

Case 1 Madonna: Sustaining Success in a Fast-moving Business



Although summer had barely begun, 2012 was proving to be an exceptionally busy year for Madonna Louise Ciccone. On February 3, her movie *WE*, based upon the love affair between King Edward VIII and Wallis Simpson, which she had written and directed, went on general release. Two days later, Madonna provided half-time entertainment at the NFL Super Bowl before 70,000 football fans and an estimated TV audience of 118 million. On March 26, *MDNA*, Madonna's 12th studio album and her first since *Hard Candy* in 2008, was released. *MDNA* went straight to the top of the *Billboard* album chart—although it stayed there for just one week.¹ On May 29 her concert tour would open in Tel Aviv; a further 76 performances would follow throughout the Middle East, Europe, and North America. Madonna would spend her 54th birthday on August 16 between concerts in Oslo and Zurich. The US leg of the tour would finish in Miami on November 20, to be followed by a continuation of the tour in South America and Australia. In addition, Madonna's commercial activities would include a major sponsorship deal with Smirnoff vodka, the launch of her Hard Candy health clubs, and her *Truth or Dare* brand, which would include fragrances and shoes.

Madonna's career achievements are summarized in her Wikipedia entry:

Madonna has sold more than 300 million records worldwide and is recognized as the world's top-selling female recording artist of all time by the Guinness World Records. According to the Recording Industry Association of America (RIAA), she is the best-selling female rock artist of the 20th century and the second top-selling female artist in the United States, behind Barbra Streisand, with 64 million certified albums. In 2008, *Billboard* magazine ranked Madonna at number two, behind only The Beatles, on the *Billboard* Hot 100 All-Time Top Artists, making her the most successful solo artist in the history of the *Billboard* chart. She was also inducted into the Rock and Roll Hall of Fame in the same year. Considered to be one of the "25 Most Powerful Women of the Past Century" by *Time* for being an influential figure in contemporary music, Madonna is known for continuously reinventing both her music and image, and for retaining a standard of autonomy within the recording industry.²

Her success was also apparent in financial terms. *Forbes* magazine estimated her annual earnings as \$58 million in 2010, \$110 million in 2009, \$40 million in 2008, and \$72 million in 2007.³ Over the past two decades the only female entertainer to come close to her in terms of income has been Oprah Winfrey.

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Beginnings

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.

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."⁴ While pursuing a series of dance engagements, she turned increasingly to music: the band Breakfast Club featured Madonna together with three male friends. Subsequently, she and a former Michigan boyfriend, Steve Bray, began working together on writing and performing songs in the dance music genre that was sweeping New York clubs at the beginning of the 1980s. Madonna also worked on her image—a form of glam-grunge that featured multilayered, multicolored combinations of thrift-store clothing together with scarves and junk jewelry. Her trademark look of messy, badly dyed hair, neon rubber bracelets, black lace bras, white lace gloves, and chunky belt buckles would soon be copied by 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. Her first 12-inch-single releases with Warner achieved local success, encouraged by New York's leading DJ, John "Jellybean" Benitez, who Madonna began dating in November 1982.

In July 1983, shortly before the release of her first album, she flew to Los Angeles to visit Freddie DeMann, 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." DeMann agreed to become Madonna's manager.

By 1984, Madonna had become the hottest newcomer to US popular music. She made little secret of her ambition. At her 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. While working on her second album, *Like a Virgin*, Madonna also entered the movie business, first, by playing a leading role in the movie *Desperately Seeking Susan* and, second, by marrying bad-boy actor Sean Penn.

Madonna on Top

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

looks
"persona"
being
singing
actress
Ostetrician

London *News of the World* newspaper. 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."⁵

While Madonna relied on some of the best minds and strongest companies in the entertainment business to manage and develop her career, 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*, clearly revealed her hands-on management style. The tour established the pop concert as multimedia show embracing music, dance, and theater. Madonna was involved in every aspect of the show's design and planning, including auditioning dancers and musicians, planning, costume design, and choosing themes. Madonna worked closely with fashion designer Jean Paul Gaultier, whose metallic, cone-breasted costumes 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 chief operations officer. 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 male dancers; and enforcing the highest standards of commitment and effort.

The tour coincided with the summer 1990 release of *Dick Tracy*, the Disney movie that was a vehicle for Madonna and her high-profile lover Warren Beatty. Madonna's portrayal of Breathless Mahoney exuded her natural talents for style and seductiveness and did much to rectify the scathing reviews of her previous acting roles.

Sex, Religion, and Self-Promotion

In building her superstar image, 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." Her efforts to enthrall and shock culminated in the music videos that accompanied her *Like a Prayer* album, released in 1989.

Piggybacking on Madonna-mania, PepsiCo paid Madonna \$5 million for a commercial based on the album's title track *Like a Prayer*. But the day after the first broadcast of the Pepsi commercial, Madonna's own *Like a Prayer* music 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, PepsiCo pulled its Madonna commercial.

The explicit sexuality of Madonna's live and video performances resulted in her achieving new heights of controversy—and public awareness. The *Blonde Ambition* concerts were threatened with cancellation by Toronto city authorities and condemned as blasphemous by the Vatican. 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. Sex also provided the basis for Madonna's entry into book publishing. Her photographic "art" book *Sex* featured her in an array of sexual poses . . . it sold half a million copies in its first week.

