

**Establish a Cost Effective
Marketing Budget**

and

**Track Your Return on Marketing
Investment (ROMI)**

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“Luck Favors the Well-Prepared”

- Dr Louis Pasteur

Planning:

- Mission Statement
- Business Plan
 - Marketing Plan
 - Sales Plan
 - Marketing Budget
- Exit Strategy

Marketing Plan & Budget

- Part of and supports Business Plan
- Marketing may/may not have stand-alone budget
- What is an appropriate dollar amount spend on marketing?
- Where and how should marketing \$ be spent?

Marketing Budget Survey

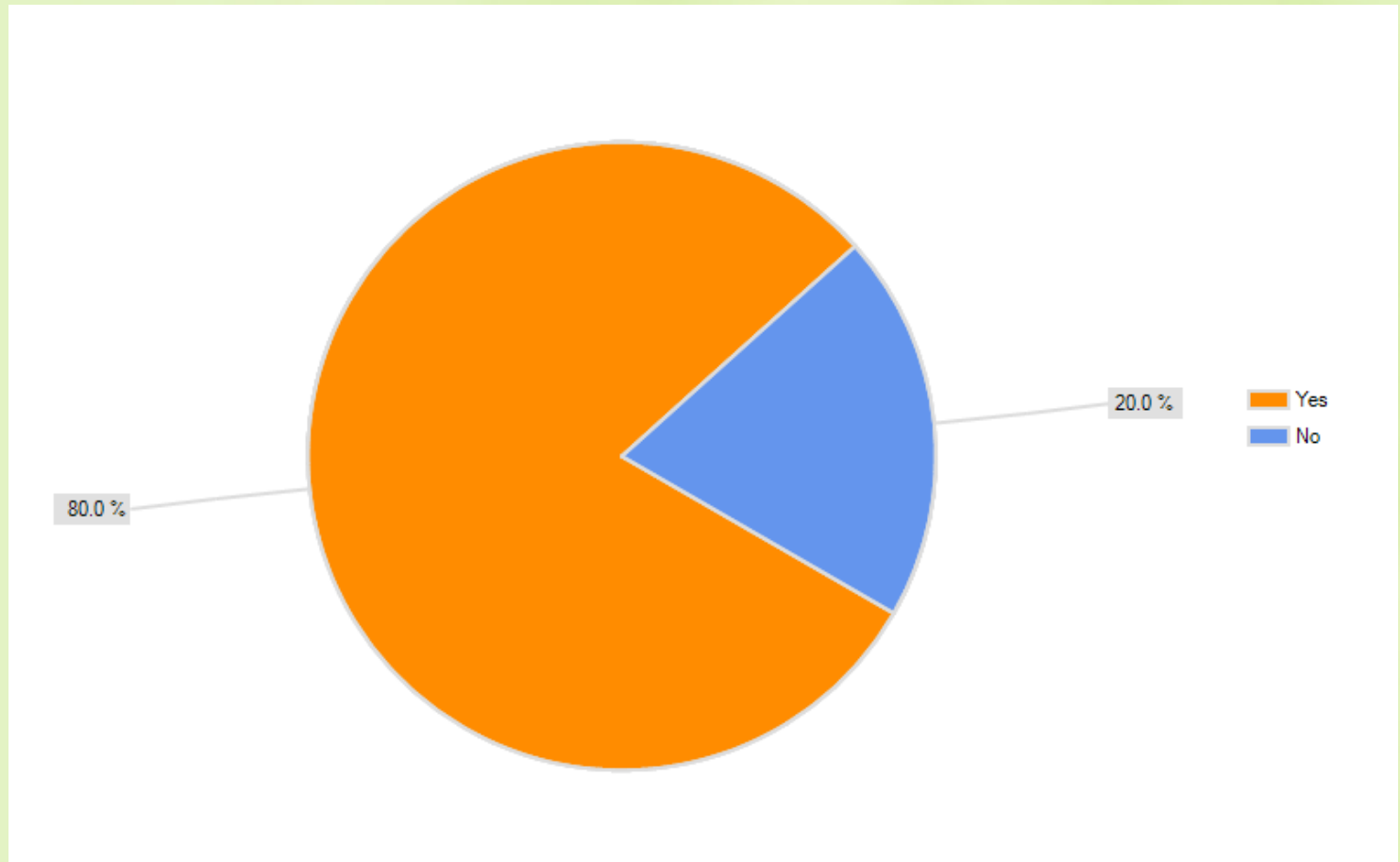
This is a “blind” survey - meaning the identity of the participants are neither requested nor will they be known to CycleLogic, the author of the survey.

This survey is being conducted in an effort to determine and benchmark industry-specific spending levels for the marketing and sales of compost and compost based products.

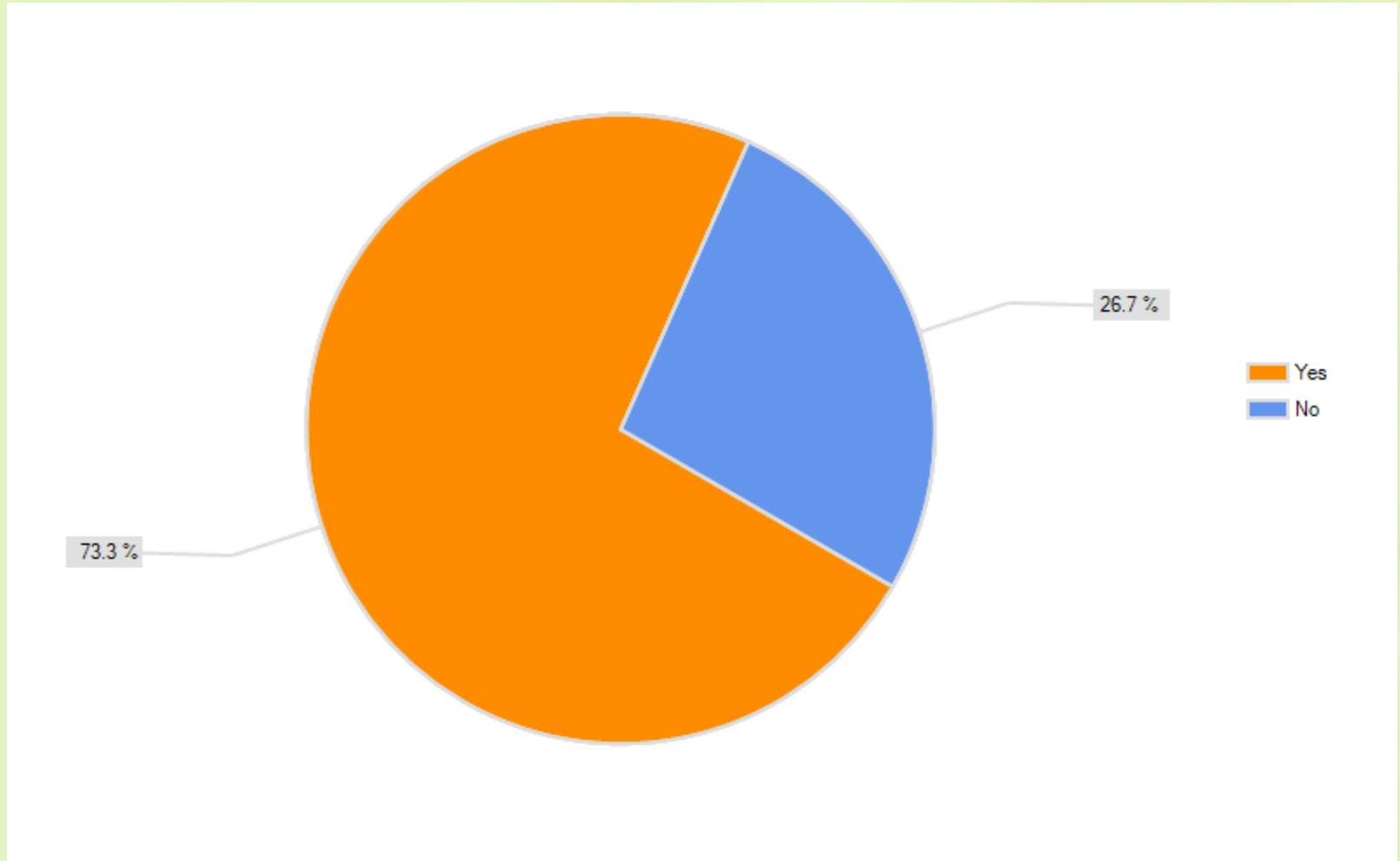
The survey also investigates basic marketing trends, advertising placement and practices for the promotion and sales of compost and compost based products. For purposes of this survey, no distinction is being made between the terms "Marketing" and "Sales".

