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principles for a marketing budget

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1 Set clear marketing budget goals

Establish clear marketing goals tied to your company's strategy, such as growth, efficiency, or innovation.

Define specific, measurable objectives like attracting customers or launching products.

Use 2-3 key metrics covering brand, customer, and financial outcomes.

2 Segment the market

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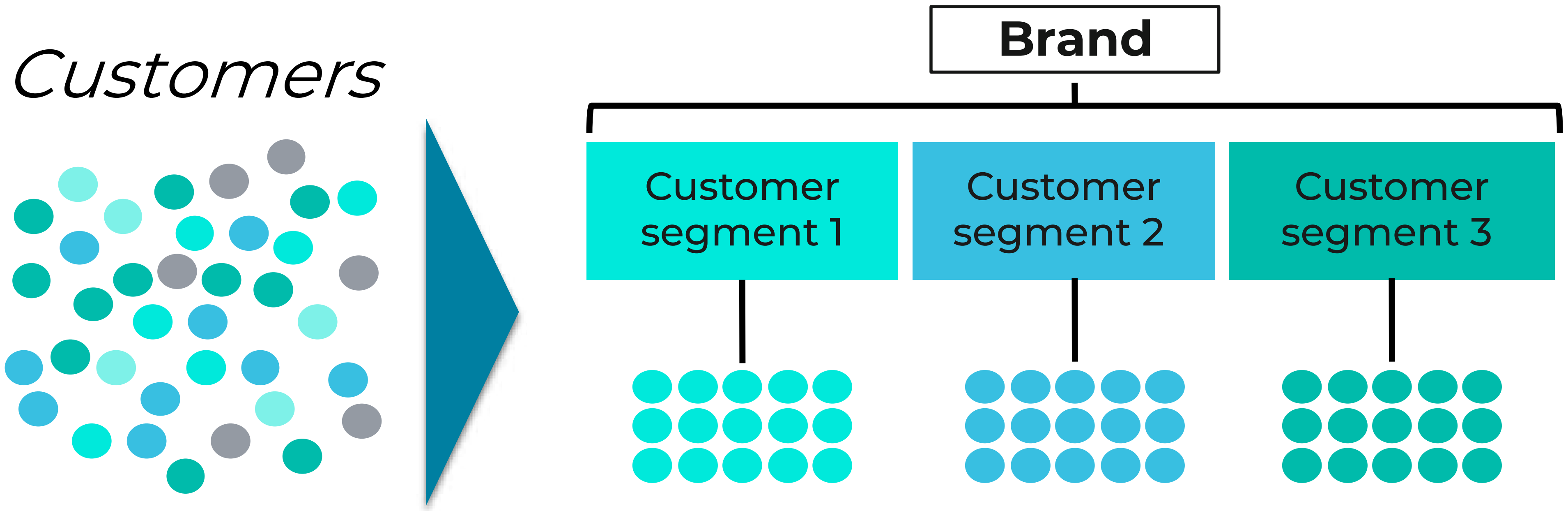
Tailor marketing investments to a specific audience rather than trying to reach the entire market.

Use market segmentation techniques, powered by data and AI, to identify distinct groups based on shared characteristics.

Focus on a few key segments to create relevant content and maximize budget effectiveness.



