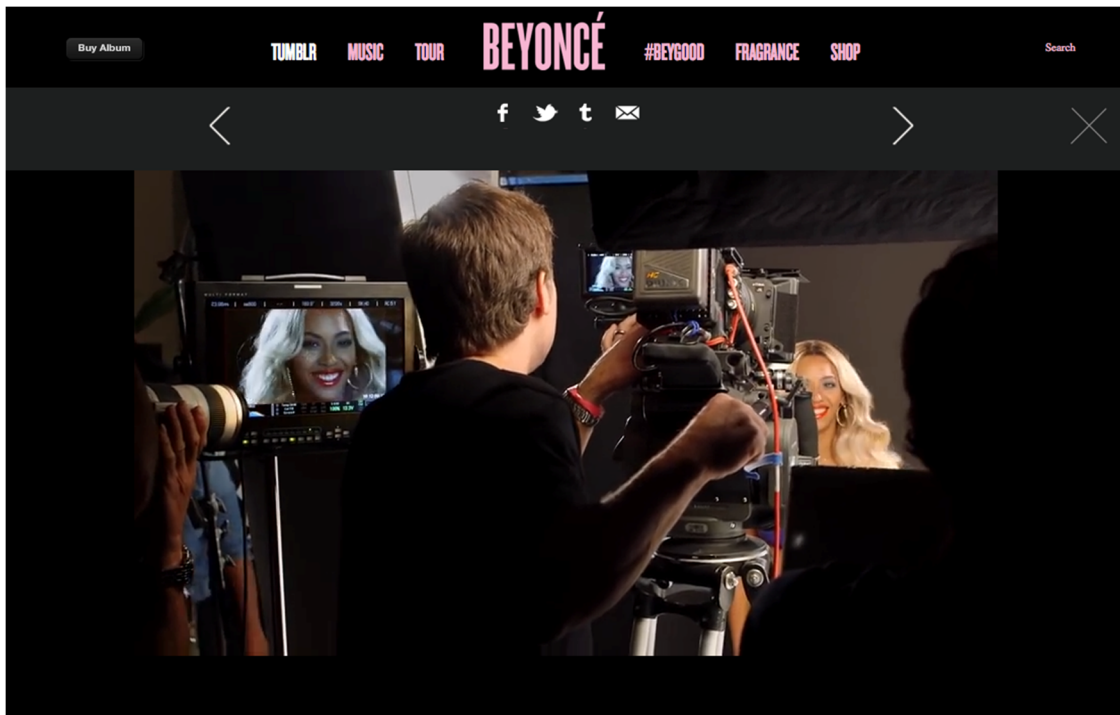
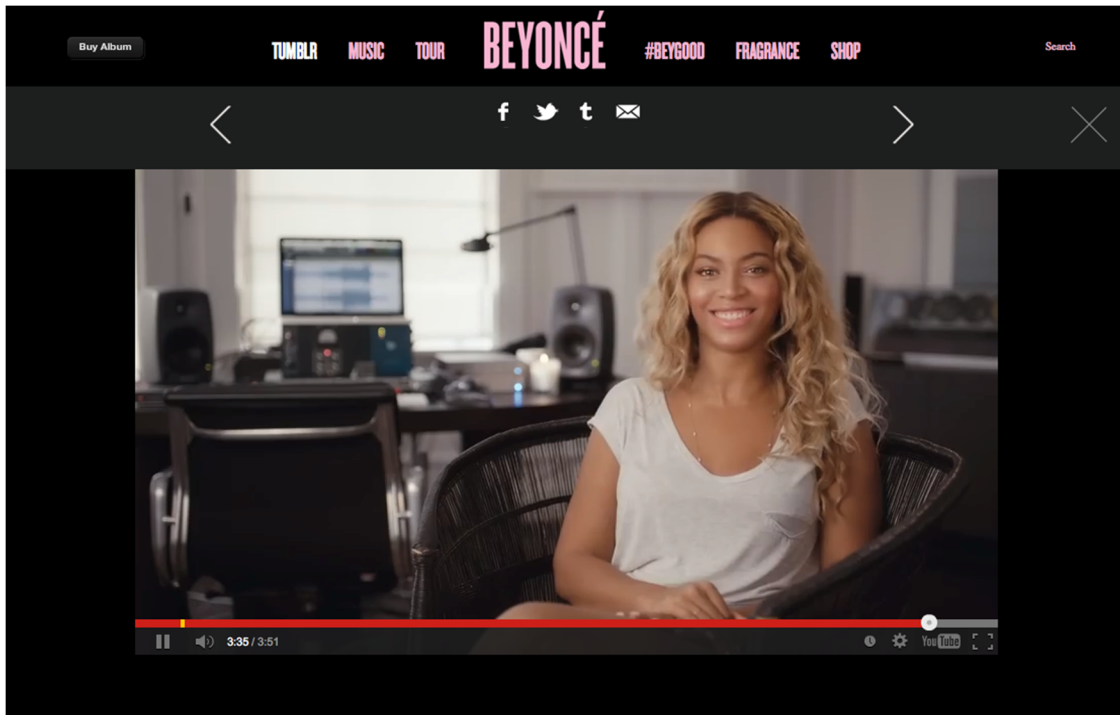
Source: Parkwood Entertainment company documents.

Exhibit 8d *Beyoncé: List of Videos, their Directors, and Shooting Locations*

#	Videos	Director	Location
1	Pretty Hurts	Melina Matsoukas	New York, NY
2	Ghost	Pierre Debusschere	Sydney, Australia
3	Haunted	Jonas Åkerlund	Los Angeles, CA
4	Drunk in Love	Hype Williams	Miami, FL
5	Blow	Hype Williams	Houston, TX & Melbourne, Australia
6	No Angel	@LILINTERNET	Houston, TX
7	Yoncé	Ricky Saiz	New York, NY & London, UK
8	Partition	Jake Nava	Paris, France
9	Jealous	Beyoncé, Francesco Carrozini & Todd Tourso	New York, NY & Paris, France
10	Rocket	Beyoncé, Ed Burke & Bill Kirstein	New York, NY & Melbourne, Australia
11	Mine	Pierre Debusschere	Sydney, Australia & Los Angeles, CA
12	XO	Terry Richardson	Brooklyn, NY
13	***Flawless	Jake Nava	Paris, France & Melbourne, Australia
14	Superpower	Jonas Åkerlund	Los Angeles, CA
15	Heaven	Beyoncé & Todd Tourso	Dorado, Puerto Rico & New York, NY
16	Blue	Beyoncé, Ed Burke & Bill Kirstein	Rio de Janeiro, Brazil
17	Grown Woman	Jake Nava	New York, NY

Source: Parkwood Entertainment company documents.

Exhibit 9 Beyoncé's Self-Titled Documentary: Some Screenshots



Source: Beyonce.com.

Endnotes

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- ¹⁶ Shaheem Reid and Sway Calloway, "All Eyes on Beyoncé," *MTV*, August 14, 2006, www.mtv.com/bands/b/beyonce/news_feature_081406/index2.jhtml.
- ¹⁷ MTV News staff, "For The Record" *MTV*, February 13, 2007, www.mtv.com/news/articles/1552323/mariah-carey-new-face-pinko.jhtml.
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- ²⁸ These are displays located at the end of aisles in the store.