Thank you for participating in this survey - and for helping us serve you better.

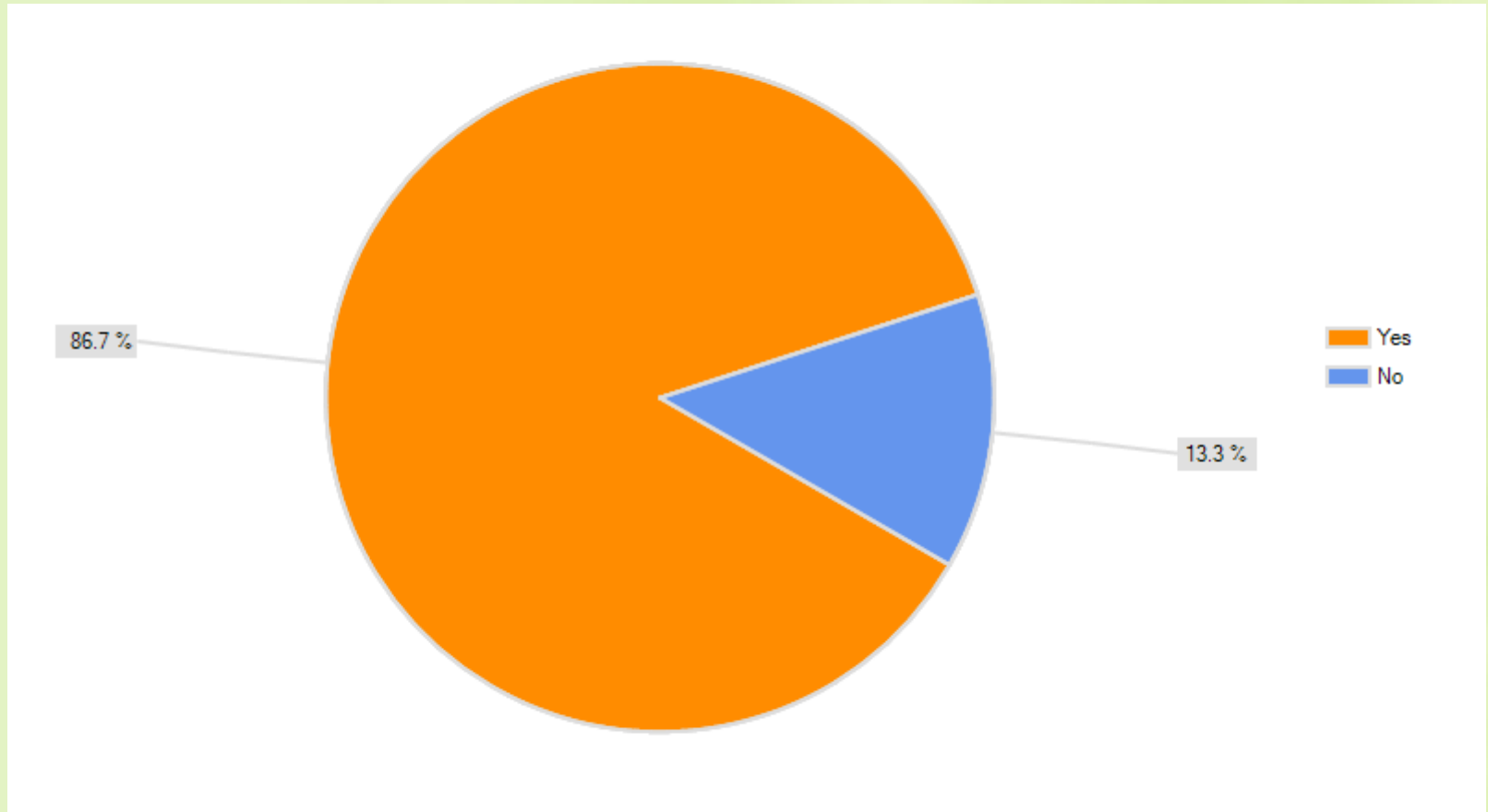
Companies Having a Business Plan