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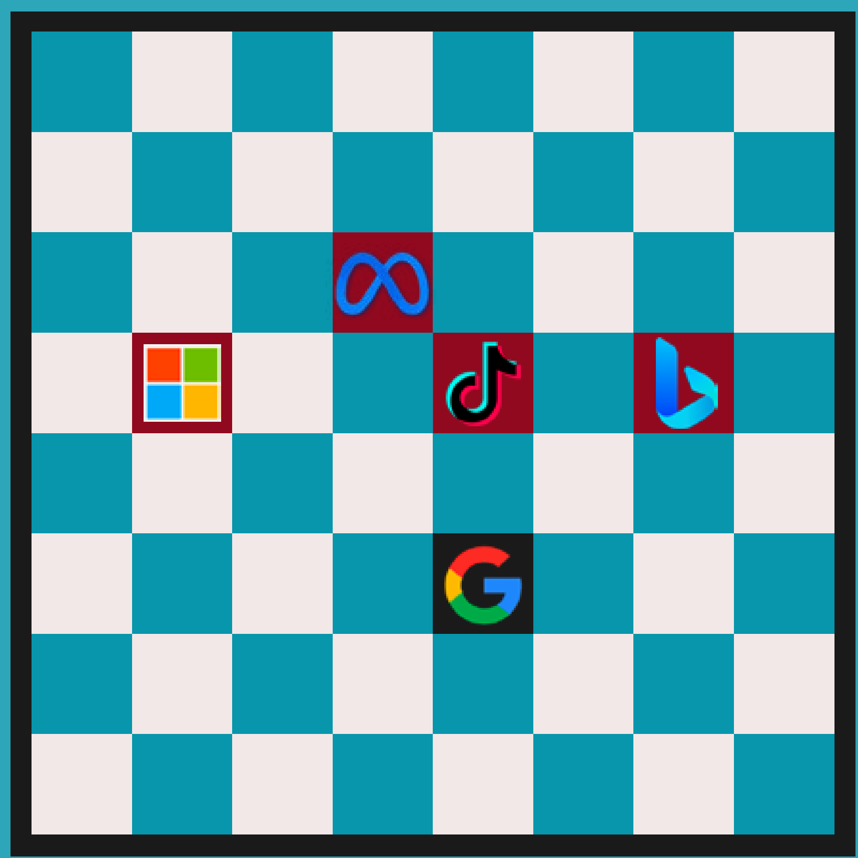
3 Consider the competitive context

Align marketing budgets with both company strategy and the competitive landscape.

Analyze competitors’ spending, channels, and messaging to identify gaps, optimize spend, and spot potential threats.

Consider both direct and indirect competitors to shape effective marketing strategies.



4 Invest for the future, not the present

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Allocate marketing investments to future growth, not just to current successful units.

Shift focus towards emerging opportunities and use data-driven, transparent methods to distribute funds.

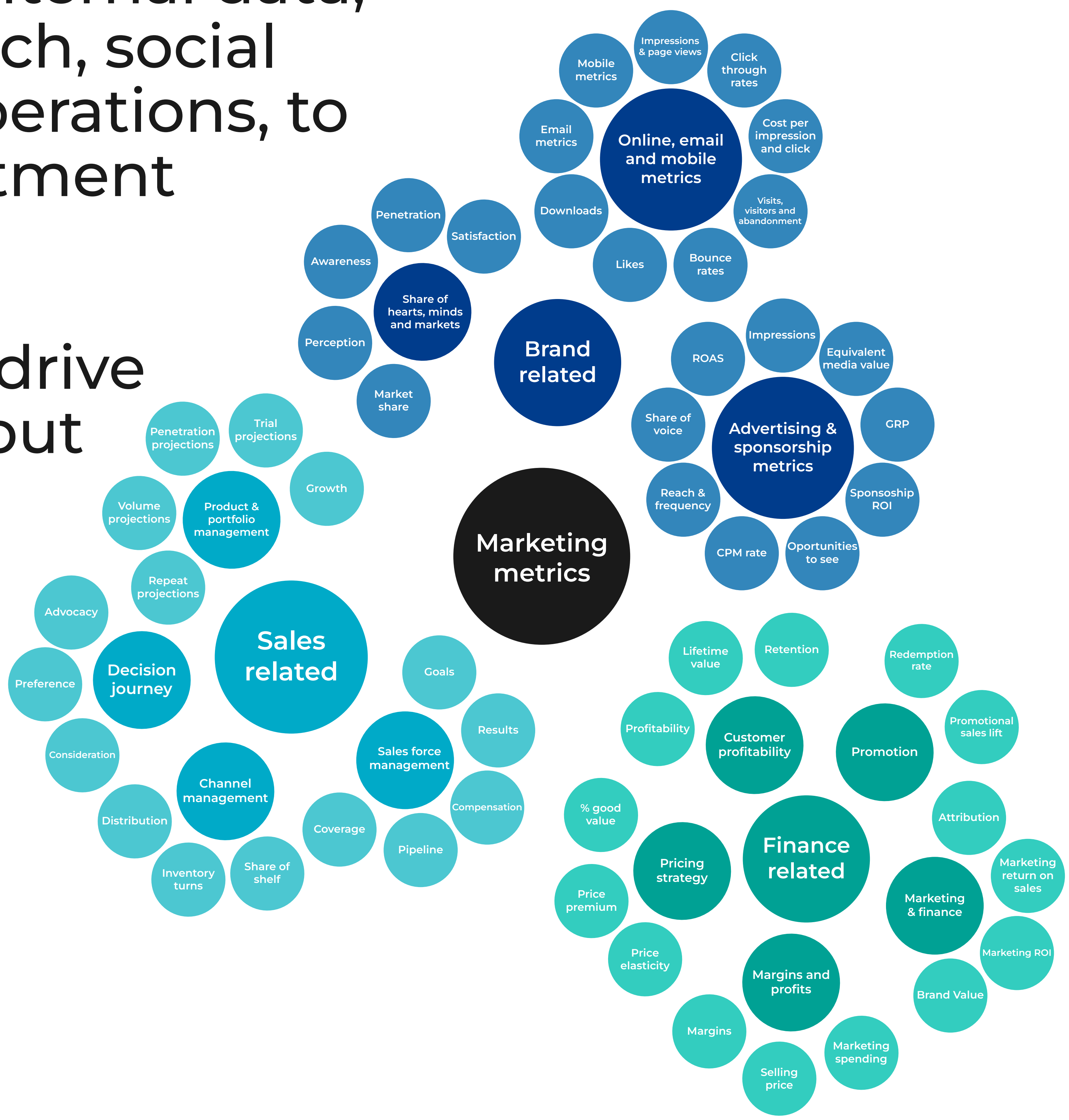
Prioritize long-term business goals over maintaining the status quo.

