

ASKING THE “MILLION DOLLAR” QUESTION:
WHY SHOULD YOU CARE ABOUT BUDGETING?

THE MODERN
APPROACH TO

MARKETING BUDGETS

**HAVE YOU EVER LOST PROFITS TO A
MARKETING PROJECT? HAD TO CUT COSTS
AND LET SOMEONE GO?**

**OR HAS YOUR BUSINESS EVER TEETERED ON
THE EDGE OF VIABILITY DUE TO LACKING
FUNDS IN AN UNEXPECTED CRISIS?**

Regardless of if you have or not, it's highly likely you don't want to go through something like that (again). Far too many business owners have learned the expensive lesson of how costly not paying attention to their marketing budget can get. It's time we cut the losses.

So, to answer that initial question...

You should care about your business' marketing budget because it'll help you:

- keep track of your overall finances
- prevent overspending
- invest more efficiently
- prepare for unforeseen crises

To help you achieve that, we've created this ebook where you'll learn everything you need to know about **viable and efficient marketing budgets and the 5 steps to creating them.**

BY ANDY CULLIGAN CMO

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1. THE 5 STEPS TO CREATING AN EFFECTIVE MARKETING BUDGET

Creating a solid marketing budget takes more than you may think at first glance. As we've established, underestimating this aspect of your company may prove fatal. To set yourself up for marketing success, you'll need to take several things into consideration. Starting with...

1.1 AUDIT YOUR BUSINESS

The first thing you should do when creating a new budget is to take time to re-evaluate your company and its current situation. Specifically, you should look at your needs, wants, and resources.

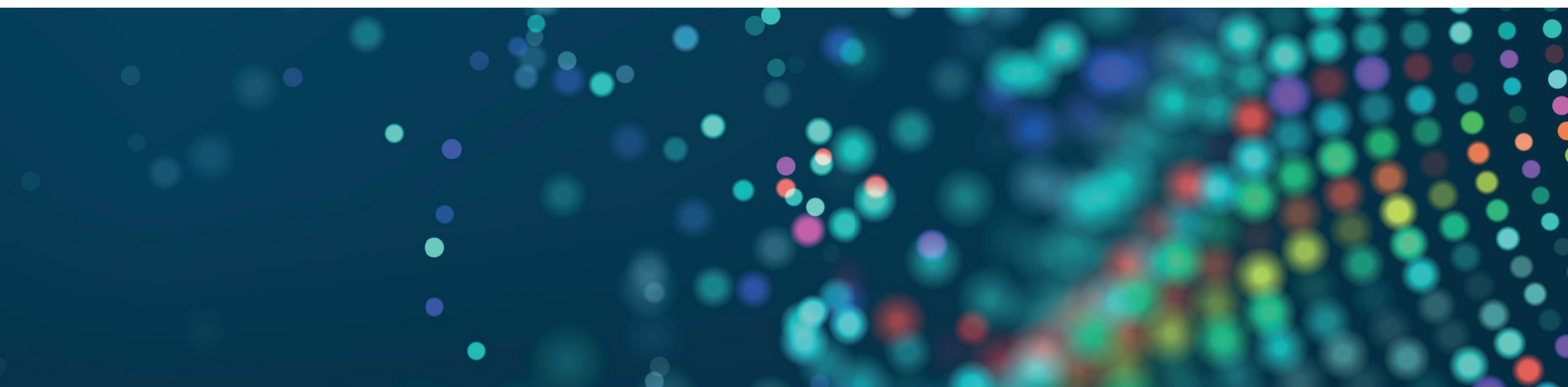
Try asking yourself the following questions:

What do we need to reach/maintain profitability?

What do we want to achieve with our marketing?

What human and financial means do we have to achieve this?

The answers you come up with will be the basis of your marketing budget, so approach them with due care. You'll only reach your desired results with accurate insights.





1.2 DETERMINE YOUR MARKETING GOALS

When it comes to setting realistic marketing goals, the key word is balance. You should set your goals to reflect both the company’s needs and your marketing desires, while striking a balance between bare necessity and pure ambition.

Marketing, especially content marketing, is a long-term process, and it can often take 12 - 18 months to make a return on investment. Thus, realistic time expectations are crucial for the success of your budgeting efforts. However, there’s more to worry about than just time.

Use the S.M.A.R.T. approach while determining your goals to make sure they’re both viable and worthwhile.

S.M.A.R.T. stands for



Here’s an example of what S.M.A.R.T. should look like in practice:

“Increase our Twitter follower count by 5,000 this quarter by posting educational content, infographics, statistics, and industry news once per day.”

1.3 UNDERSTAND YOUR CUSTOMERS & THEIR JOURNEY

Another aspect of your business to consider when creating a marketing budget is your customer base and their unique customer journey, due to the influence it has on the strategies and content types you'll have to invest in.

