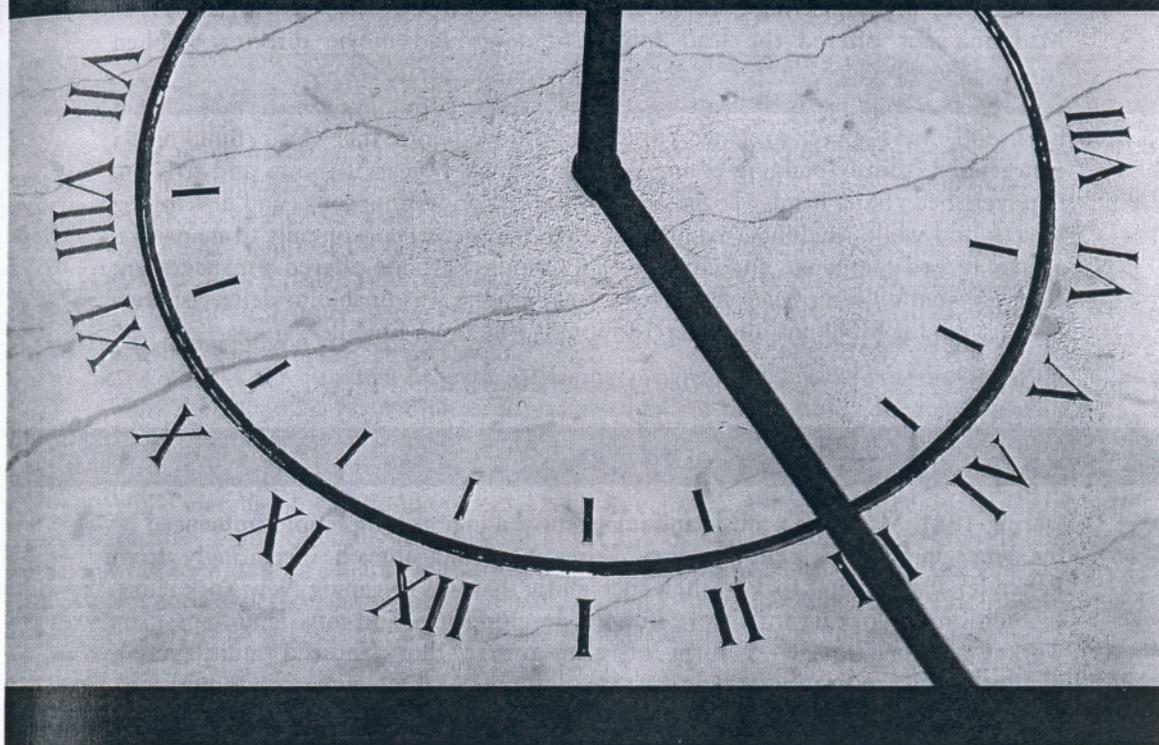


Madonna Case Questions

1. Why has Madonna been so successful in the world of entertainment?
2. Does Madonna have a strategy? If so, what are the main elements of that strategy?
3. What is strategy? Conventionally, strategy has been identified with planning. What is the meaning of “strategy” in a fast-changing, unpredictable environment? Examining Madonna’s career over the past 30 years forces us to address that fundamental question about the nature of strategy.
4. What is the role of strategy in success? Why are some individuals and organizations more successful than others? Is it happenstance (being in the right place at the right time), the hand of God, or are there decisions and behaviors that are likely to lead to better outcomes? If the last of these is true, then we are well on our way to identifying strategies conducive to superior performance.
5. What are the critical ingredients of a successful strategy? Can we generalize about the features of strategies that promote success rather than failure?

Case 1 Madonna*



Desperately Seeking a Start

In July 1977, shortly before her nineteenth birthday, Madonna Louise Ciccone arrived in New York City with \$35 in her pocket. She had left Ann Arbor where she was majoring in dance at the University of Michigan. The third of eight children, she was raised in the suburbs of Detroit; her mother had died when she was six years old. Her prospects in the world of show business looked poor. Apart from her training in dance, she had little musical background and no contacts.

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Life in New York was a struggle. "I worked at Dunkin' Donuts, I worked at Burger King, I worked at Amy's. I had a lot of jobs that lasted one day. I always talked back to people and they'd fire me. I was a coat-check girl at the Russian Tea Room. I worked at a health club once a week."¹ She spent a few months training with the Alvin Ailey Dance Theater and had a succession of modeling engagements for photographers and artists. During 1979, Madonna began to explore New York's music and acting scenes. With boyfriend Dan Gilroy, his brother Ed and bassist Angie Smit, "Breakfast Club" was formed—Madonna sharing vocals and drums with Dan. For six months she was dancer and backup singer to French singing star Patrick Hernandez, accompanying him in Europe and North Africa. In August 1979, Madonna was offered the lead role in underground movie director Stephen Lewicki's low-budget film *A Certain Sacrifice*. She was paid \$100.