5 Use data to drive investment decisions

Use both external and internal data, including market research, social media, and company operations, to inform marketing investment decisions.

Data should be used to drive not only budget levels, but also allocations and content.

Tie the analysis to revenues and profits to ensure investments are supported by the organization.



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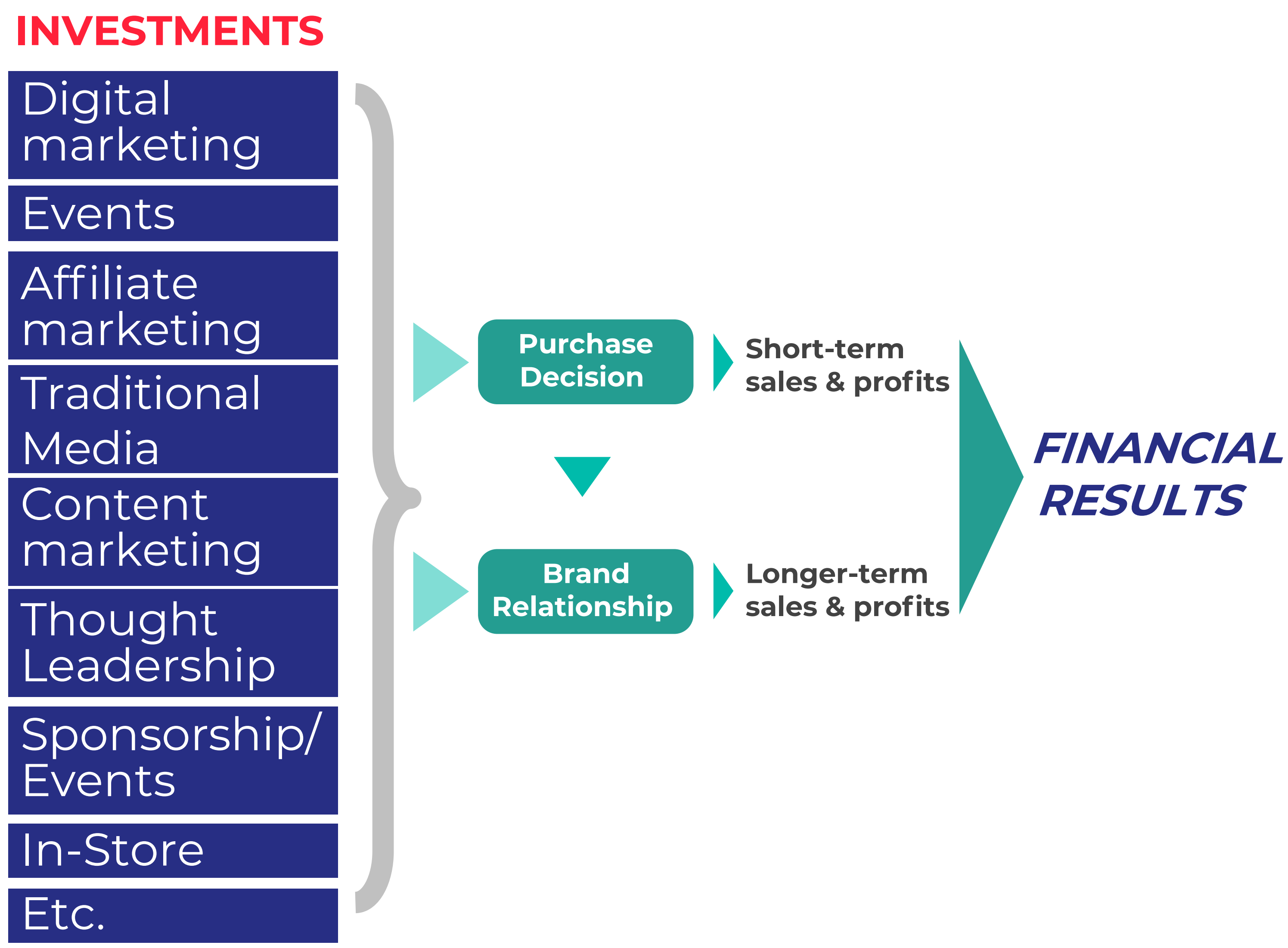
6 Invest in building your brand

