



Spectrum
REACH

Advertising & Marketing 101

How to Create a
Marketing Budget

Introduction

Three Steps to Building a Small Business Marketing Budget

We're not going to sugar-coat it: creating a marketing budget can be intimidating and even frustrating.

Even if you have the vision of a Fortune 500 company, after paying employee salaries, utilities, and office supplies, you might think you don't have enough left over to advertise effectively.

We've outlined three steps to help you create an effective marketing budget. It's not about "stretching" dollars - it's about "investing" dollars more effectively so you can see the best return on your investment. We'll also introduce three business owners who represent the thousands of small clients Spectrum Reach helps every day.

Meet...



Shelly
Pastry Shop Owner



Brian
*Handyman/
Home Improvement
Provider*



The Wilsons
*Online Décor Shop
Owners*

Step One

Forget money (at least for now). What are your goals?

A common mistake is to start with your bank account. Doing so can limit your vision. Instead, begin by setting specific goals, including the outcomes you want to see. (And pay attention, because you'll need your own goals in a few pages!)

What do you want your marketing dollars to achieve? Here are a few examples:



Brand Awareness

- What image do you want to project?
- What's the first thing you want people to think when they hear your name?
- What makes you unique compared to competitors?



Drive Traffic

- By how much?
- During what time frame (month, quarter, year)?
- What will more traffic do for you?



Increase Sales

- Of which product or service?
- Online or in-store?
- How much increase?

Define specific goals that contain:▶▶▶

1

Measurable results

2

A defined time frame

3

An actual measurement for success

SCENARIO 1:

Shelly
Pastry Shop

Increase store traffic by 15% on Mondays and Tuesdays in Q1 and Q2

SCENARIO 2:

Brian
Handyman/Home Improvement

Achieve 10% market share in two years on the east side of Charlotte, NC

SCENARIO 3:

The Wilsons
Online Décor Shop

Acquire 5,000 new customers (with at least one purchase) this financial year

Step Two

What Does the Average Marketing Budget Look Like?

The U.S. Small Business Administration recommends spending 7 to 8 percent of your gross revenue for marketing and advertising if you're doing less than \$5 million a year in sales and your net profit margin (after all expenses) is in the 10 to 12 percent range.

Here's how an average advertising budget might look:



Marketing Item	Budget Allocation (Annual)	
Branding (Logos, pens, napkins, color, etc.)	\$7,200	18%
Website	\$4,000	10%
Traditional Media Advertising (TV, Radio, Print, Direct Mail, etc.)	\$18,800	47%
Digital Advertising (Search, Display, Social Media)	\$10,000	25%
Total	\$40,000	100%



The largest portion of your marketing budget should be invested in traditional media. Why?

Because it makes an impactful, emotional connection and has proven to be the most memorable and trustworthy in consumers' minds.

SCENARIO 1:

Shelly
Pastry Shop

Largest % goes to display and social because she's targeting moms on the go

SCENARIO 2:

Brian
Handyman/Home Improvement

Largest % goes to TV programming, targeting single homeowners who watch DIY or HGTV

SCENARIO 3:

The Wilsons
Online Décor Shop

Largest % goes to search and banner ads to stand out from online competition



Step Three

Putting Your Dollars Into Action

U.S. adults average 10 hours 48 minutes of media usage per day, divided amongst different mediums.

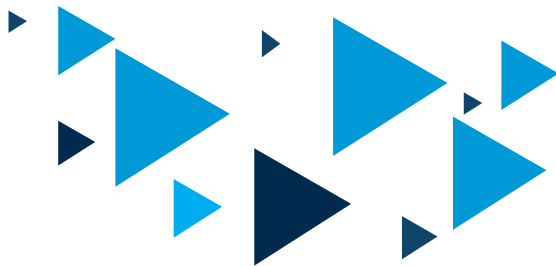


Media Usage Per Day¹

Live TV	3:55
DVR/Time-Shifted TV	0:32
AM/FM Radio	1:50
DVD/Blu-Ray Device	0:06
Game Console	0:13
Multimedia Device	0:19
Internet on PC	0:52
App/Web on Smartphone	2:27
App/Web on Tablet	0:34

Here's what that typical day looks like, according to Nielson:

Although viewers are on different screens throughout the day, we're in a "data-driven" industry that can anticipate where you'll likely find your target audience. Advanced media companies like Spectrum Reach can target your audience not just by demographics (age, gender) but also with specific viewing habits and other behaviors.