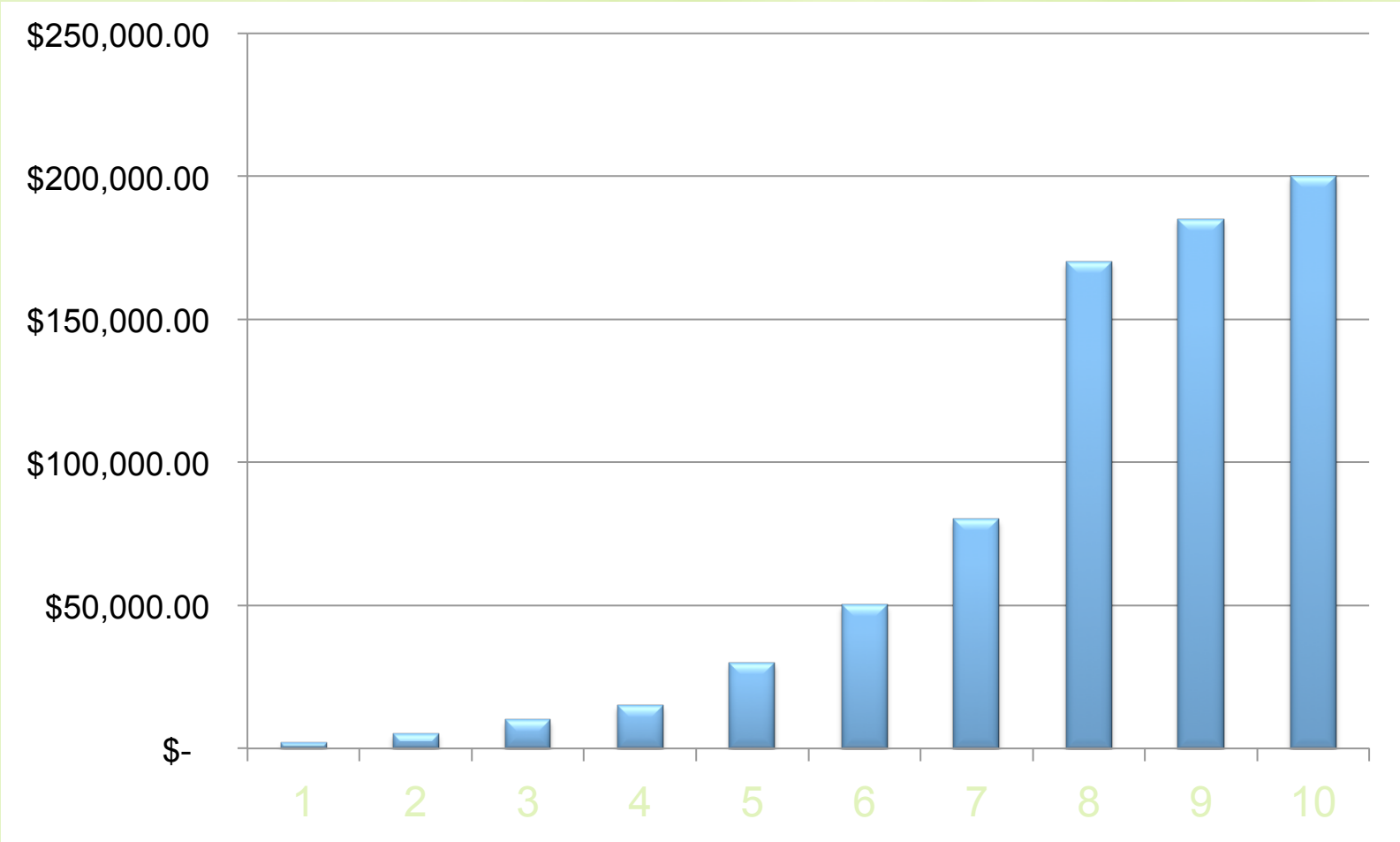
Have Formal Marketing Plan



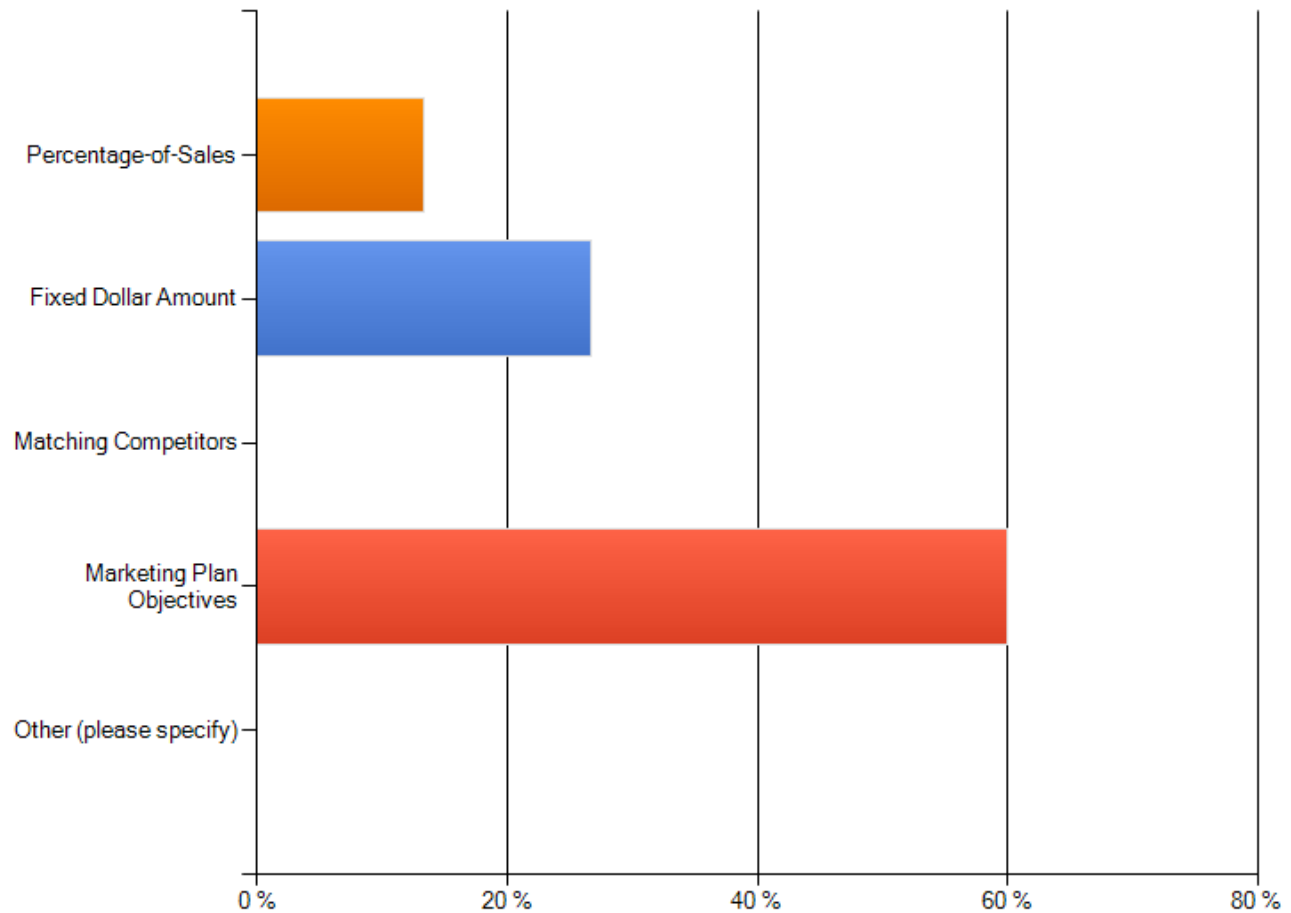
Stand-alone Sales/Marketing Budget



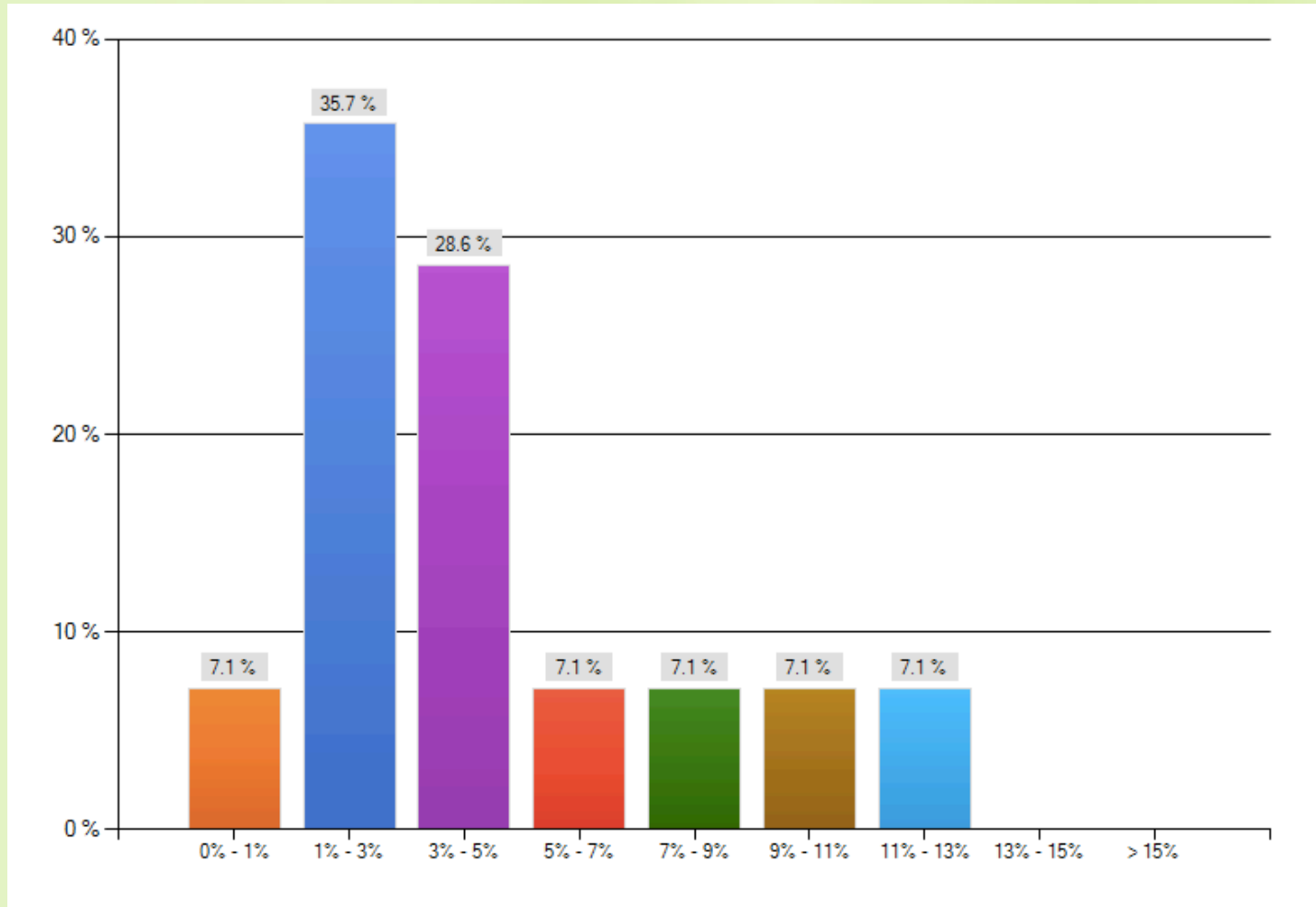
