



case one

Madonna

TEACHING NOTE

SYNOPSIS

The case examines the career and the success of Madonna Ciccone – “the best known woman on the planet.” The central issue is explaining the success of Madonna in the highly competitive, highly volatile world of entertainment, where Madonna has been a megastar since 1984.

The case offers students the opportunity to explore the nature and meaning of strategy within a fast-paced business environment and to consider the role of strategy in career success.

The case represents an expansion of the illustration provided in the first chapter of *Contemporary Strategy Analysis* (5th edn, strategy capsule 1.1).

TEACHING OBJECTIVES

The purpose of the case is to allow students to consider three questions: “What is strategy?”, “What role does strategy play in success?” and “What are the critical ingredients of a successful strategy?”

The case forces students to address the meaning of strategy in environments where turbulence renders detailed planning impossible and to consider the notion that strategy can be both implicit and emergent as well as explicit and intended.

The case also introduces the idea that strategy exists for both individuals and organizations; indeed, in this case there is some ambiguity as to whether “Madonna” is Madonna the person or Madonna the show-biz organization. This issue is important

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in terms of making the point that strategy is relevant to the future careers of business students. While I have no expectation that students will write a strategic plan for the rest of their lives, one of the most immediate and valuable applications of the principles of strategic analysis is likely to be students' thinking about their future careers.

POSITION IN THE COURSE

The Madonna case is intended to open a core strategy course. It provides a light-hearted context for engaging the interests of students while at the same time introducing a number of fundamentally important issues and concepts about strategy that will be explored more fully later in the course. I typically use this case on the first day of class. One of the merits of the case is that, even if students have not had time to read it, their familiarity with Madonna means that it is possible for everyone to contribute to the discussion.

ASSIGNMENT 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?

READING

R. M. Grant, *Contemporary Strategy Analysis* (5th edn), Blackwell Publishing, 2005, chapter 1.

CASE DISCUSSION AND ANALYSIS

Why Is She Successful?

I begin by investigating the reasons why Madonna has been so successful over such a long period of time (her first hit record was in 1983).

I start off this line of inquiry by asking students whether Madonna is exceptionally talented. In relation to key capabilities as an entertainer – singing, musicianship, song-writing, acting, dancing, even beauty – she tends to be graded as B+ or A– except by the most die-hard Madonna fans. Where she scores the highest acclaim is for her capabilities in marketing, self-promotion, work ethic, and leadership.

In addition to these underlying capabilities (and lack of them), I encourage students to explore what Madonna has done to achieve and sustain success. Among the themes that typically emerge are:

- Her goal commitment (ambition) and sustained level of effort.
- Her brilliance in identifying and exploiting alliance partners. From her early boyfriends on the New York rock music and DJ scene, through to Sean Penn and Warren Beatty in Hollywood, Madonna has clawed her way to the top through courting key individuals in strong strategic situations (these have often been temporary alliances to achieve specific goals).
- Her continual renewal and reinvention. I ask how many phases Madonna has been through. This tends to produce some disagreement, but typically the class can identify an early street-kid-disco-grunge phase, a retro-Monroe-glam-star look, a black-leather-and-underwear deviant sexuality phase, followed by more recent Madonna-as-mother, and new-spiritual-mystic-Madonna. These changes of image accompanied by changes in music and lifestyle typically emerge from class discussion as key explanations of how Madonna has ridden so many cycles of music and style since the early 1980s.
- Sex. Common to all these phases has been a heavy emphasis on sex (though this has been much less pronounced since Madonna hit 40 and entered her spiritual phase). So what is new or different here? Hasn't sex always been central to the success of popular female (and male) actors and singers, from Greta Garbo and Mae West, to Brigitte Bardot, Doris Day, Tina Turner, and Britney Spears? The key here seems to be Madonna's capacity to engage in a careful game of brinkmanship. She has aroused huge popular interest and massive media publicity by challenging conventions of modesty and decency – but never gone so far as to alienate herself either from the key distribution channels or from her fans. This raises the issue of whether the key theme here is sex, or whether sex is simply a medium that Madonna has chosen as a means of continually challenging orthodoxy and keeping herself in the public's eye.

Is This Strategy?

At this stage, I refer to the mass of points on the board considered to be the elements of Madonna's success and ask: "Is this a strategy?"

This question typically produces a lively discussion. Some will argue that this is purely opportunism: Madonna is simply seizing the openings made available by change to launch new ventures and adapt her image. Others will point to a consistent pattern of competitive behavior by Madonna that has characterized her career from her first recording in 1982 through to her "Drowned World" tour of 2001.

