

Case Study: Types of Advertising Management

Focus: Centralized vs. Decentralized Advertising Management

Corporate Example: Coca-Cola Company

Advertising Management Structures: Overview

Type	Description	Strengths	Risks
Centralized	One team/department controls all advertising decisions (budget, message, media).	Consistent brand image, economies of scale, strategic alignment.	Slower response to local needs, potential cultural disconnect.
Decentralized	Local or regional teams manage their own advertising strategies.	Greater agility, local relevance, cultural sensitivity.	Brand fragmentation, inconsistency, efficiency loss.
Hybrid	Consistent global brand direction from HQ + local execution autonomy.	Combines brand cohesion with local adaptation.	Requires strong coordination and clear governance.

Based on centralized vs. decentralized marketing/advertising frameworks

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Coca-Cola: A Hybrid Advertising Model

1. Global Brand Steering (Centralized)

- Coca-Cola maintains a unified brand identity and messaging strategy—e.g., themes like happiness, sharing, and global unity.
- Campaigns like “**Share a Coke**” and “**Open Happiness**” were devised centrally and rolled out worldwide.

- “Share a Coke” began in Australia (2011), later launched in 80+ countries. Resulted in a 4% uplift in market share and reversing sales decline in the US by over 2%
- “Open Happiness” (2009–2016) was a unified campaign across traditional and digital media

2. Regional and Local Adaptation (Decentralized)

- Regional teams customize visuals, product variants, and media channels—for example:
 - Localizing can designs, flavors, and digital integrations (like QR codes in the Star Wars co-branded cans)
 - Partnerships with mega-events (e.g., Olympics, World Cup, local concerts) tailored region-by-region

3. Local Execution (Distributed)

- Local bottling partners run grassroots campaigns—store promotions, ambient and guerrilla marketing—under global guidelines.
- For instance, ambient campaigns like the “Happiness Machine” video at St John’s University are run locally but supported globally.

Benefits & Challenges of Coca-Cola’s Advertising Approach

Dimension	Centralized Control	Decentralized Adaptation
Brand Consistency	Robust identity, unified brand promise	Slight variation allowed for local flavor
Local Relevance	Less nimble in changing cultures	High; leverages regional insights
Cost Efficiency	Bulk media buys, global creative leverage	Tailored—but risk duplication
Speed to Market	Slower, longer approval cycles	Faster response to local trends

Insights for MBA Students

1. **Balance is key**—a hybrid model preserves brand strength while enabling market agility.
 2. **Structural fit**—what works for consumer F&B may differ for banking or travel.
 3. **Governance matters**—clear frameworks and brand guidelines ensure cohesion.
 4. **Data governance**—global metrics must be tracked alongside local ROI metrics.
 5. **Innovation scalability**—local creativity can drive global innovation when managed correctly.
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Discussion Questions

1. How does Coca-Cola maintain cohesion across local adaptations without diluting brand messaging?
 2. Which industries benefit more from decentralized advertising, and why?
 3. What processes ensure global brand integrity while enabling regional creativity?
 4. Design a KPI model to evaluate both central and local advertising ROI for Coca-Cola.
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