Jennifer Layman
forwardthinking
Marketing with Purpose

This guideline is provided as a reference from the book Forward Thinking for Your Business. For more information, visit www.fwdthink.ca

Forward Thinking for Your Business – Marketing Budget

The easiest way to prepare a marketing budget is to start by listing everything you might consider, and the cost associated with each item. For example:

Marketing	**Cost**
Tradeshow booth, logoed table cloth, promotional items	Booth - $8500, Tablecloth - $400, Promo Items - $2500
Radio advertising	200 x 30 second spots - $3500 500 x 30 second spots - $5500
Brochures	1000 - $750 2000 - $1200
Social media advertising	$5,500 to hire social media person to place ads ($2500 in ads and $3000 for her to do the work)
Conference	$5000 – conference registration, hotel, meals, etc.
Sponsorship of charitable events	$5000 – foundation annual event $2000 – golf tournaments $2000 – general requests
Total costs	**$35,150-$37,600**

In the above example, the cost of the marketing comes in at $35,100 to $37,600. Let's assume you had a budget of $20,000 for marketing. Here's how you could adjust the above:

Marketing	**Cost**	**Adjustments**
Tradeshow booth, logoed table cloth, promotional items	Booth - $8500, Tablecloth - $400, Promo Items - $2500	3 banners instead of booth - $2000 Draw instead of promo items - $500
Radio advertising	200 x 30 second spots - $3500 500 x 30 second spots - $5500	200 x 30 second spots - $3500 Ask to spread over 12 months
Brochures	1000 - $750 2000 - $1200	2000 one-page flyers - $750
Social media advertising	$5,500 to hire social media person to place ads ($2500 in ads and $3000 for her to do the work)	Hire social media person to do posts, no ads for 6 months - $3000
Conference	$5000 – conference registration, hotel, meals, etc.	No change - $5,000
Sponsorship of charitable events	$5000 – foundation annual event $2000 – golf tournaments $2000 – general requests	$5000 – foundation $2000 – golf + general requests
Total costs	$35,150-$37,600	**$19,950**

Notes About the Adjustments

Here are some notes about the adjustments made in the above example:

- Three individual banners can cover the same space as an 8-foot tradeshow booth. The banners can also be used individually, which lends to additional marketing uses (i.e. charitable event signage).
- With a free draw, you can offer a higher-priced item that people would be more excited to win.
- You can always ask for more things with the media. You may not get them, but it's worth asking.
- A one-page flyer is easily made into a PDF that's available by email, on your website and shared on social media. A brochure is harder to convert in a way that people can easily read it.
- Before investing in ads, you may want to evaluate the response you get when someone handles regular social media posting for you. Organica (non-paid) communication can be as effective as paid advertising on many social platforms.
- Conference costs are usually non-negotiable, so this expense remained the same. Once you attend the event, you may find ways to maximize your spend or reduce your costs.
- Choosing charitable donations and sponsorships that provide good marketing value is a smart decision. You can always leave room for causes, and you can always evaluate where you feel your contribution is most appreciated. The cause soliciting your support does not know your budget and you can always ask them to reach out the following year.

Marketing as an Expense

Marketing is an expense you can claim against your business income (a write-off). You still have to be able to pay the bill but talk to your accountant or bookkeeper about how to maximize your marketing costs. Some other costs may not be claimable at as high a level as marketing and it can help you make better decisions that keep more money in your business.

Setting a Number

The amount of money you choose to allocate to marketing is up to you. One way to help you make that decision is to evaluate whether the marketing option will reach the type of person who is your best customer. If it doesn't, you can more easily pass on that option. Getting in front of your best customer is more important.