

Budget allocation decision in marketing communication

A marketing communication budget provides a formal process for planning, tracking and measuring the impact of your expenditures on marketing communications activities such as advertising, direct marketing, online or events. The budget sets out the funding required to meet your communications objectives and provides a method of managing the expenditure over a budget year

Objective of Marketing Communication Budget :

The marketing communication budget is part of the wider marketing planning process. Your marketing strategy establishes how you will achieve your marketing objectives. Marketing communications strategy describes the techniques you will use to deliver key messages to the target audience. The objective of the marketing communication budget is to achieve the communication goals as cost effectively as possible and demonstrate a successful return on investment.

How to prepare Marketing Communication Budget :

Crafting a marketing communication budget serves as your advertising road map for the course of a year. Having a formal budget laid out lets you carefully evaluate where you are spending your advertising dollars and gives you complete control over your marketing initiatives. By having documentation that clearly outlines what you are spending, you can more easily calculate your return on investment later and identify which marketing campaigns were profitable and which were not.

1. Calculate how much your overall marketing budget will total so you can best decide how to divide it among various marketing communication actions. This number can be calculated based on a percentage of the previous year's sales or can be a set increase over the marketing budget of the previous year, depending on the financial parameters of your company.
2. Decide what types of advertising or communication channel you will do throughout the year so you can begin to calculate how you can divide the budget. Typical segments of a marketing communication budget include print, web, TV, radio and outdoor advertising, though this could vary depending on your advertising needs.
3. Review the previous year's communication budget and return on investment reports, if applicable, to gauge the costs for advertising campaigns, as well as the most lucrative and effective advertising investments you made.
4. Assign a budget to each section of your advertising / communication campaign and break it down by month or week. For example, TV advertising campaigns often work in quarterly or yearly contracts. Divide this sum by the months affected to get a monthly breakdown. A print campaign might change from week to week. Calculate what your weekly plans amount to over a month.

5. Set aside some of the marketing budget for new advertising ventures. A last-minute deal might be offered by an advertising sales representative, or you might come across an advertising opportunity you weren't aware of when calculating your yearly budget. Having a fund for new advertising opportunities can give you the freedom to take advantage of these marketing campaigns without going over budget.
6. Include a segment of the advertising / communication budget for marketing materials, such as letterhead, flier printing, T-shirts or giveaway items. Promotional items are an effective branding tool so you need to account for this area of advertising within your budget.

PROMOTION MIX

The **Promotion Mix** refers to the blend of several **promotional** tools used by the business to create, maintain and increase the demand for goods and services. ... The **Promotion Mix** is the integration of **Advertising, Personal Selling, Sales Promotion, Public Relations and Direct Marketing**

The fourth element of the 4 P's of Marketing Mix is the promotion; that focuses on creating the awareness and persuading the customers to initiate the purchase. The several tools that facilitate the promotion objective of a firm are collectively known as the Promotion Mix.

Advertising: The advertising is any paid form of non-personal presentation and promotion of goods and services by the identified sponsor in the exchange of a fee. Through advertising, the marketer tries to build a pull strategy; wherein the customer is instigated to try the product at least once. The complete information along with the attractive graphics of the product or service can be shown to the customers that grab their attention and influences the purchase decision.

OBJECTIVES OF ADVERTISING

1. To Inform Buyers:

This objective includes informing customers regarding product's availability, price, features, qualities, services, and performance. Besides, it also includes informing them about changes made in the existing product and introduction of new products. Company also highlights its location, achievements, policies, and performance through advertising.

2. To Persuade or Convince Buyers:

Company uses advertisement to persuade or convince the buyers about superior advantages offered by its product. Company communicates competitive advantages the product offers to

induce customers buy it. Comparative advertising is used to prove the additional benefits of product at a given price.

3. To Remind Buyers:

Marketer uses advertising to remind the buyers regarding existence of company, products, maintenance of quality, superior services, and chasing customer-orientation. Mostly, the existing firms aim their advertising for this objective.

Here, the purpose is to inform that the company is still in existence and serving customers in a better way. Due to huge information bombarded by a number of companies, customers are more likely to forget name of company and/or products and services it offers.

4. To Face Competition:

Advertising is treated as the most powerful weapon to fight with competitors effectively. Advertising enables the firm to respond the competitors strongly. It helps the firm to distinguish its total offerings from competitors.

In brief, the firm can face competition, can prevent the entry of competitors, or can remove competitors away from the market. In competitive marketing environment, the firm cannot survive without an effective advertisement.

5. To Achieve Sales Targets:

Increase sales volume is one of the major advertising objectives. A company can advertise its products in various media to attract customers situated in different parts of the world. National and international marketing is the result of advertising. Even, non-users can be converted into users and usage rate can be increased. Thus, company can achieve its sales objectives by advertisement.

6. To Build and Improve Brand Image:

Advertising is used for brand recognition and acceptance. A company can distinguish its brand by magnifying major benefits the product offers. Advertisement attracts customers toward the brand; they try it and accept it over time. In the same way, bad image related to brand can be changed by systematic presentation of facts and scientific evidences, and removing misunderstanding.

7. To Help or Educate People:

Advertising is not always used only for company's benefits. It is meant for helping customers to make the right choice of product. It educates people about availability of new products, its features and qualities, price, services, and other related aspects. Such information is instrumental

for purchasing suitable products. Thus, it guides customers to choose the most appropriate product.

8. To Build Company Image and Reputation:

A company opts for advertisement to build prestige and reputation in the market. Most of the companies, though they are satisfied with the volume of sales, go for advertising to acquire fame in the market. Many companies advertise its policies, activities, and achievements to make a permanent place in the mind of people.

9. To Assist Sales Force and Middlemen:

Advertising is an aid to middlemen and salesmen. Advertising also popularizes the name of dealers. Likewise, advertising provides necessary information to the buyers. Middlemen and salesmen are not required to do the same. It eases the task of sellers. In the same way, advertising encourages sales force.