

## The Final Album - The King of Pop

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The unexpected death of Michael Jackson on June 25, 2009 has created a marketing dilemma for his family and for the marketers who are responsible for the creation and distribution of the creative work of the King of Pop. Michael Jackson was just weeks away from starting a 50-date concert tour, a tour that was to be his swan song. MJ had just completed a rehearsal of his show on June 23, 2009. The recording of the rehearsal at Staples Center in Los Angeles was created using multiple cameras, high-definition video, and multi-track audio (Waxman, 2009). A permanent record of the performance was therefore available. AEG Live, the company responsible for the promotion of the concert tour faces the possibility of losing millions of dollars due to the cancellation of the tour (Waxman, 2009), through no fault of its own. It is also well known that MJ faced a significant level of outstanding debt. It is estimated that, if the material from the final rehearsal were packaged as the final album of MJ, unit sales would be in the millions, if not tens of millions, around the world (Waxman, 2009). The demand for the current inventory of Michael Jackson musical creations has led to stock-outs, resulting in the need for re-orders (Metz, 2009).

**Focus:** Social responsibility, ethical behaviour, overfull demand, elasticity of demand (elastic, unitary elasticity, inelastic), cost-oriented (average costing, markup pricing, traditional breakeven analysis) vs. profit-oriented pricing (demand-oriented breakeven pricing, marginal analysis).

### Questions:

1. Define each of the terms listed above. Include the relevant terms when answering the following questions.
2. Should the promotion company looking after the concert tour put together and sell a final album by Michael Jackson? Explain.
3. If you were the family of MJ, would you want such an album to be created and sold? Explain.
4. If you decided to create and sell such an album, what pricing approach would you use? Explain.

[Sources: Metz, Rachel. (2009, June 27). Jackson's death launches music sales avalanche, *The Toronto Star*, <http://www.thestar.com/article/657631>. Waxman, Sharon. (2009, June 27). Taped Jackson's last night alive could be CD, DVD, *The Wrap*, [http://www.thewrap.com/article/michael-jackson-rehearsed-night-his-death\\_3960](http://www.thewrap.com/article/michael-jackson-rehearsed-night-his-death_3960)]