After breaking up with Dan Gilroy, Madonna invited her former Michigan boyfriend, Steve Bray, to New York. They moved into the Music Building—a converted 12-storey building crammed with studios, rehearsal rooms and striving, impoverished young bands. Together they worked on writing songs and developing their sound while Madonna maintained a continuous stream of calls to managers, agents, record companies and club owners. Camille Barbone offered a management contract—but only for Madonna. However, Barbone was unable to deliver success fast enough for Madonna and after 18 months Madonna fired her.

Finding a Sound, Finding a Style

During 1981, Madonna's music and image moved in a new direction. Influenced by the emerging dance scene in New York, Madonna moved increasingly from Pretenders/Pat Benatar rock to the dance music that was sweeping New York clubs. In addition to working with Steve Bray to develop songs and mix demo tapes, she worked on her image—a form of glam-grunge that featured multilayered, multicolored combinations of thrift-store clothing together with scarves and junk jewelry. She adopted "Boy Toy" as her "tag name" and prominently displayed it on her belt buckle. It was a look that she would continue to develop with the help of jewelry designer Maripole. Her trademark look of messy, badly dyed hair, neon rubber bracelets, black lace bras, white lace gloves, and chunky belt buckles would soon be seen on teenage girls throughout the world.

Madonna was quick to recognize the commercial implications of the new musical wave. The dance clubs were crucial and the DJs were the gatekeepers. Armed with her demo tapes, Madonna and her friends frequented the hottest dance clubs where they would make a splash with their flamboyant clothing and provocative dancing. At Danceteria, one of the staff referred to her as a "heat-seeking missile targeting the hottest DJs." DJ Mark Kamins introduced her to Mike Rosenblatt and Seymour Stein of Sire Records, a division of Warner Records. A recording contract and \$5000 were soon hers. The first release was a 12-inch single with different versions of *Everybody* on each side. The record was played extensively in dance clubs.

Madonna began working on her first album. Although she had allegedly promised longtime friend and music collaborator Steve Bray and DJ Mark Kamins the job of producer, she dumped both in favor of Warner Records' house producer, Reggie Lucas. Together with Warner Records' national dance promoter, Bobby Shaw, Madonna began a relentless round of courting DJs and pushing her record for play time. Central

to the promotion plan was New York's number one DJ, John "Jellybean" Benitez, who Madonna began dating in November 1982.

Her second single, *Burning Up*, released in March 1983 was a dance-club hit, reaching number three in the dance charts. With the attention and resources of Warner Brothers, and a network of DJs, Madonna had most of the pieces she needed in place—but not quite. Early in 1983 she flew to Los Angeles to visit Freddie DeMann, then manager of megastar Michael Jackson. DeMann remembers the meeting vividly: "I was knocked off my feet. I've never met a more physical human being in my life." In a short time DeMann dropped Michael Jackson in favor of managing Madonna.

Breakthrough

The album *Madonna* was released in July 1983. By the end of 1983, the record was climbing the U.S. album charts supported by the success of single release *Holiday*. In April 1984, another single from the album, *Borderline*, reached the top ten. At Madonna's national TV debut on *American Bandstand*, presenter Dick Clark asked her, "What do you really want to do when you grow up?" "Rule the world," she replied.

Within little more than a year Madonna was part way there. The fall of 1984 saw Madonna filming in *Desperately Seeking Susan*. Although initially hired as support for the movie's star, Rosanna Arquette, Madonna progressively hijacked the movie. By the time the shooting was complete, it was essentially a movie about Madonna playing herself, wearing her own style of clothes, and featuring her own music. Its release coincided with a surge of Madonna-mania. Her second album, *Like a Virgin*, had gone triple platinum (over 3 million copies sold) in February 1985, while the singles charts featured a succession of individual tracks from the album. Madonna's first concert tour was a sell out. Her marriage to bad-boy actor Sean Penn on August 16, 1985 further reinforced her celebrity status. When Madonna took up residence in Los Angeles during 1985 she was already a star and seldom far from the popular press headlines.