The first things to consider when assessing your customer persona is your own business model (i.e., B2B, B2C, or combination) and industry. Use these company traits to decide which aspects of your customer persona you should pay particular attention to.

In general, your customer persona should include information regarding:

Behavioral traits:

how they work, what tools they use, how they like to communicate (email, text, social media, face to face), how they get their information, content preferences

Demographics:

age, gender, marital status, employment status, education level

Identifiers:

job title, work responsibilities, goals & objectives, frustrations & challenges, organization size, industry

In the next section, we'll discuss the various types of content and communicational channels you can take advantage of to create a customer journey fit specifically to your needs.

After putting together your company's **customer persona**, it's time to identify your unique customer journey. Though many divisions exist, the customer journey is typically divided into 4 stages:

... CUSTOMER JOURNEY ...





1.4 CHOOSE YOUR MARKETING STRATEGY & FORMS OF CONTENT

When choosing the communicational channels and content forms right for you, it's necessary to account for your business model. B2B customers prefer different means of conversation and obtain information from other sources than B2C customers.

Note: There is usually no content or marketing channel involved in the 4th stage (outside your store page, scheduled call, etc.), so we're not going to address it here.

But before we get into which ones you should choose, let's take a look at some general recommendations for the first three stages of your customer journey.

According to research, the generally best performing content types and marketing channels are:

1. Attention Stage

The recommended content types for this stage are how-to guides, landing pages, infographics, and checklists.

The recommended communication channels for this stage are search engines, social media, email, and ads.

2. Interest Stage

The recommended content types for this stage are success stories, product overviews, tutorials, case studies, and how-to guides.

The recommended communication channels for this stage are search engines, email, social media, and ads.

3. Desire Stage

The recommended content types for this stage are product overviews, customer reviews, success stories, and use-cases.

The recommended communication channels for this stage are email, search engines, ads, and social media.

However, while these above-described recommendations may look perfect in a vacuum, it's necessary to take your business model into consideration.

So let's take a look at some of the specifics of both, shall we?



B2B

Businesses as customers tend to prefer more conservative means of communication and are typically better persuaded with statistics, value propositions, and worthwhile insights.

Thus, in the B2B sector, you should invest in **content types** like **how-to guides, landing pages, infographics, success stories, ebooks/white papers, webinars, case studies, and product overviews.**

B2B customers are also more likely to respond to **communication channels** like (vide)conferences/trade shows, content marketing, email, outbound calls, paid search, and search engines



B2C

End customers as individuals are typically much more laid back in how they like to interact with the companies and brands they're interested in. They also value the opinions of their peers very highly, suffer from **FOMO** (fear of missing out), and like to be entertained while being educated.

Because of that, in the B2C sector, you should invest in **content types** like **blogs, video/audio, customer reviews, social media posts, how-to guides, infographics, checklists, and quizzes/tests.**

B2C customers are more likely to respond to communication channels like **content marketing, social media, podcasts, influencer marketing, ads, and search engines.**



Use these guidelines in conjunction with your industry and specific customer persona to create a combination of content and marketing channels custom-fit to your business. And remember to experiment a little. You're in this for the long haul, so give yourself the time to find the marketing investment strategy that works best for you.

1.5 Pick the Responsible Entity

Now that you know what type of content you want to create and where you want to publish it, all that's left to do is choose who will take on the Responsibility. There are three options to consider, each with its own upsides and downsides.

In particular, you can choose between:



INTERNAL TEAM

The benefit of an internal marketing team is in having a dedicated workforce strictly focused only on your projects. However, onboarding and training are lengthy and expensive processes.



FREELANCERS

Especially well-suited to short-term projects, there is more than enough free talent to go around at an affordable price. The hard part is finding them. There is also the risk of receiving sub-par work or getting nothing delivered at all.



CONTENT AGENCY

Convenient and filled to the brim with both human talent and specialized tools. But the price you pay can reflect that, being more expensive.

Make use of the things you know about your businesses while choosing. Base your decision on your marketing needs and your human and financial resources.