Total Marketing Budget



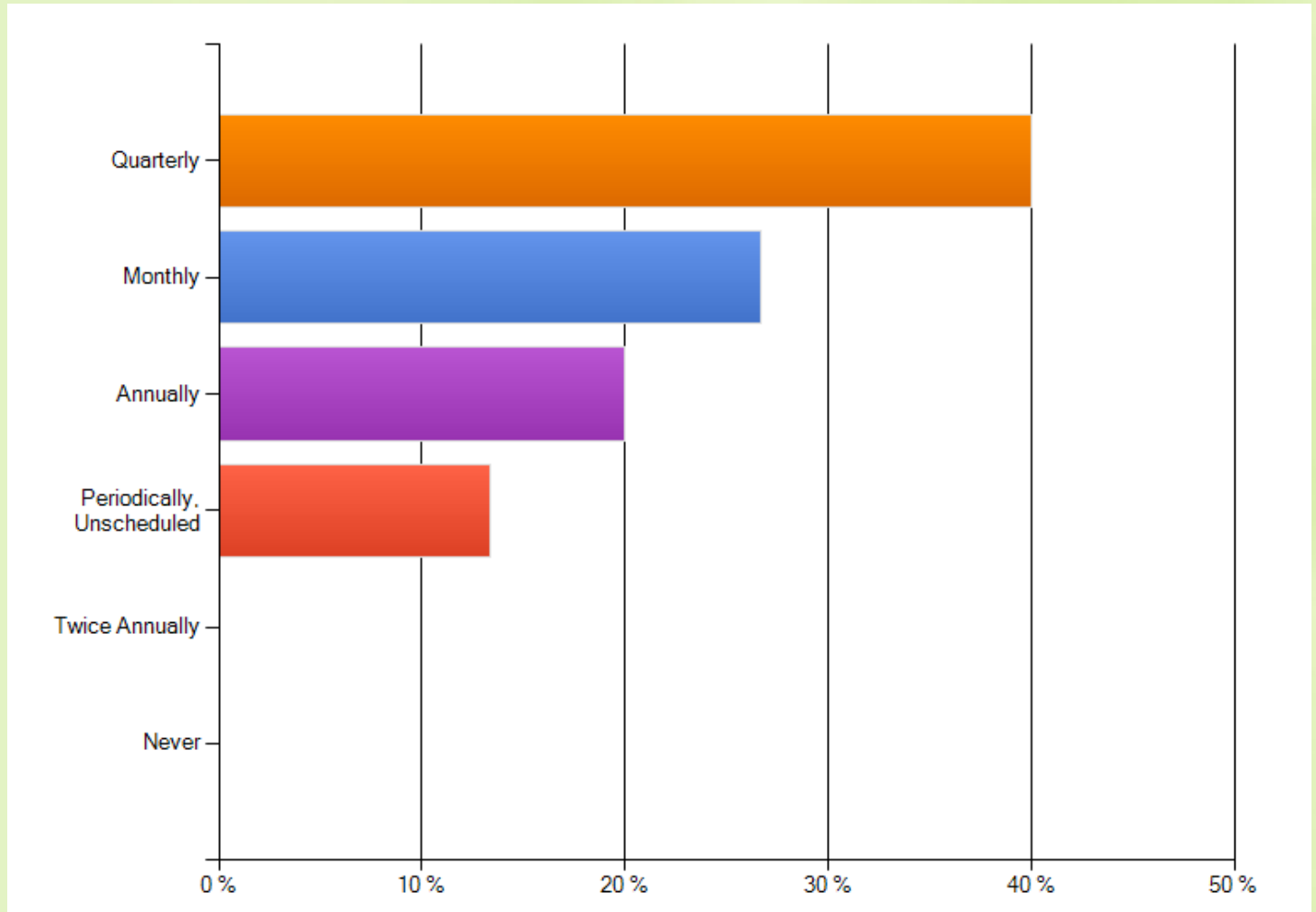
The basis for Your Budget



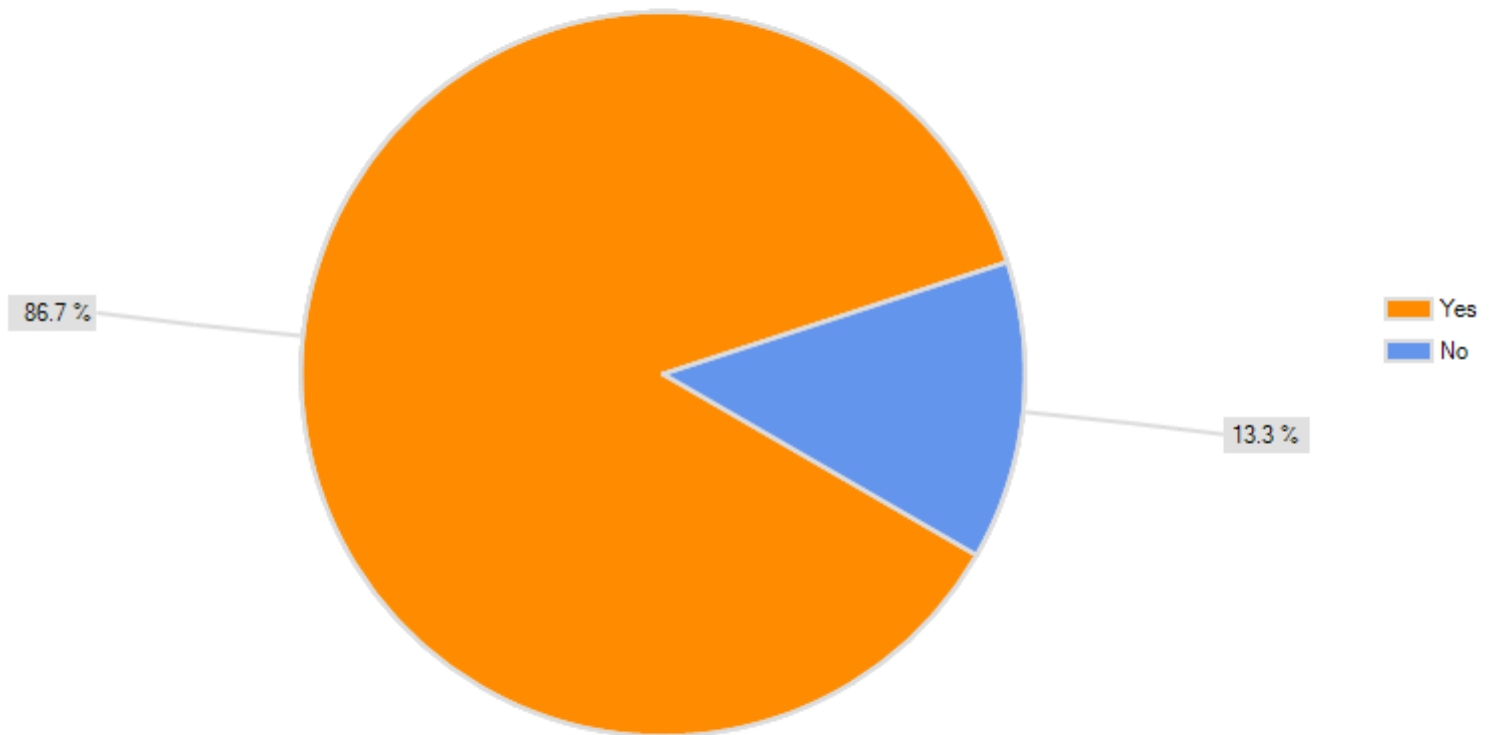
Total Marketing Budget as a % of Gross Sales