Fame, Fortune, Notoriety

In the next two decades, little came between Madonna and her quest for fame. She released six albums between 1986 and 1990. The 16 single releases from these albums gave her a near-continuous presence in the charts, including a remarkable seven number-one hits. In the process, Madonna rejected the industry's conventional wisdom of "Find a winning formula and stick to it." Madonna's career was a continuous experimentation with new musical ideas and new images, and a constant quest for new heights of fame and acclaim. Having established herself as the queen of popular music, Madonna did not stop there. By the end of the 1980s she was destined to be "the most famous woman on the planet."

Madonna in Charge

Madonna's struggle for fame revealed a drive, determination and appetite for hard work that would characterize her whole career. "I'm tough, I'm ambitious, and I know exactly what I want—and if that makes me a bitch, that's okay," she told the

London *News of the World* newspaper in 1985. On the set of *Desperately Seeking Susan* she maintained a blistering pace. "During the shoot we'd often get home at 11:00 or 12:00 at night and have to be back at 6:00 or 7:00 the next morning. Half the time the driver would pick up Madonna at her health club. She'd get up at 4:30 in the morning to work out first."²

There was never any doubt as to who was in charge of managing and developing Madonna's career. While Madonna relied on some of the best minds and strongest companies in the entertainment business, there was little doubt as to who was calling the shots. Her swift exit from her marriage with Sean Penn further emphasized her unwillingness to allow messy personal relationships to compromise her career goals. For her third album—*True Blue*, released in June 1986—Madonna insisted on being co-producer.

The documentary of her 1990 "Blonde Ambition" tour, *Truth or Dare*,³ clearly reveals her hands-on management style. The tour itself was a masterpiece of the pop concert as multimedia show embracing music, dance and theater. The tour's planning began in September 1989. Madonna was involved in every aspect of the show's design and planning, including auditioning dancers and musicians, planning, costume design, and choice of themes. For example, Madonna worked closely with Jean-Paul Gaultier on the metallic, cone-breasted costumes that became one of the tour's most vivid images. On the tour itself, the *Truth or Dare* movie revealed Madonna as both creative director and operations supremo. In addition to her obsessive attention to every detail of the show's production, she was the undisputed organizational leader responsible for building team spirit among the diverse group of dancers, musicians, choreographers and technicians; motivating the troupe when times were tough; resolving disputes between her fractious and highly strung male dancers and establishing the highest standards of commitment and effort.

The "Blonde Ambition" tour in the summer of 1990 marked new heights of international obsession with Madonna. The tour coincided with the release of *Dick Tracy*, the Disney movie that was a vehicle for the high-profile lovers, Madonna and Warren Beatty. The film did much to rectify a string of Hollywood flops and scathing reviews of Madonna's own acting capabilities. Madonna's portrayal of Breathless Mahoney exuded her natural talents for style and seductiveness.

Fame and Controversy

As a superstar, Madonna began increasingly to court notoriety, and push up against the boundaries of acceptability. Her overt sexuality together with audacious, expletive-laced talk, and use of crucifixes as items of jewelry raised disquiet within conservative and religious circles. Madonna's explanation only added fuel to the fire: "Crucifixes are sexy because there's a naked man on them." Among her efforts to enthrall and shock the American public, her *Like a Prayer* album, released in March 1989, proved to be a landmark.

Piggy-backing on Madonna-mania, Pepsi-Cola paid Madonna \$5 million for a commercial based on the album's title track *Like a Prayer*. What Pepsi had not taken into account was that Madonna was making her own music video of *Like a Prayer* to accompany the launch of the record. The day after the first broadcast of the Pepsi commercial, Madonna's own *Like a Prayer* video appeared on MTV. The video was a stunning mixture of sex and religion that featured Madonna dancing in front of burning crosses, making love on an altar, and revealing stigmata on her hands.

Threatened by boycotts from Christian groups and the American Family Association, Pepsi pulled its Madonna commercial.

The explicit sexuality of the “Blonde Ambition” tour and its mixing of sexual and religious imagery resulted in Madonna achieving new heights of controversy—and public awareness. In Toronto, city authorities threatened to cancel the show. The Vatican condemned the show as “blasphemous.” The *Justify My Love* video released in November 1990 set a new record for Madonna—it was banned by MTV for its portrayal of homosexuality, voyeurism, nudity, sado-masochism, and oral sex. Again, Madonna was quick to turn controversy into profit: the *Justify My Love* video was rush-released for retail sale, and the single soon topped the charts.

Sex also provided the basis for Madonna’s entry into book publishing. Her photographic “art” book, *Sex*, featured Madonna in an array of sexual poses. Despite its high price (\$49.95 for 120 pages) the book sold half a million copies in its first week.

