



# Best Practices to Budget (& Spend) for Marketing

Follow these tried-and-true practices to budget your marketing dollars.

*By Andy Slipher*

**F**or anyone charged with allocating marketing dollars, it can seem like an arduous and even dicey process to decide how much to spend annually, and on what. For some, it's the autopilot response of last year's budget, plus three to five percent. For others with limited marketing dollars, it can mean the equivalent of putting all one's eggs in a single basket. These are examples of the extremes, but they're not unheard of in marketing.

But, all the same, there are effective ways to plan, allocate, and intelligently spend marketing dollars. Each involves a step away from the narrow framework of the budget, while interjecting the purpose of the marketing into the budget. Budgeting for marketing is far less complicated when you approach it with intention and priorities in mind. Here are best practices to follow:

## Think bigger

Don't limit your marketing to media in the traditional sense. Go beyond even digital and new media.

People immediately equate marketing spending to media. But what if you could reach your target without dumping lots of dollars on big media? Marketing also includes providing incentives, rewarding loyalty, creating positive experiences, enhancing service, communicating directly with the customer, and building relationships.

Get outside the confined silo of the media option. Think how you can most efficiently impact customer conversion.

Don't be afraid to be dramatic. What if time, money, and scale weren't consequential factors? Let your mind wander to big ideas, then find ways to work around your resource limits. If you need help, bring someone in from the outside

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## “Attitudes follow behavior.”

to challenge your thinking. None of this has to be expensive – just effective.

### Target

When you begin with a specific purpose and then focus on a precise target, your marketing budget will go much further. Knowing your best customers inside and out will enable you to do this. For instance, if your purpose is to get people to leave you money in their wills, you'll want to target your major donors.

You don't have to speak to the universe. Just speak to *your* universe. Focus on the essential few with the highest chance for conversion. Budget and spend your acquisition dollars toward them first. Then migrate out from there.

If your target audience is too big, you probably don't know enough about them. Look, listen, and learn in order to segment. It's well worth the time.

### Focus on behavioral change over awareness

If you're short on marketing dollars, don't even think about building awareness. If you have very limited marketing dollars to spend, awareness and good feelings about your organization aren't your biggest issues.

Instead, focus on differentiation, an emotional hook, and getting people to donate their time and money to your organization. Engage them in an emotional decision and call them to action.

No cheesy or cliché come-ons. Be dramatically and truthfully different. Attitudes follow behavior.

### Treat marketing as an investment

If you want it to yield a return, you must treat marketing as an investment. One of the biggest mistakes by marketers today is throwing around the term ROI (return on investment) in conjunction with their marketing spending, while treating it as an occasional or periodic expense. This is hypocrisy.

Remember: the “I” in ROI stands for investment. If you want long-term, sustained ROI from your marketing, treat it as you would a true investment.

### Strategy first

This is the single most valuable tool in your marketing arsenal. Thinking efficiently and with reverence to clearly defined marketing goals will distill your plans, helping you decide how much to spend and where to spend it. Speaking from experience, the practice of strategic thinking takes a

load of time and guesswork away from determining where to best spend marketing dollars.

### Zero-base your budget

With zero-based budgeting, you justify all elements in your budget based on your goals and objectives. In other words, each item is tied and measured directly to your overall strategy (rather than taking the previous year's expenses and adding or subtracting a certain percentage to the budget). Zero-based budgeting ensures you're spending money (or not) based on your stated purpose.

If you've made it as far as a strategic plan, a zero-based marketing budget should come as no surprise. Your strategic goals and marketing objectives will lead you to tactical spending. Start from scratch so that your spending matches what you're wanting to accomplish. You'll be amazed at how focused a budget it can yield. **S**

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### Be Sure You're on Target

When you consider your marketing plans, don't forget to target all your customers – both internal and external. That includes potential donors, volunteers, and employees. Take a look at articles such as these at NonprofitWorld.org:

**Ten Deadly Marketing Mistakes & How to Correct Them** (Vol. 27, No. 4)

**Internal Marketing: Key to Successful Volunteer Programs** (Vol. 22, No. 1)

**What's All the Fuss about ROI?** (Vol. 32, No. 2)

**Take a Marketing Field Trip** (Vol. 30, No. 5)

**Empower Your Employees to Be Mini-Marketers** (Vol. 25, No. 6)

**Show Off a Little: New Approach Forges Bonds** (Vol. 26, No. 4)

**How Mobile Marketing Can Work for You** (Vol. 32, No. 4)

**The New Marketing Model for Nonprofits** (Vol. 22, No. 6)

**A Better Brand = More Loyal Supporters** (Vol. 38, No. 4)

**The Nonprofit Marketing Disability – How to Overcome It** (Vol. 15, No. 3)

**Using Multi-Generational Marketing to Target Donors** (Vol. 23, No. 5)

**Three Keys to Building Relationships in Life (and with Your Donors)** (Vol. 38, No. 1)

**What Has Changed about Marketing?** (Vol. 37, No. 3)