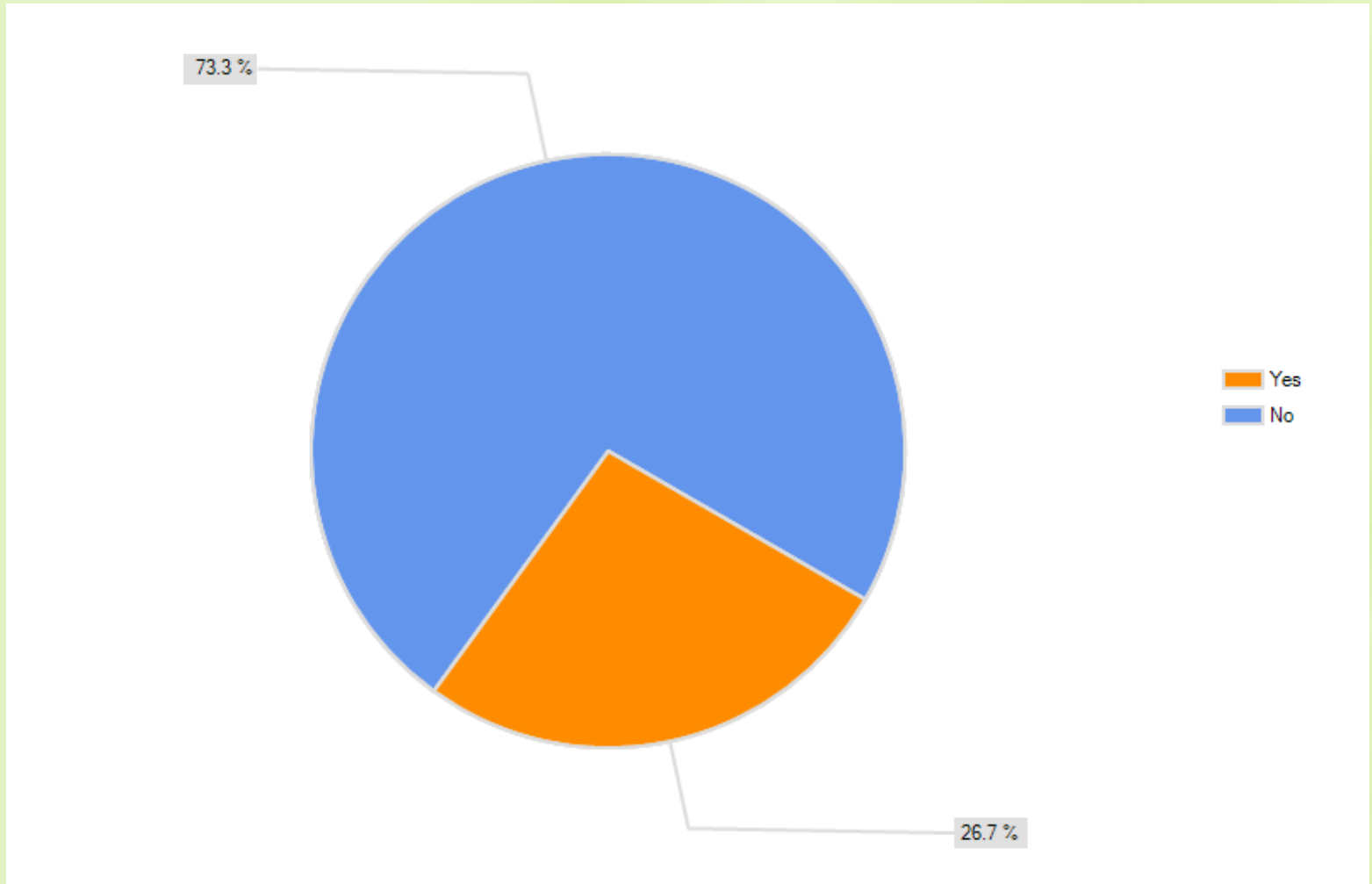
Frequency of Marketing Budget Review



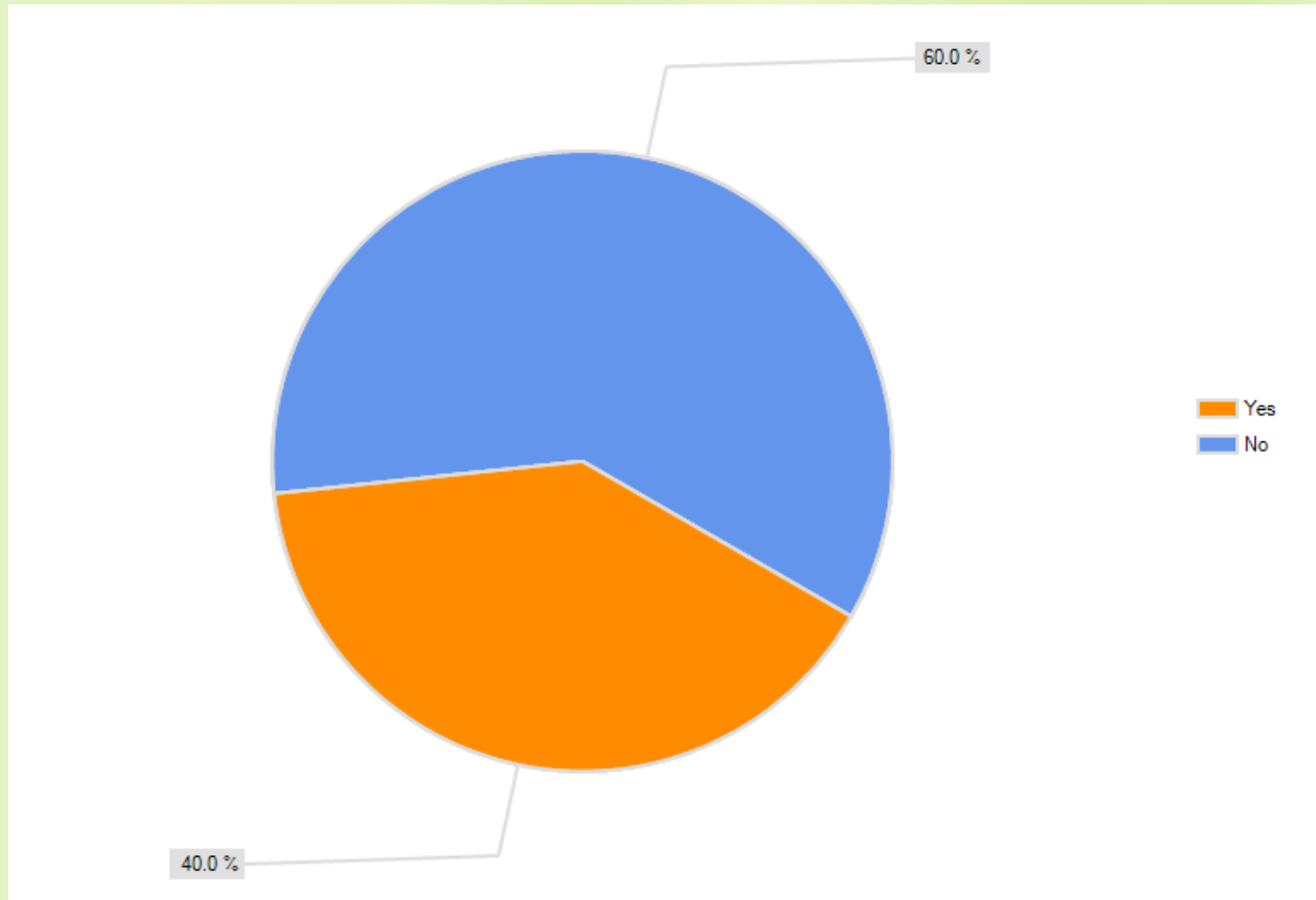
Stand-alone Sales/Marketing Staff



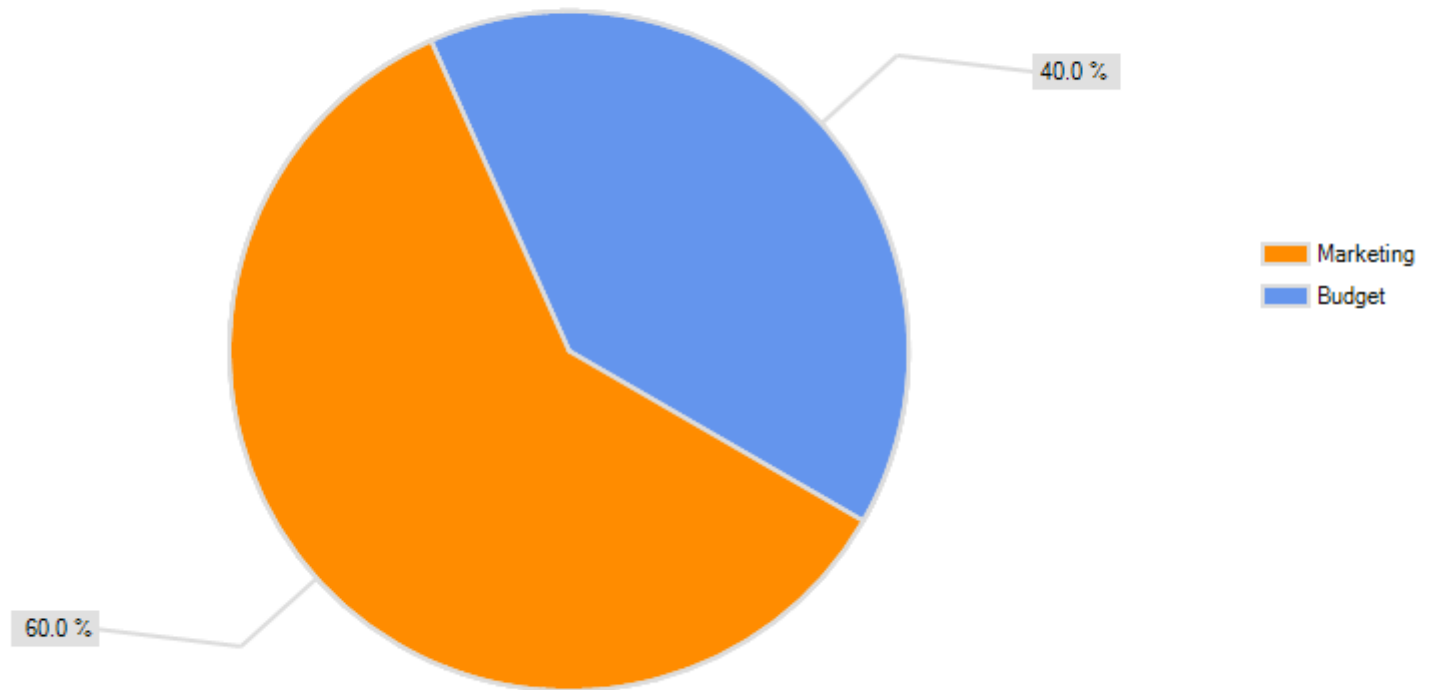