Creating and Projecting Image

Madonna has been compared to previous superstars and goddesses of sex and glamor—Greta Garbo, Marilyn Monroe, Mae West, Brigitte Bardot—but she has gone further in creating a persona that transcends her work as an entertainer. Previous superstars had been defined by their movie roles, while 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, she was no longer famous as a pop 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 website proclaimed: "Madonna 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 Perón in the movie version of the Andrew Lloyd Webber musical *Evita*. 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 found a role that paralleled her own rags-to-riches story. 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."⁶

The images through which Madonna projected herself to her audience were subject to periodic, radical transformations. The street-kid look of the early 1980s was replaced by the darker more intense sexuality of the late 1980s involving themes of sado-masochism and bisexuality. During the early 1990s, she increasingly invoked the imagery of past stars, most notably Marilyn Monroe. Like all successful fantasies, these images were near flawless in their comprehensiveness, integration, and attention to detail. They comprised a combination of dress, makeup, language, and social behavior, and they were closely linked to Madonna's style of music at the time.

Probably the most radical of these image changes occurred in the late 1990s, following the birth of her first child, Lourdes, on October 14 1996. Motherhood was accompanied by a host of lifestyle and image changes for Madonna. She substituted yoga for pumping iron; she began to study Kabbalah (a "mystical interpretation of

the Old Testament," she explained); she developed a close circle of women friends and 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 . . . 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."⁷

Lifestyle changes were reflected in her music: Madonna's new album, *Ray of Light*, incorporated a host of new influences: electronic music, traditional Indian music, Madonna's social and philosophical musings, and reflections on her own unhappy childhood. Her TV and video performances revealed a series of entirely new looks. Yet despite her downplaying of aggressiveness and sexuality in favor of a softer, more feminine image, the critical acclaim and commercial success of *Ray of Light* pointed to Madonna's remarkable capacity to adapt to maturity and renew her popularity.

Adapt!
new!

Following the birth of her second child, Rocco, in August 2000, and subsequent marriage to British actor/director Guy Ritchie, Madonna became increasingly involved in social and philanthropic activities. She was a major donor of the Raising Malawi foundation, which provided support for orphaned children in Malawi. Inevitably, these charitable activities became vehicles for publicity as well as sources of controversy for Madonna. In October 2006, her adoption of a 13-month-old Malawian, David Banda, created a furor that involved developing-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." Her adoption of a second Malawian child in 2009 was eventually permitted after being initially blocked by the courts in Malawi.

Madonna as Mogul

Madonna's preoccupation with her "art" and her "freedom of artistic expression" extended to an acute interest in her intellectual property rights. While her early hits had been written by professional songwriters who pocketed royalties from their copyrights, since 1986 Madonna's was always the first name to appear on her song credits and she co-produced most of her recordings.

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. This created Maverick Records, a music production company (together with TV, video, and music publishing wings) as a joint venture between Madonna and Time Warner, with Warner Records providing 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.

Madonna was quick to recognize the impact of digital technology and the internet on the traditional business model of the pop music industry. In the pre-digital world, live performances were primarily vehicles to publicize new album releases. By 2000, file sharing and illegal downloading were killing the revenues of the record companies. Seeing the emergence of concert tours as the 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 Maverick began losing money (along with most other record companies), Madonna appreciated the need to reorganize her own commercial arrangements. Her 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 contractual commitments, 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.” Most observers believed that Madonna had gained the better part of the deal—and with no music distribution capability, it seemed likely that Live Nation would license Madonna’s next album back to her old record company, Warner. However, her “Sticky and Sweet” tour restored faith in Madonna as a money machine. The tour set new standards in global scope, longevity, and revenue generation: the \$408 million it generated made it the highest-grossing concert tour by a solo artist. With 85 sell-out concerts between August 2008 and September 2009 spanning every continent of the world, Madonna confirmed her ability to recruit a whole new generation of fans, many of whom had not been born when she recorded her debut album.

Notes

1. The record’s debut was boosted by packaging the album with ticket sales for the upcoming Madonna concert tour. See www.huffingtonpost.com/2012/04/10/madonnas-mdna-fail-album-sales_n_1416094.html, accessed August 30, 2012.
2. “Madonna (entertainer),” [http://en.wikipedia.org/wiki/Madonna_\(entertainer\)](http://en.wikipedia.org/wiki/Madonna_(entertainer)), accessed August 23, 2011.
3. “Madonna,” (October 2010), <http://www.forbes.com/profile/madonna/>, accessed November 2 2011.
4. M. Bego, *Madonna: Blonde Ambition* (New York: Cooper Square, 2000): p. 46.
5. C. Arrington, “Madonna,” *People*, March 11, 1985.
6. “Commanding” (Review of *Evita*), *Q* (December 1985), www.pauldunoyer.com/pages/journalism/journalism_item.asp?journalismID=250, accessed October 29, 2008.
7. M. Murphy, “Madonna Confidential,” *TV Guide* (April 11–17, 1998).



A video clip relating to this case is available in your interactive e-book at www.wileyopenpage.com