

Case Study #1: Golden Global Award



Eye candy

Coralius Cosmetics is a global cosmetics manufacturer with annual revenues of \$1.1 billion. Its brand of eyeliner, mascara and eye shadow is widely recognized in over 75 countries. Headquarters are in Los Angeles. In the past, Coralius has successfully relied on its country managers to create local advertising and promotion initiatives for its cosmetics.

Take one

The executive vice president and global marketing officer of Coralius Cosmetics has been approached by a film industry studio with a cosmetic sponsorship offer for a sequel to a blockbuster movie. Since the three female stars of the movie are from Western Europe, Asia and Eastern Europe, the VP sees this sponsorship as an opportunity to launch a global brand-building strategy. She proposes to the Coralius CEO that the company create three new eye colour palettes for each of the three stars and then use the stars in their advertising. The new products are to be launched to coincide with the film's releases in different countries.

Re-take

The CEO likes the idea of the VP's global brand-building strategy but wonders where she will get the money for the promotion and related advertising. The VP hopes to gain buy-in from the regions so that the country managers will chip in money from their marketing budgets. She has already received a commitment from Coralius' marketing head for North America. The VP is convinced she can bring the Western Europe, South Asia and Eastern Europe country heads on board with little effort, but the CEO is not so sure. He explains he may have to cut marketing budgets again if the U.S. recession continues. This will leave the country heads with very little money for local advertising or promotion activities after they pay for her global promotion. He thinks country heads will resist the idea and suggests the VP consult with the Western Europe, Asia and Eastern Europe regions first. The VP plans to meet with each of the country heads in question the following week.

Reality show

The VP talks with the marketing heads for Western Europe, South Asia and Eastern Europe. The Western Europe marketing head loves the idea of a big movie-based promotion to launch Coralius' global brand-building strategy. He is keen on matching the success of Revlon's *Die Another Day* promotions. However, he believes Western Europe must have a promotional website separate from the North American website promotion.

The head of South Asia marketing is willing to try it out. He feels that a global strategy would work in some parts of India. However, he thinks local marketing initiatives will still work best, because of the income disparities in India and the difficulty in overcoming cultural differences between the U.S. and India.

The head of Coralius operations in Eastern Europe is adamantly opposed to the global promotion proposal. He strongly opposes the VP's movie-based promotion, saying it would not help his sales. He tries to remind her how different Eastern Europe is from the rest of the world. For his region, recruiting beauty queens like Miss Russia or Miss Ukraine to be brand ambassadors would do more for his sales.

Curtain call?

When she delivers the news to her CEO, the VP says she understands why she did not get complete buy-in from all three country heads—they see their country as unique. They dislike risking everything on a global promotion when they have been relying on local promotions for their success so far. However, she wonders why Coralius does business in a global marketplace if the company ignores the opportunities presented by globalization.

The CEO wants research to prove that a global brand-building strategy will save Coralius money. He points out that the global promotion will not be successful if the regional heads are only participating because she gives them no choice.

Case Study Discussion Questions

1. What phenomenon of the global marketplace is the Coralius VP championing with her global brand-building strategy?
2. What promotional initiative is the best option for Coralius?
3. What are some of the disadvantages of a global brand-building strategy that the Coralius VP downplays?
4. How can the VP convince her CEO and the opposing country head that Coralius should push a global strategy?