I ask whether these two interpretations are really antithetical. Why is it not possible to follow a strategy of opportunism? Furthermore, Madonna's opportunism has been selective – there are certain types of opportunity she has pursued and others she has not. In pursuing the different opportunities, there has been a pattern. She has formed relationships to allow entry into new fields, she has relied heavily on the power of sex, and she has been persistent in all of her efforts. She has also compensated for her own weaknesses in raw talent by relying heavily upon a carefully selected

team of songwriters, record producers, musicians, dancers, and the like. She has fitted the events of her personal life – marriages, motherhood, maturity, and educational and spiritual development – almost seamlessly into her career.

Specifying the Strategy

On the basis of the points raised, I try to get the class to articulate more specifically and formally Madonna's strategy.

Following the distinction made in the textbook (pp. 22–3), I ask the class to distinguish between Madonna's corporate strategy (*where* she competes) and her business strategy (*how* she competes).

In terms of corporate strategy, I ask the class in which markets Madonna competes. Clearly she competes in multiple markets – recorded music, concerts, music videos and other televised appearances, movies, books, as well as music and video production, publishing and promotion. All these activities are closely linked (i.e., it is *related diversification*). Can we provide an all-encompassing definition of the business within which Madonna competes? Probably popular entertainment is the narrowest.

But is this diversification strategy a strength or a weakness? (Remember that the trend for most enterprises has been towards “focusing on core businesses.”) For diversification to work, there must be important linkages (or “synergies”) between the different markets in which a firm competes. Such synergies seem to be present in Madonna's multimedia strategy. First, it allows her to exploit her artistic creations across multiple media (the record releases, videos, and concert tours are closely coordinated). Second, unlike Elvis Presley (wild rock 'n' roller in his music; clean-cut, all-American for Hollywood), Madonna achieves a highly consistent image across her different media ventures. Finally, her multimedia presence elevates Madonna to a higher status than her competitors in individual markets: Madonna is no longer simply a popular singer, or an actress – she is a *superstar*. This status gives Madonna a huge advantage in any field of endeavor she enters, whether it is music, movie acting, or as a producer and manager.

In terms of business strategy, the key themes have been identified, and simply need to be articulated in a more systematic form.

Madonna's business (or “competitive”) strategy involves the following elements:

- Early identification of key trends in music, style, and popular culture and incorporating such themes into her own image and products.
- Maximum use of controversy (sex in particular) to maintain media and public interest.
- Periodic renewal of her “product life cycle,” each of these renewals based around a coherent and complementary package of music, style, fashion, and personal demeanor.
- Outsourcing to access resources and capabilities of others in order to complement her own restricted range of resources and capabilities.

- Maintenance of close control over the key elements of her intellectual property and creativity.
- Astute use of interpersonal relationships as the basis for business alliances.

What Makes a Winning Strategy?

I usually sum up by using the discussion of Madonna to consider more generally the essential characteristics of a successful strategy. Figure 1.1 of *Contemporary Strategy Analysis* (p. 7) identifies four key features:

- Goals that are simple, consistent, and long term.
- Profound understanding of the competitive environment.
- Objective appraisal of resources and capabilities.
- Effective implementation.

All four are clearly revealed in Madonna's own career:

1. *Goal orientation.* Madonna's career featured a relentless drive for stardom in which other dimensions of her life were either subordinated to or absorbed within her career goals.
2. *Understanding the competitive environment.* Fundamental to Madonna's continuing success has been a shrewd understanding of the ingredients of stardom and the basis of popular appeal. This extends from the basic marketing principle that "sex sells" to recognition of the need to manage gatekeepers of the critical media distribution channels. Her periodic reincarnations reflect an acute awareness of changing attitudes, styles, and social norms.
3. *Appraising resources.* Madonna has been highly effective in exploiting her particular talents, while protecting areas of weakness. By positioning herself as a "star," Madonna exploited her abilities to develop and project her image, to self-promote, and to exploit emerging trends, while avoiding being judged simply as a rock singer or an actress. Her live performances rely heavily on a large team of highly qualified dancers, musicians, vocalists, choreographers, and technicians, thus compensating for any weaknesses in her own performing capabilities.
4. *Effective implementation.* Critical to Madonna's success has been the energy, commitment, leadership, organizational skills, and people management strengths with which Madonna has implemented her strategic initiatives. To see Madonna's capabilities as a leader, especially in instilling loyalty and commitment among others, see the film of her "Blonde Ambition" tour (the film was released as *Truth or Dare* in the US and *In Bed With Madonna* in Europe).

UPDATE

Since the end of the case, Madonna's life and career have continued to evolve. In June 2004, Madonna began her "Reinvention" world tour – rumored to be her last major touring show. In the same month Madonna also announced that she had changed her name to Ester. In an ABC News interview, Madonna explained that her study of the Kabbalah religion had led her to take the name Ester after the Biblical queen celebrated in the Jewish festival of Purim. (For further information on the strategic significance of Madonna's name change, please contact Professor David Horne of California State University, Long Beach (dhorne@csulb.edu).)