Avoid dividing performance and brand marketing; both drive value, with brand contributing up to 60% of long-term impact.

Invest in brand building across all activities, as it significantly influences customer decisions, even for immediate actions.



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7 Leverage other brands

Leverage other brands—within or outside your company—to boost the power of your marketing.

Use corporate branding or partnerships to enhance equity, share budgets, and reach new audiences, making investments more efficient and impactful.

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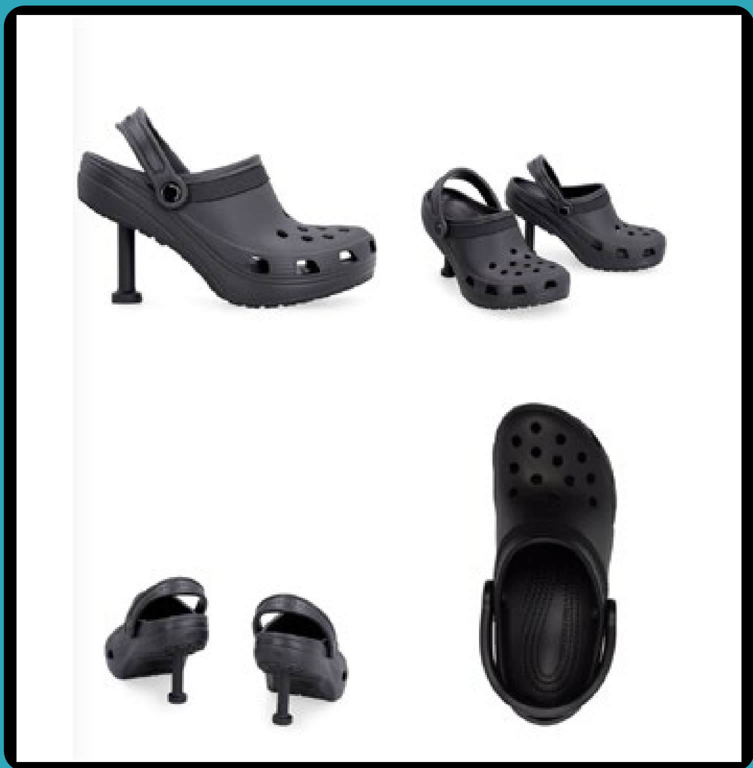

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8 Quality, not quantity

Focus on the quality of marketing investments, not just the quantity.