Use of Outside Entity for Product Sales



Use outside entity to market or promote company or products?



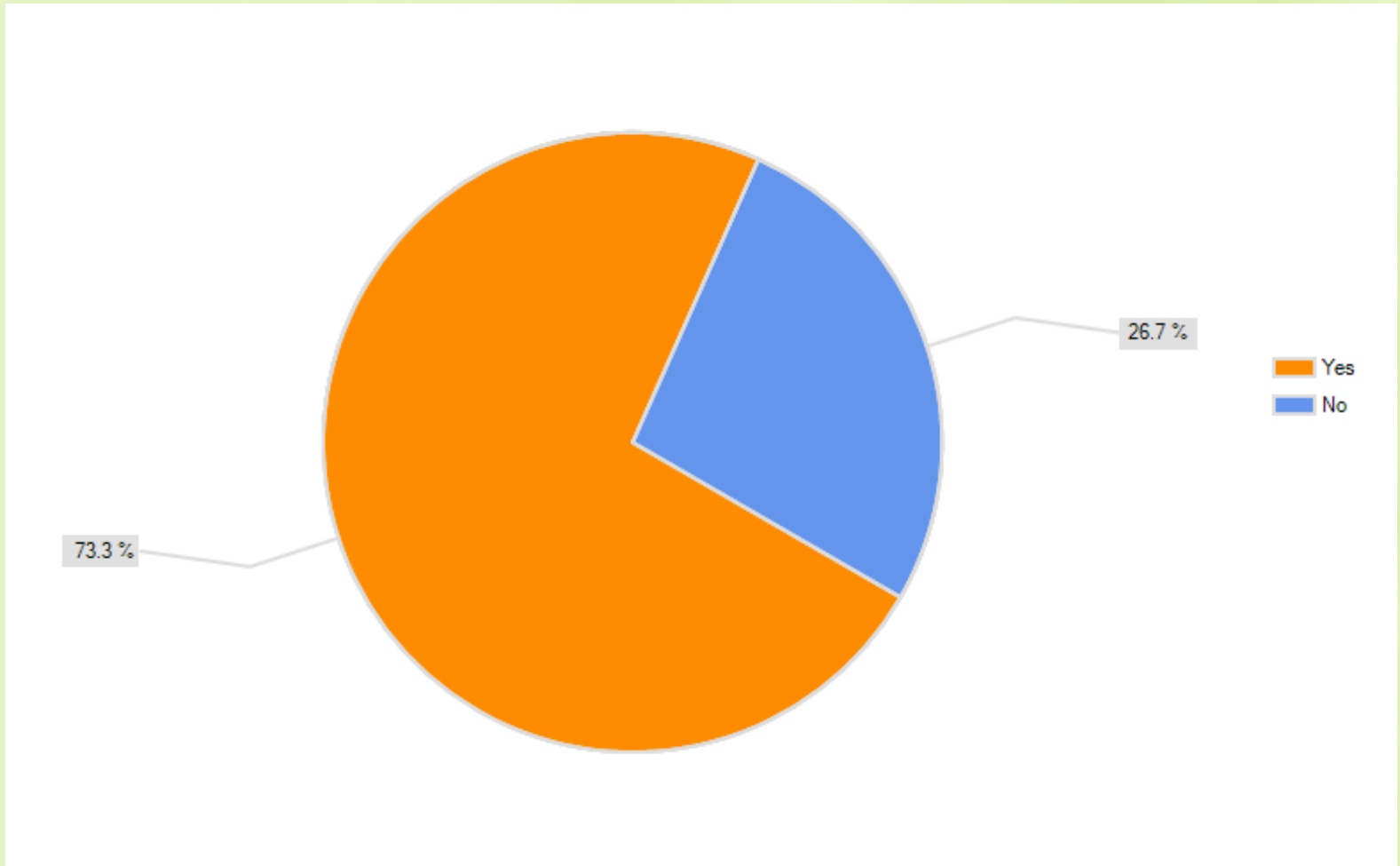
Outside Fees, Commissions, etc. Included in Marketing Budget?



