

Why Spending On Marketing Is An Investment

As we come to the end of another year in marketing it is worth taking a moment to reflect on that most contentious of dollar items. No it's not the Christmas hamper (although that comes a close second) IT'S THE MARKETING BUDGET.

Every marketing person I know has had to fight for their marketing budget at least once over recent years, and some of have to do it every year. That got me thinking that there has to be a better way around this issue. So I have prepared a checklist of items that show what marketing can deliver for a business.

Provided it is well resourced.

1. Marketing is an investment not an expense.

So to get your budget approved I suggest that you cost up whatever items you will need to achieve your marketing goals. Then project the revenue that you can generate from a successful marketing campaign.

Once the numbers people can see a cause and effect between a marketing investment and a positive revenue outcome, then your chances of getting the marketing budget approved will increase dramatically.

Therefore integrating your marketing budget into your overall business branding scope now looks like this:

Marketing investment - branding - value - credibility - revenue - profit.

2. Branding needs to be built up and maintained.

All the research done over that past 25 plus years shows that brands matter. They encourage trust and loyalty from existing customers, thus acting as a barrier to competitors. They act as a magnet to potential customers and they strengthen the value proposition of what your business offers.

So spending money to keep your brand healthy is essential. I know from seeing some clients in the past who made the mistake of cutting back on their brand budgets, only to lose market share to the competition. Market share they still have not recovered, and probably wont.

3. This improves the sales performance.

A sales team depends on having a strong brand to sell. The better the brand reputation the easier it is to sell the product or service. So the sales team stays motivated and effective. It also means you retain your best sales people.

4. Effective marketing communication.

With marketing, if people don't know who you are then you don't exist. The customer will not even look for you (online or anywhere else) because they have nothing to actually look for in their mind. They don't know what they don't know. The customer has no reference point or means of starting an information search for you.

So when someone in the organization says "all we need is a website" you have to push back against this dangerous and narrow minded thinking. Of course a good website is necessary. But it needs to be able to communicate your brand's value proposition and be strongly supported by other marketing activities.

5. Lets not forget the most important thing, the internal positioning of marketing within your business.

We all know about positioning our brand externally to the customer. Now is the time to position marketing as the "internal brand to the internal customers" within your business or organisation. So you set up a perceptual map and move marketing from the business expense position over to the business investment position.

You now have the power to take control of your marketing budget.

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