



T H E G U I D E T O

WINNING MARKETING BUDGET APPROVAL

Fleet Management Weekly's
BRAND ACCELERATION



Here's What You Need

Gartner Group Consulting, a provider of research and consulting services for businesses in the IT sector, estimates that businesses spend about 10% of their revenue on marketing. Use this estimate to compare your expenses, even if your experiences vary. Use your money for its intended purpose. Get the best possible return.

You can use this guide to calculate the total marketing budget you need to implement an effective plan. Conversely, you can use this to identify what actions to take with the money that you have.

SAMPLE



MARKETING BUDGET Worksheet

Marketing Tactic	Date Implemented	Proposed Budget	Date Agreed	Approved Budget	Date Agreed	Actual Expense	Date (as of)
Email-Surveys	9/15/23	\$ 900.00	9/22/23	\$ 900.00	9/22/23	\$ 675.00	9/7/23
Email-Newsletters	4/3/23	\$ 2,200.00	4/10/23	\$ 1,200.00	4/17/23	\$ 900.00	9/7/23
Direct Mail-Postcards	4/3/23	\$ 45,000.00	4/17/23	\$ 50,000.00	4/24/23	\$ 37,499.00	9/7/23
Direct Mail-Catalog	6/5/23	\$ 12,000.00	6/12/23	\$ 12,000.00	6/12/23	\$ 12,000.00	9/7/23
Online-Paid Adv.	4/3/23	\$ 8,500.00	4/3/23	\$ 8,500.00	4/3/23	\$ 6,375.00	9/7/23
Online-Organic	1/4/23	\$ 7,500.00	1/4/23	\$ 7,500.00	1/4/23	\$ 5,625.00	9/7/23
Sponsorships	1/4/23	\$ 72,000.00	1/9/23	\$ 72,000.00	1/9/23	\$ 36,000.00	9/7/23
TOTAL		\$ 148,100.00	N/A	\$ 152,100.00	N/A	\$ 99,074.00	N/A

Sample Budget Template

Here's a simple table for building and tracking an annual marketing budget by tactic, including what is requested by marketing, what is approved by management, and what is spent as the tactics are implemented.



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TOTAL							



Foundational Data: CAC and LTV

To gain insight into your marketing ROI – the key to management approval of the marketing budget, explain how the marketing plan can be effective in terms of Customer Acquisition Cost (CAC) and Lifetime Value.

CAC is the cost of acquiring new customers and is calculated as sales and marketing expenses divided by the number of new customers. LTV is the estimated revenue a customer represents over the life of the relationship. It, too, is a critical metric for gauging the cost efficiency of acquiring and supporting a customer over time.

Together, these calculations provide insight into profitability and sustainability. They inform budget plan success moving forward.

Drilling Down

Beyond a summary of CAC and LTV calculations, experienced marketers will drill down, running these calculations for each of the types of purchases, the types of customers, or other criteria—all to paint a complete picture of synergies, opportunities, and obstacles for management.

These calculations may also uncover disturbing facts that must be addressed. For example, the results may show that the costs to acquire a customer are higher than the customer's lifetime value, requiring a re-evaluation of the tactics or the target audience

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Predicting the Future

Armed with the essential financial impact of the marketing plan, marketers, in collaboration with sales, can predict how these values might change over time—short-term (the coming year) and longer-term.

For example, investing in more effective automation, research, or strategy can contribute to better long-term gains. That could mean a short-term profit reduction to accommodate strategic investments, new products or services, pricing, or improved customer retention.

An Accurate Forecast Based on Trends

The basis for a sound forecast revolves around recognizing trends. By calculating LTV and CAC year over year with an evaluation of profit margins, the trends can be recognized that allow a reasonable forecast for future years that is a persuasive way to showcase an investment ROI.

Business Goal-Based Marketing

One helpful way of getting executive buy-in of the marketing budget is to reframe the plan in terms management understands – broken out by business goals. Assign marketing percentages of the overall marketing budget to each tactic based on an ROI-prioritized list of business goals that consider not only finances but effort and associated risk.



Customer Journey Budget Allocation

Allocating the budget by customer journey stage is another way of segmenting your marketing tactics that illuminates the connection between revenue generation and marketing tactics while strengthening sales support for the plan.

During the early Awareness stage, content makes sense. During the consideration stage, targeted marketing effectively promotes your solution. At the Decision stage, you might use demos, pilot programs, and unbundling services to encourage a purchase. Just remember to regularly measure the effectiveness of the tactics at each stage of the journey and work with sales to adjust as needed.

Remember, the goal is to guide consumers through each stage of the journey, from becoming aware of a problem to researching solutions to making a purchase decision.



Marketing Campaign Budget Allocation

With business goals determined and an overall budget in place, marketing can set a budget that allows the company to achieve those goals if all campaign costs are considered, researched, compared, and tested. These include competitive analyses, the sales cycle, direct and indirect business costs, potential strategies, and buyer personas, among others.

Marketing can calculate the goal-based spending through a simple formula to determine your goal-based spend: $\text{Marketing Operational Costs} + (\text{Goal Number} * \text{Goal Acquisition Costs}) = \text{Total Budget Spend}$.

Importantly, marketing must monitor the performance of each campaign, the leads generated, and the ROI. As a result, spending adjustments should be adjusted to optimize the results.



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A Unique
Combination
of Fleet
Experience
& Marketing
Prowess

FMW Brand Acceleration combines unsurpassed fleet Industry heritage with a comprehensive array of marketing services. Together, this combination ensures that companies marketing to fleet decision-makers get the best return on their marketing dollar — with greater share of mind and more sales opportunities.

Whether the marketing need is to create awareness, position a brand, launch a new product, generate leads, or support sales throughout the customer journey, the FMW Brand Acceleration team can help continuously reach fleet professionals. We'll tell your brand's value story and fill the sales pipeline now and in the future.

We can start with a simple marketing project or a comprehensive, integrated marketing plan. Simply contact **Ed Pierce** at **(484) 857-1246** or send us your information at <https://fmwbrandacceleration.com>.

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