Evita

Madonna has been compared to previous superstars and goddesses of sex and glamour—Greta Garbo, Marilyn Monroe, Mae West, Brigitte Bardot—but she has gone further in creating a persona that transcends her work as an entertainer. Those female superstars were defined by their movie roles. The big names in popular music, from Lena Horne to Janet Jackson, have been famous primarily for their music. Madonna achieved a status that was no longer defined by her work. By the 1990s, Madonna was no longer famous as a rock singer or an actress—she was famous for being Madonna. For the next decade she worked to reinforce this status. Strategically, superstar status has much to commend it. Joining the pantheon of superstars acts as insulation from comparison with lesser mortals. As her web site proclaims, she is “icon, artist, provocateur, diva, and mogul.”

In her acting roles the key was to take roles that were primarily vehicles for Madonna to be Madonna. Her successes in *Desperately Seeking Susan* and *Dick Tracy* were the result of roles where Madonna could be herself. However, both these roles were to be eclipsed by Madonna’s portrayal of Eva Peron in the movie version of the Andrew Lloyd Webber musical *Evita*. Madonna had coveted the role for years and mounted a vigorous campaign to gain the support of director Alan Parker and Argentine President Carlos Menem. While in previous roles Madonna had been able to use her talents as a singer, a poser, a sharp talker and a seductress; in *Evita* Madonna could present her own life. Like Madonna, Evita had working-class origins, a burning ambition, and had used sex and shrewd judgment to become a legend in her time. The film, released in December 1996, was a huge commercial and critical success. As *Q* magazine’s Paul Du Noyer remarked, “If ever there was an ideal vehicle for Madonna’s dream of transcendent stardom, this must be it.”⁴

Motherhood and More

During most of the filming of *Evita*, Madonna was coping with her pregnancy. On October 14, 1996, she gave birth to Lourdes Maria Ciccone Leon at the Good Samaritan Hospital in Los Angeles. The baby’s father was Carlos Leon, Madonna’s personal trainer.

In terms of her life, image, and career, motherhood was a major discontinuity for Madonna. The press began reporting a host of lifestyle changes. Madonna abandoned pumping iron in favor of yoga. She began to study Kabbalah (a “mystical interpretation of the Old Testament,” she explained). She developed a closer circle of women friends. She spent increasing amounts of time writing music. She became less available to the media. Her interviews were amazingly devoid of sex, expletives and shock value. “I think [motherhood] made me face up to my more feminine side. I had a much more masculine view of the world. What I missed and longed for was that unconditional love that a mother gives you. And so, having my daughter is the same kind of thing. It’s like that first, true, pure, unconditional love.”⁵

The clearest revelation of these changes was in Madonna’s new album, *Ray of Light*, which was unlike any previous Madonna album. Working with William Orbit, the album incorporated a host of new influences: electronic music; traditional Indian music; Madonna’s musings on the troubles of the world and the hollowness of fame; reflections on her own emotional development and her unhappy childhood. In performing tracks from the album both on TV and on video, Madonna revealed a series of entirely new looks including Madonna as Goth-girl (black hair, black clothes, black nail polish), Madonna as Shiva (multi-armed with henna tattoos on her hands), Madonna as geisha (straight black hair, kimono and white makeup).

The new persona was the most ambitious and risky reinvention of Madonna’s career, insofar as it was the first that was not founded on sexuality and sexual aggression. Yet this transformation was met with no loss of popularity or worldwide acclaim. *Ray of Light* hit number two on the album charts and went triple platinum on the basis of U.S. sales alone. At the MTV Video Music Awards Madonna walked away with a total of six awards followed by three Grammy Awards.

Madonna as Mogul

Madonna’s preoccupation with her “art” and her “freedom of artistic expression,” has extended to an acute interest in her intellectual property rights. London’s *Sunday Times* noted:

Her early hits, “Holiday,” “Like a Virgin” and “Papa Don’t Preach,” had been written by professional songwriters, who pocketed a quarter of the monies earned. Since 1986, and despite her limited musical ability, Madonna’s has always been the first name to appear on her song credits. Her co-writers, meanwhile, have often been talented unknowns, like Pat Leonard, with whom she composed and performed her most successful album, the 24m-seller from 1986, *True Blue*. As soon as their names have benefited from the connection with her hits—and their asking price has consequently risen—she drops them and hires somebody new, and usually cheaper.⁶

Not only did Madonna maintain control over her own content—she increasingly wanted a cut in distribution. In April 1992 she signed a \$60 million deal with Time Warner, Inc. The joint venture, Maverick Records, was a music production company (together with TV, video, and music publishing wings) that was to provide a vehicle for Madonna’s creative and promotional talent. Warner Records provided distribution.