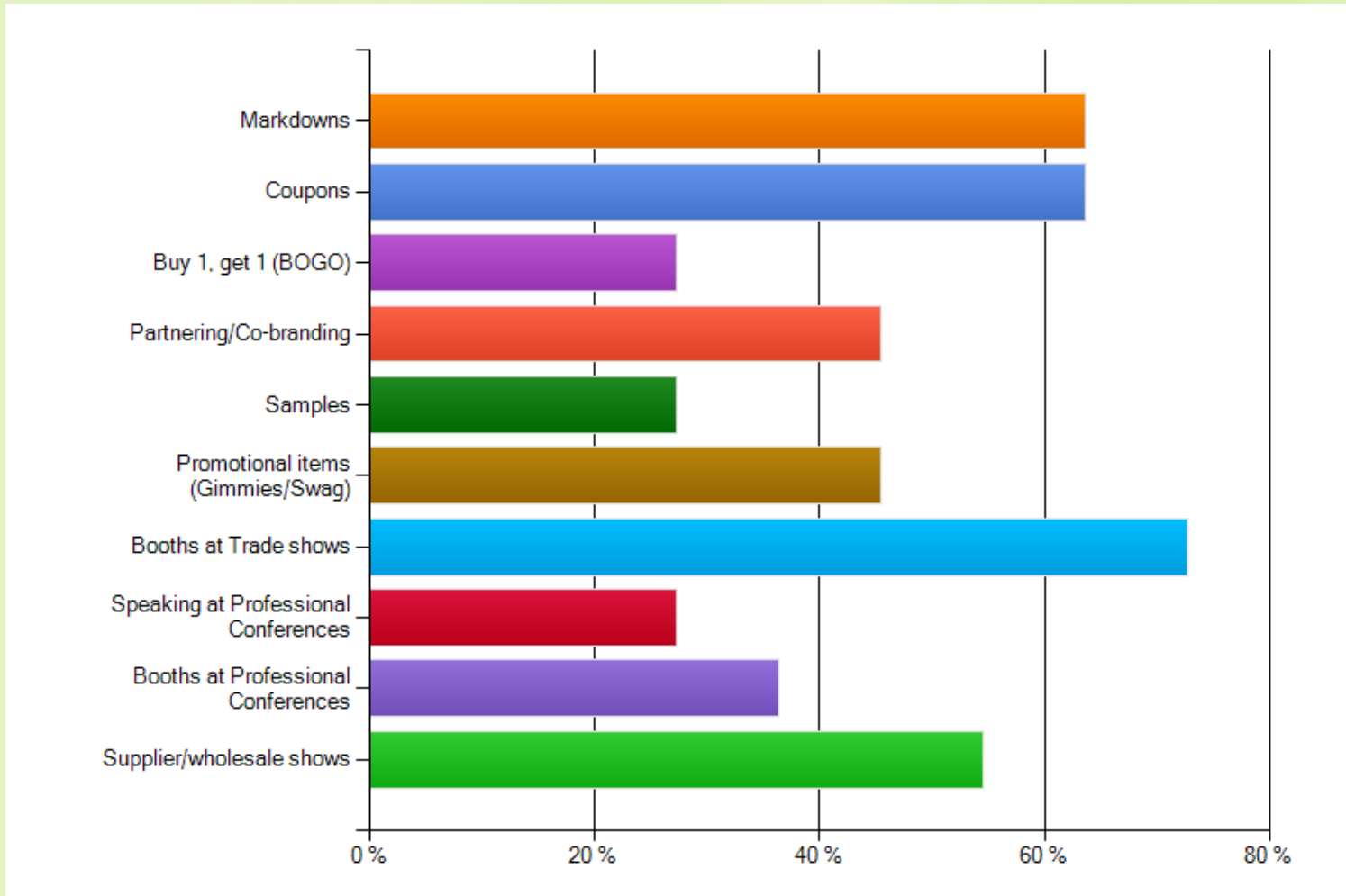
Product Promotion

- Many different media types to promote a product
 - Print, broadcast, direct (telephone, fax, etc.), Digital (email, texting, newsletters, social media, websites, pop-ups, banner ads, etc.), special events, endorsements
- Often, incentives used to increase product sales
 - discounts, free items, contests

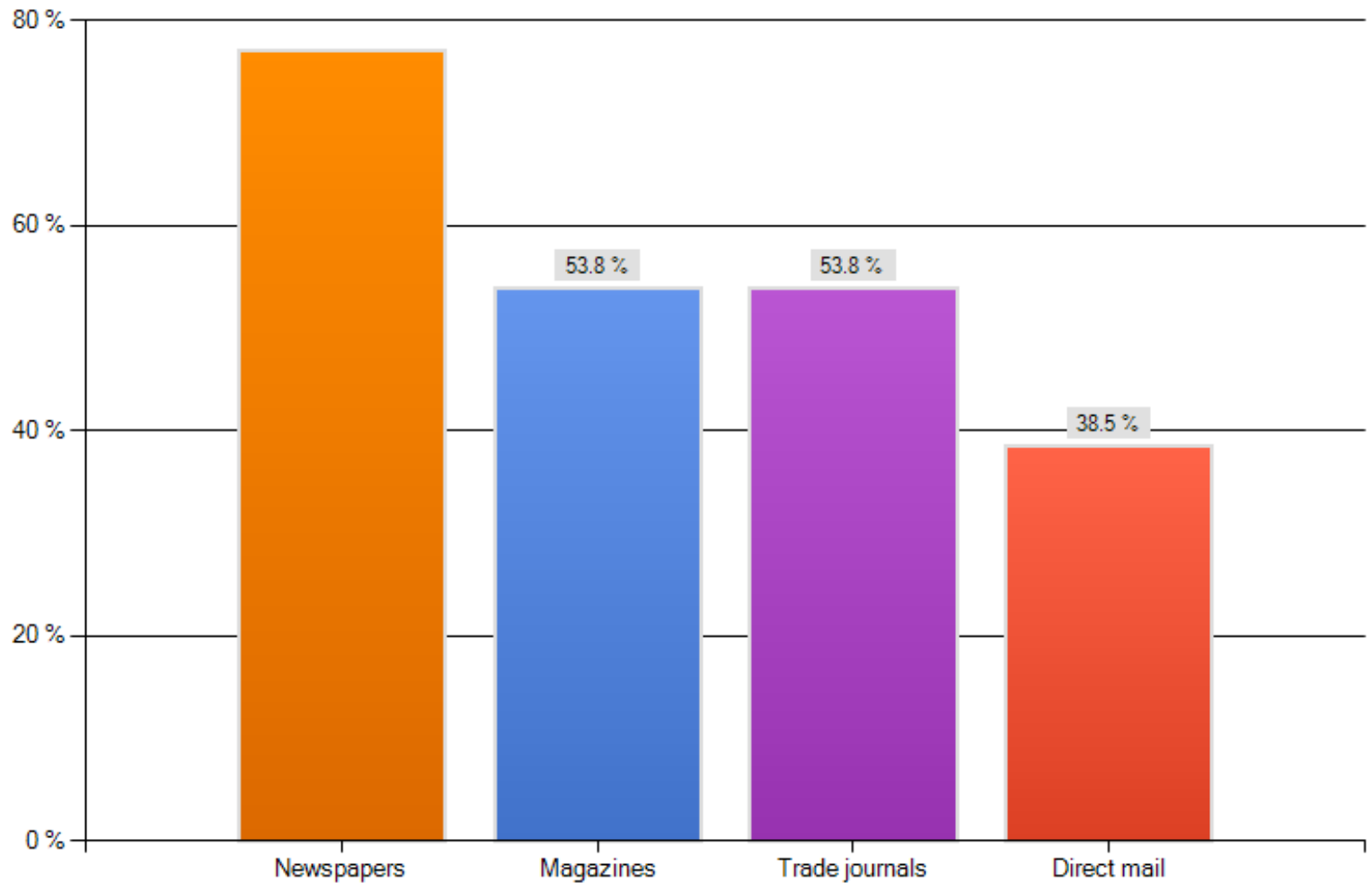
Company Engage in Promotional Offers?