2. CREATING A MARKETING BUDGET

With all that preparation said and done, the time has come for all your work to bear fruit. To start drawing a budget, consider the following aspects of your business you've come to learn about throughout this process:

A) Resources

how much money and company talent you can spare

B) Marketing goals

what you want to achieve, how, and by what time

C) Content & channels

what content you want to publish across which channels to reach those goals

D) Responsible entity

who'll create and publish that content for you

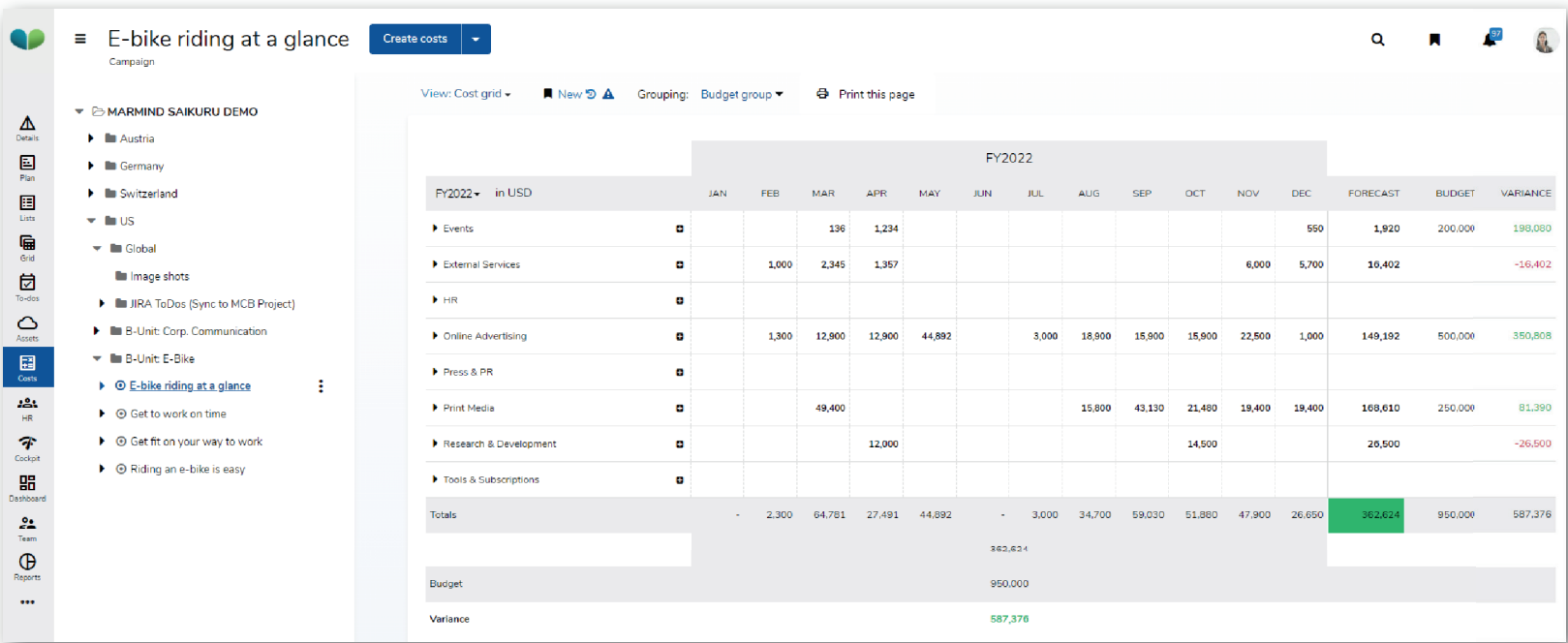


Combine these four things, and you should have a ball-park idea of your marketing budget. Then, add to that to the knowledge that budgeting experts advise younger companies (1-5 years old) to spend between 12% and 20% of their company budget on marketing. That number goes down as companies age.

Finally, take into account your **company size, age, and business model** (B2C companies typically spend more on marketing than B2B)... and then what?

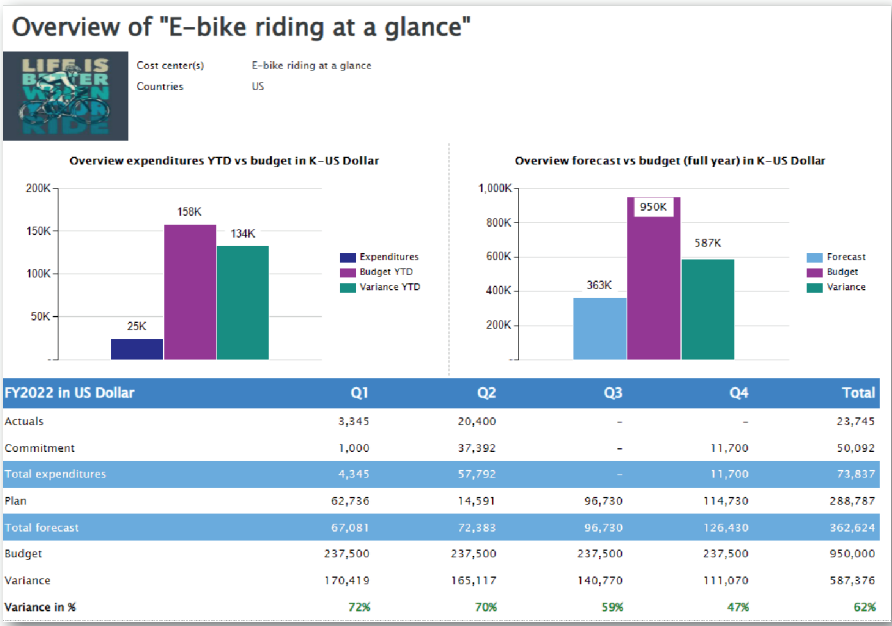
You could manually create a spreadsheet, input all the relevant information, and then track your budget allocation and marketing costs by hand. You could potentially try to make sense of one of the online budgeting templates.