Although Madonna remained contracted to Warner Records for her own recordings, Maverick offered an avenue for her to develop and promote other singers and musicians. Among Maverick's early signings included Alanis Morissette, whose *Jagged Little Pill* album sold over 30 million copies, William Orbit, Prodigy, the Deftones, and Michelle Branch. Madonna also assisted in the U.S. launch of British comedian Sacha Baron Cohen (of Ali G and *Borat* fame).

Madonna's interest in new musicians and producing their music was linked to her own widening musical interests. Following *Ray of Light* Madonna became increasingly involved in both in electronic and world music, including collaboration with the French electro-boffin, Mirwais.

The Reinvention Goes On

During the first decade of the twenty-first century, neither Madonna's career nor her command over media attention showed much sign of flagging.

Madonna's family life continued to be a major focus of media interest. The birth of her second child, Rocco, was followed by marriage to Rocco's father, British actor and director Guy Ritchie. As a British resident, "Madge" became a staple feature for the British tabloid press.

Madonna also showed her ability to extend her media appeal beyond the celebrity-obsessed tabloids. Her adoption of a 13-month-old Malawian, David Banda, in October 2006, created a furor that engaged Third World politicians, anti-globalization activists, religious leaders and assorted intellectuals. Madonna became immersed in a global debate over "cash for babies" and "one law for the rich; another for the poor." A second adoption attempt, two years later, was blocked by the courts in Malawi.

On the career front, Madonna was quick to recognize the emerging business model in popular music. In the pre-digital world, live performances were primarily vehicles to publicize new album releases. Seeing the emergence of concert tours as dominant revenue stream, Madonna returned to concert touring in 2001. The "Drowned World" tour was followed by the "Re-invention" tour of 2004 and the "Confessions" tour of 2006.

When music revenues shifted from recordings to concerts, Madonna reorganized her own commercial arrangements. When Maverick began losing money (along with most other record companies), Madonna's exit was credited by industry observers as strategic brilliance. Maverick sued Warner Music for "improper accounting." Afraid of bad publicity and long-running litigation, Warner resolved the matter by buying out Madonna's share of Maverick for \$10 million in 2004.

Free of Maverick, Madonna was able to court a new business partner. In 2007, she signed a \$120 million, 10-year contract with Live Nation, the world's largest concert promotion company. "The business paradigm has shifted," she said upon signing. "As a creative artist and a businesswoman I have to acknowledge that." There seemed little doubt as to who had gained the better part of the deal. Dismayed at the near-impossibility of making a profit from the deal, Live Nation was reported to be considering licensing Madonna's next album back to her old record company, Warner.

Madonna's "Sticky and Sweet" tour, which began in August 2008, set new standards in global scope, longevity, and revenue generation. With 85 concerts

spanning every continent of the world except Australia over 14 months, the tour was forecast to gross over \$400 million. Madonna's sell-out performances confirmed her ability to recruit a whole new generation of fans, many of whom had not been born when she recorded her debut album.

Outside of music, Madonna's artistic efforts met less success. A London stage performance in the comedy *Up for Grabs* and a movie co-starring with Guy Ritchie, *Swept Away*, were disasters. *The English Roses*, the first in series of children's books achieved modest commercial success.

Following the final concert of her "Sticky and Sweet" tour in September 2009, it seemed likely that Madonna would begin her next metamorphosis. With her divorce from Guy Ritchie finalized early in 2009, her "English gentlewoman" period was over. Part of the divorce settlement included the transfer of her 120-acre Wiltshire country mansion to Ritchie. What her next reincarnation would be was anyone's guess, however, as the London *Telegraph* noted: "What doesn't change, and hopefully never will, is Ms. Ciccone's hypercaffeinated zeal to make the world pay attention."⁷

Notes

- 1 M. Bego, *Madonna: Blonde Ambition*, Cooper Square, New York, 2000, p. 46.
- 2 C. Arrington, "Madonna," *People*, March 11, 1985.
- 3 Released as *In Bed With Madonna* outside North America.
- 4 "Commanding" (Review of *Evita*), *Q*, December, 1996, see www.pauldunoyer.com/pages/journalism/journalism_item.asp?journalismID=250, accessed October 29, 2009.
- 5 M. Murphy, "Madonna Confidential," *TV Guide*, April 11-17, 1998.
- 6 "Why Madonna's Still a Material Girl," *Sunday Times*, April 5, 2009, http://entertainment.timesonline.co.uk/tol/arts_and_entertainment/music/article6015124.ece, accessed October 5, 2009.
- 7 "Madonna, Mistress of Metamorphosis," *Daily Telegraph*, August 10, 2008.