

1 The Concept of Strategy

Strategy is the great work of the organization. In situations of life or death, it is the Tao of survival or extinction. Its study cannot be neglected.

—SUN TZU, THE ART OF WAR

To shoot a great score you need a clever strategy.

—RORY MCILROY, GOLF MONTHLY, MAY 19, 2011

Everybody has a plan until they get punched in the mouth.

—MIKE TYSON, FORMER WORLD HEAVYWEIGHT BOXING CHAMPION



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STRATEGY CAPSULE 1.2

Lady Gaga and the Haus of Gaga

Stefani Joanne Angelina Germanotta, better known as Lady Gaga, is one of the most successful popular entertainers to emerge in the 21st century. Since releasing her first album, *The Fame*, in 2008 she has certified album sales of 27 million, swept leading music awards including Grammy, MTV, and Billboards, topped *Forbes Celebrity 100* list, and generated \$382 million in ticket sales for her 2012 “Born this Way” tour. Her 79 concerts during her 2014 “Artrave: The Artpop Ball” tour generated \$271 million.

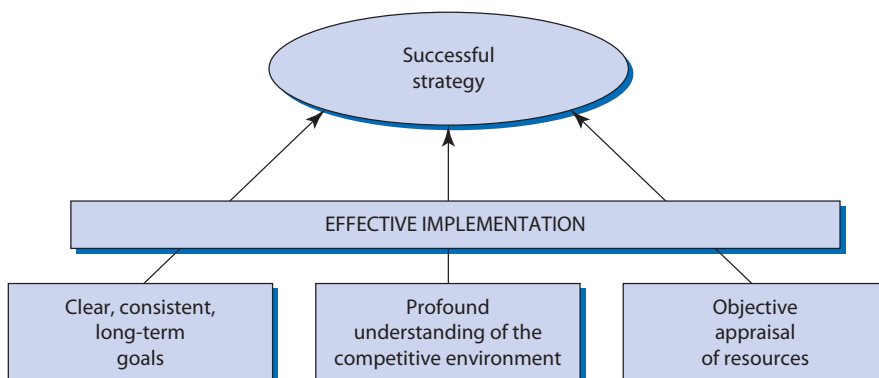
Since dropping out of NYU’s Tisch School of the Arts in 2005, Germanotta has shown total commitment to advancing her musical career, first as a songwriter, and then developing her Lady Gaga persona. Her debut album, *The Fame*, and its follow up, *The Fame Monster*, yielded a succession of number-one hits during 2009 and 2010.

Gaga’s music is a catchy mix of pop and dance, well suited to dance clubs and radio airplay. It features good melodies, Gaga’s capable singing voice, and her reflections on society and life, but it is hardly exceptional or innovative: music critic Simon Reynolds described it as: “ruthlessly catchy, naughties pop glazed with Auto-Tune and undergirded with R&B-ish beats.”

However, music is only one element in the Lady Gaga phenomenon—her achievement is not so much as a singer or songwriter as in establishing a persona which transcends pop music. Like David Bowie and Madonna before her, Lady Gaga is famous for being Lady Gaga. To do this requires a multi-media, multi-faceted offering that comprises an integrated array of components including music, visual appearance, newsworthy events, a distinctive attitude and personality, and a set of values with which fans can identify.

Key among these is visual impact and theatricality. Her hit records were heavily promoted by the visually stunning music videos that accompanied them. *Paparazzi* and *Bad Romance* each won best video awards at the 2009 and 2010 Grammys; the latter is the second-most-downloaded YouTube video of all time. Most striking of all has been Lady Gaga’s dress and overall appearance, which have set new standards in eccentricity, innovation, and impact. Individual outfits—her plastic bubble dress, meat dress, and “decapitated-corpse dress”—together with weird hairdos, extravagant hats, and extreme footwear (she met President Obama in 16-inch heels)—are as well-known

FIGURE 1.1 Common elements in successful strategies



as her hit songs. The range of visual images she projects is so varied that her every appearance creates a buzz of anticipation as to her latest incarnation.

More than any other star, Lady Gaga has developed a business model that recognizes the realities of the post-digital world of entertainment. Like Web 2.0 pioneers such as Facebook and Twitter, Gaga has followed the model: first build market presence, and then think about monetizing that presence. Her record releases are accompanied, sometimes preceded, by music videos on YouTube. With 45 million Facebook fans, 15.8 million Twitter followers, and 1.9 billion YouTube views (as of November 16, 2011), Famecount crowned her “most popular living musician online.” Her networking with fans includes Gagaville, an interactive game developed by Zynga, and The Backplane, a music-based social network.

Her emphasis on visual imagery reflects the ways in which her fame is converted into revenues. While music royalties are important, concerts are her primary revenue source. Other revenue sources endorsements, product placement in videos and concerts, merchandising deals, and media appearances—also closely align with her visual presence.

A distinctive feature of Gaga’s market presence is her relationship with her fans. The devotion of her fans—her “Little Monsters”—is based less on their desire to emulate her look than on empathy with her values and attitudes. They recognize Gaga’s images

more as social statements of non-conformity than as fashion statements. In communicating her experiences of alienation and bullying at school and her values of individuality, sexual freedom, and acceptance of differences—reinforced through her involvement in charities and gay rights events—she has built a global fan base that is unusual in its loyalty and commitment. The sense of belonging is reinforced by gestures and symbols such as the “Monster Claw” greeting and the “Manifesto of Little Monsters.” As “Mother Monster,” Gaga is spokesperson and guru for this community.

Lady Gaga’s most outstanding talents are her showmanship and theatricality. Modeled on Andy Warhol’s “Factory,” The Haus of Gaga is her creative workshop and augments her own capabilities. It includes manager Troy Carter, choreographer and creative director Laurieann Gibson, fashion director Nicola Formichetti, hair stylist Frederic Aspiras, stylist and designer Anna Trevelyan, fashion photographer Nick Night, makeup artist Tara Savelo, marketing director Bobby Campbell, and others involved in designing and producing songs, videos, concert sets, photo shoots, and the whole range of Gaga’s public appearances.

Sources: M. Sala, “The Strategy of Lady Gaga,” BSc thesis Bocconi University, Milan, June 2011; <http://www.statisticbrain.com/lady-gaga-career-statistics>, accessed July 20, 2015; http://en.wikipedia.org/wiki/Lady_Gaga, accessed July 20, 2015.

FIGURE 1.2 The basic framework: Strategy as a link between the firm and its environment



Discussion points

1. Do you think the lady gaga strategic approach can transform into other business?
2. In her strategic thinking what was the role of here innovative capability?
3. Can you explain here internal resource and external environment orchestration?
4. Do your clime her practice as a successful strategy
5. Did she effectively implemented here strategy or achieve some a disserved success in some clearly undefined way?
6. How she demonstrated here clarity, consistence and long-term goals?
7. What was here profound understanding about the comitative environment and how she dementated that?
8. Are you fully notes her objective on appraisal of resources?
9. What do you say about here resources and capabilities, first list out them second evaluate them role and third discuss which one has more strategic relevance.
10. In the presented case can you see here structure and system?
11. At industry level, what are her compotators how she competes with them?
12. Who are her customers, what value offer to them, how she reaches out to them, what was the relationship and what was the customers satisfaction.
13. Who are here suppliers, how she collaborates them? can you see any smart move here?