Identify the right channels but also pay attention to creativity of the content, balancing originality with effectiveness.

Emotional, purposeful and memorable content improves brand perceptions, engages customers, and increases revenues.

9 Don’t limit spend to one year

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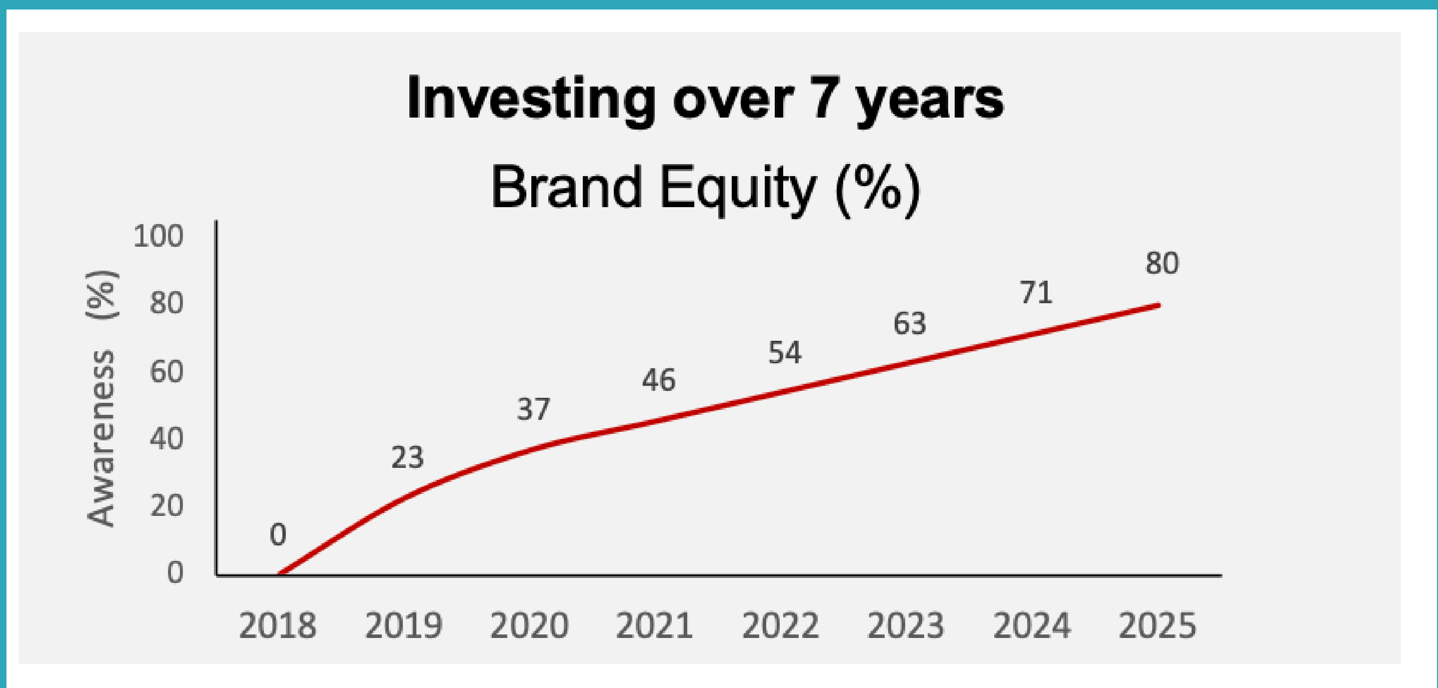
Commit to multi-year marketing investments to build lasting brand equity.

Focus on awareness in the first year and expand to brand preference, wider audiences, and geographic reach in subsequent years, especially during economic downturns to maximize long term success.



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Measure financial results

Communicate marketing results in terms of revenue, profit, and shareholder value to gain support for future budgets.

Marketers must show how their activities directly impact financial success to earn recognition from CEOs, CFOs, and Boards.