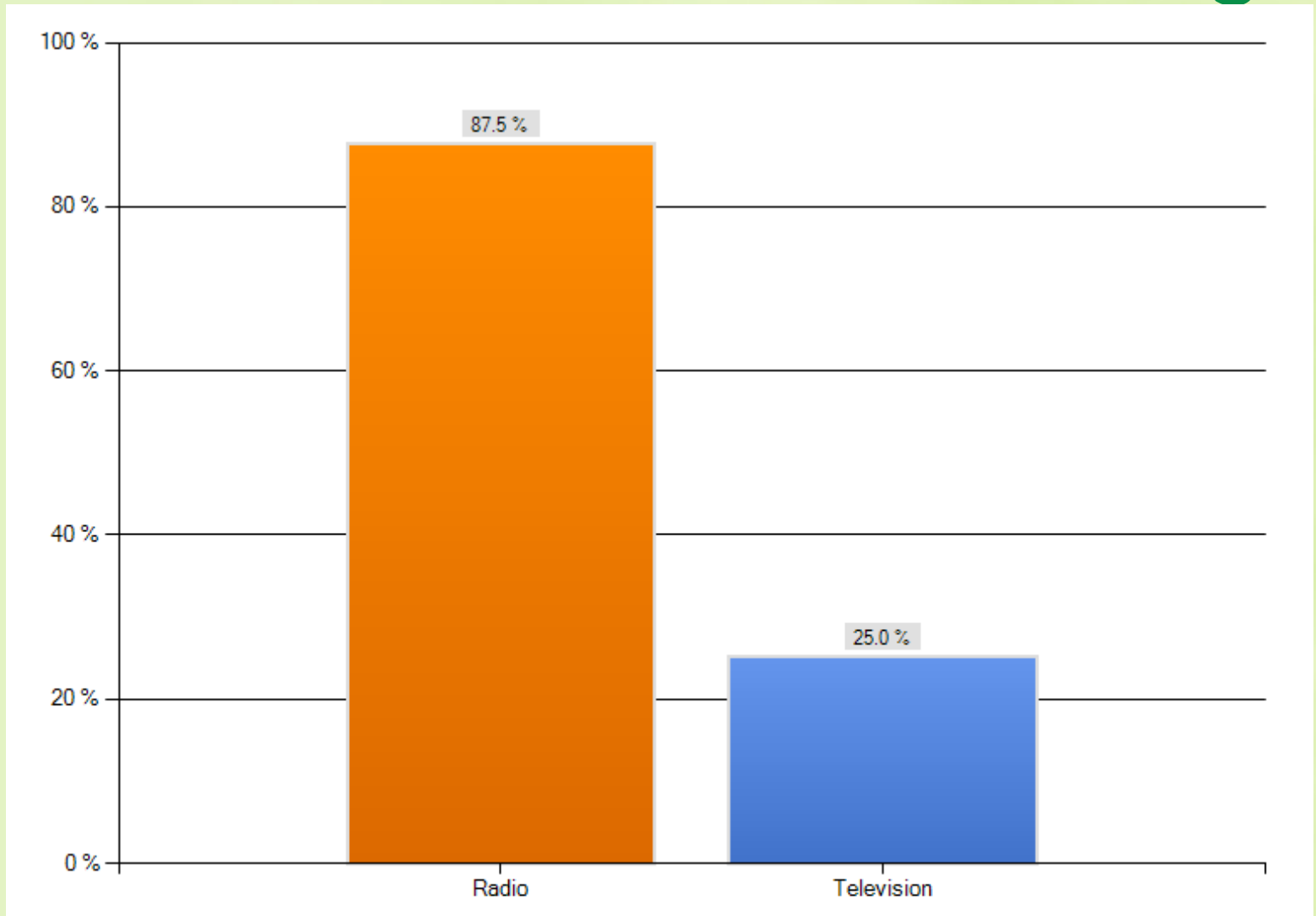
Types of Promotions



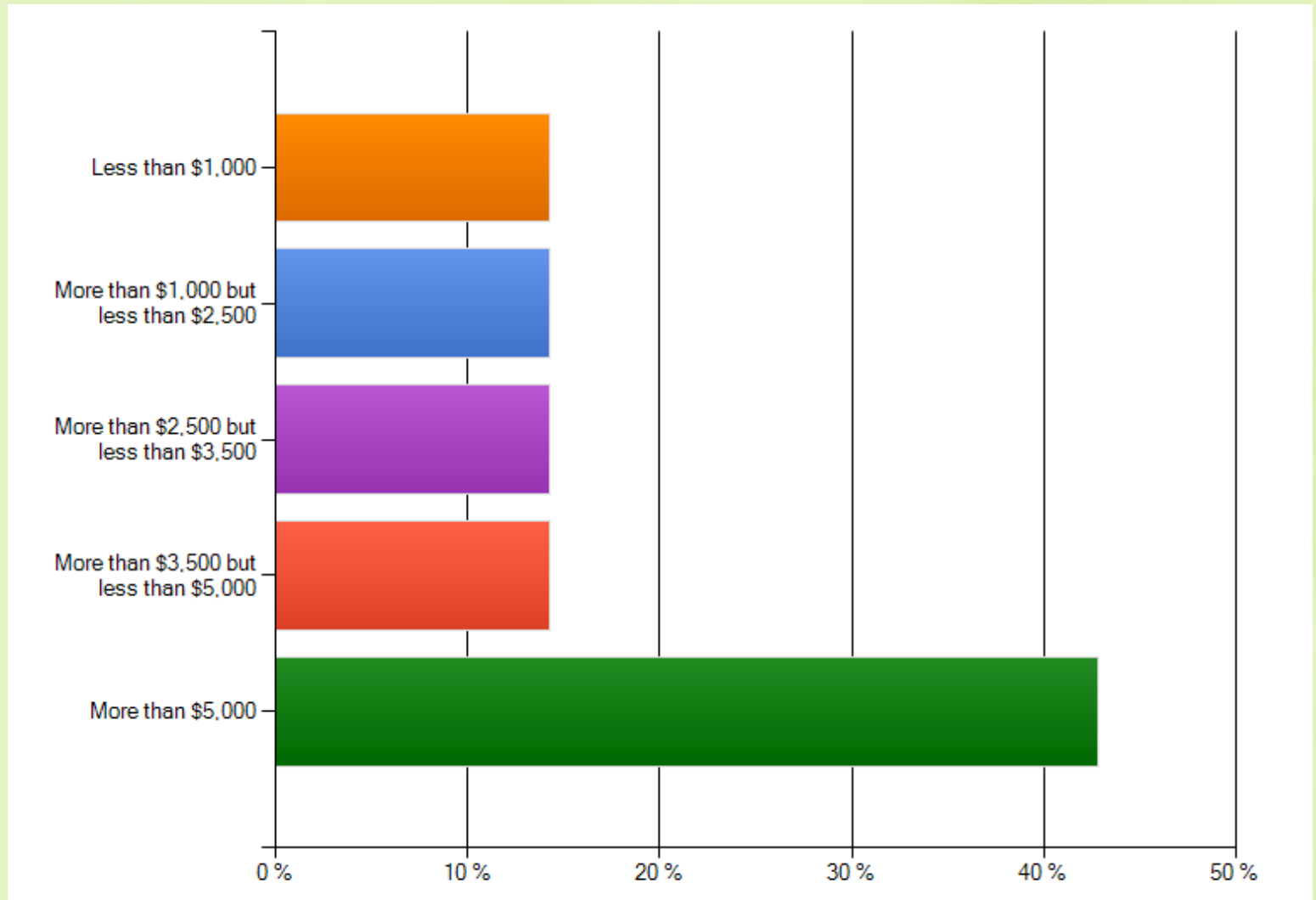
Print Advertising



Forms of Broadcast Advertising



Website Development Costs



Return on Marketing Investment

- The revenue improvement attributable to marketing (less marketing spending), divided by the marketing 'invested' or risked.

$$\text{ROMI} = \frac{\text{Improvement} - \text{cost}}{\text{cost}}$$

- Typically, marketing spending is considered justified if the ROMI is positive.
- Short-term result measures often criticized - only includes direct impact of campaign without including long-term brand building value the market.

ROMI Metrics

- Unique Campaign Codes
- Telephone Numbers
- Text message responses
- Email Addresses (unique)
- Website Landing Pages (unique URLs)
- Mail-in Response Cards
- Response Forms (unique forms)
- Social Media Interactions (number of comments, likes, shares, connections, follows)
- Coupons/Certificates/ Rebates (presented at point of purchase)
- Market Insight Surveys (administered before and after brand building campaign)

Questions?

