

Marketing vs. Accounting

Once a new campaign gets rolling, a more controlled investment is needed

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This is a stand in favor of competitive environment-based marketing versus finance-based marketing controlled by the bean counters.

Attitudes regarding budgets vary greatly. Some believe in creative financing, such as having the agency invest in their company. “We expect all this work done upfront, but the budget remains flat for the first six months.” They think the agency is so lucky having them as a client that it’ll work for less just to keep them.

Often the problem isn’t lack of investment. The budget may be adequate, provided greater resources are committed early. Military leaders learn that initially committing maximum force is often essential to victory. Marketing is economic war. Significant momentum toward gaining share of mind, even with social media, can’t be easily created for a few thousand dollars in most national and international b-to-b markets.

Spending levels in a campaign’s early stages must be adequate to fuel preparation and the launch. Creating marketing momentum takes maximum push. Once a campaign is rolling, a lower but more controlled investment is needed.

Another poorly understood flat budgeting pitfall is lowered agency morale. Executing an underbudgeted plan and keeping the client satisfied means agencies or contractors must either accept failure and quit the client or invest in the program by overservicing and giving away too much value for too little reward. Think about how well that works.



Budget your marketing program to match the work that needs to be done when it needs to be done. Later, when your program reaches a steady state, a flat budget may be workable. If you’re starting from scratch with a new brand or planning a push for a new product or service, especially in a new market against entrenched competitors, then front-loading the budget is essential. Don’t let an accounting mentality hamstring your campaign before it begins.

It’s understood that new companies live or die on cash flow. However, some things run contrary in business, and this is one of them. Conserving cash is necessary, but investing in customer demand drives sales and brings in cash. Marketing is about investment, not accounting.

In short, flat-budget marketing doesn’t win the game. Or as a wise client CEO of mine once said, “You don’t win any marketing wars by saving money.”



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