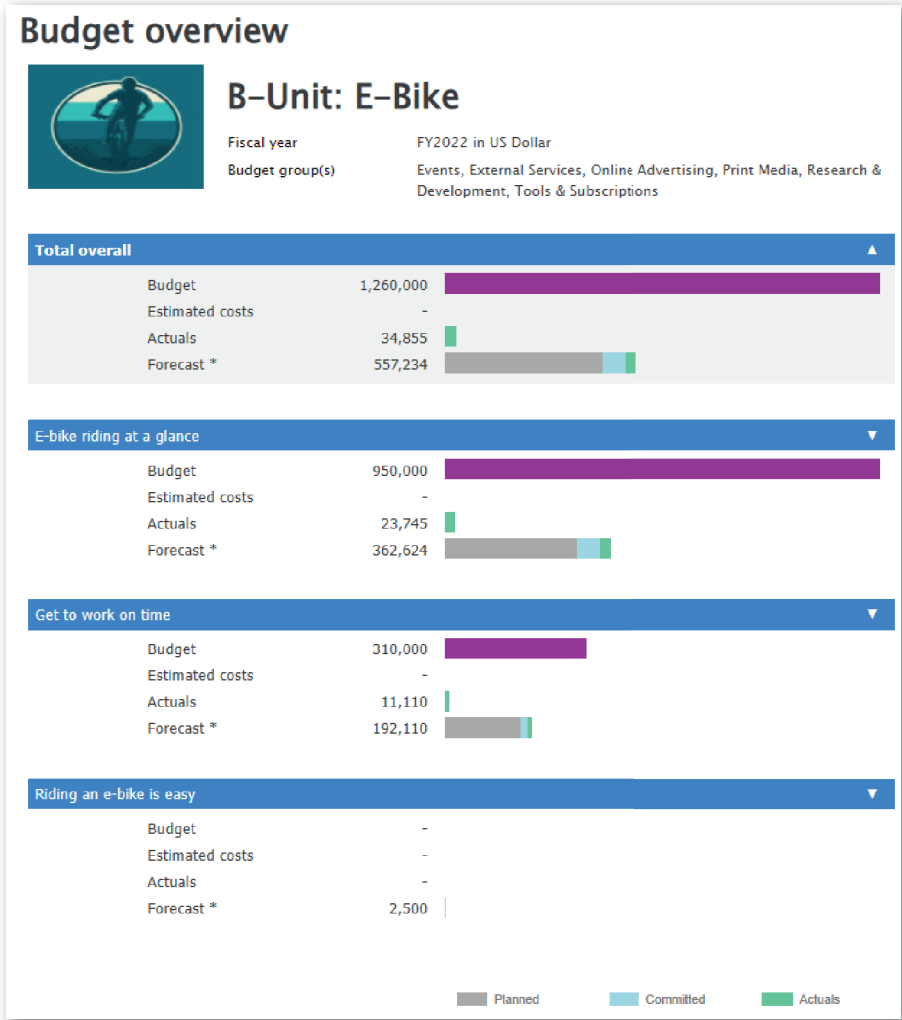
Or, you could use **MARMIND's Budget Management Software**.



Your time is valuable, and so is your business.

So, don't risk both of them on error-prone spreadsheets or dodgy templates. Instead, keep on top of your marketing budget with our all-in-one platform, where you can manage, plan, and break budgets down into allocations for campaigns, channels, and much more.





You can generate automated forecasts to see trends at a glance and find out if you're overspending or underspending. View estimates vs. actuals and let **MARMIND** calculate the remaining budgets for you. Understand where your marketing budget is spent without having to manually piece together spreadsheets.

Create multiple budget planning areas to consolidate and collaborate on marketing budgets across your organization. Use different currencies, budget groups, spend types, and create custom workflows to improve your budgeting process.



SUMMARY

And there you have it. Throughout this ebook, you've learned the five steps necessary to start creating an effective and viable marketing budget and how to tweak it to suit your company's needs.

*The rest is up to **you**.*

Put our suggestions into practice, create your marketing budget by any means you see fit, and enjoy the security of knowing that you're spending your finances wisely.

BY ANDY CULLIGAN ^{CMO}