Data is a powerful source for advertisers, but privacy is equally important to viewers. Spectrum Reach's First-Party Proprietary Audience Viewing Data is fully anonymized, ensuring personal information is kept in a privacy compliant manner.

SCENARIO 1:

Shelly
Pastry Shop

40% to Television to build brand and promote catering services, 60% to Digital, includes geotargeting downtown shoppers within 1-mile radius

SCENARIO 2:

Brian
Handyman/Home Improvement

60% to Television to build brand and promote telephone number, 40% to Digital focusing on "Search," so Brian appears near the top of online search results

SCENARIO 3:

The Wilsons
Online Décor Shop

40% to Television to build brand awareness over larger competitors like Wayfair and Overstocked, 60% to Digital focusing on search and banner ads (with retargeting) to promote weekly discounts and sales

Source: (1) Nielsen Total Audience Report Q217. Base A18+ Per Day



How do I divide my budget between TV and Online advertising?

That's a great question - and a common one. However, the answer may not be what you expect.

"Impressions are impressions. Advertisers need to stop looking at TV and digital as two individual slices because at the end of the day they belong to the same pie. I recommend identifying a target budget, and seeing how far your message can reach using the right frequency, which is the biggest factor. Then decide percentages for each screen to get the desired frequency needed for success."

Ivan Marasca,
Account Executive

Your Turn

We've walked through three steps to plan a marketing budget. We've even seen how other typical business owners approach their budgets. Now it's your turn. Complete our budget assessment and see where you stand.

Your Goals:

1. _____
2. _____
3. _____
4. _____
5. _____

Yearly Marketing Budget: \$

Marketing Item	Budget Allocation (Annual)	
Branding (Logos, pens, napkins, color, etc.)		
Website		
Traditional Media Advertising (TV, Radio, Print, Direct Mail, etc.)		
Digital Advertising (Search, Display, Social Media)		
Events		
Content	Organic	
Promotions/ Giveaways		
Total		100%



Tracking Success

You've created your budget and executed a campaign, but your journey is far from over. Now it's time to analyze and see if your dollars are yielding a significant ROI. Or in layman's terms, you're asking, "is this working?"

With today's capabilities, you should expect transparent results from your advertiser. You're entitled to see how many times, when, and where a message was distributed.

Data is a big part of the planning process, and there's no reason it can't be part of measuring your personal success. And this should be expected of any agency, not just Spectrum Reach.

AUDIENCETRAK

AudienceTrak: Forget the Guessing Game

Knowledge is power. Spectrum Reach's exclusive AudienceTrak reporting and analytics platform was created with you in mind, providing a new level of transparency into your TV and Digital campaigns, 24/7, 365 days a year.

Do you feel confident that your marketing budget will be effective? We do.

Contact Spectrum Reach and let's create a plan to grow your business.

Contact us at [1-844-TO-REACH](tel:1-844-TO-REACH) or visit SpectrumReach.com.

To view more in our 101 Series, [click here](#)

About Spectrum Reach

Spectrum Reach™ is the advertising sales division of Charter Communications (NASDAQ: CHTR). Spectrum Reach offers targeted advertising solutions to national, regional, and local businesses utilizing 50+ national cable networks, 19 local news networks, 5 regional sports networks, digital advertising, including social, mobile, and search, all supported by marketing, research and production services from the award-winning creative agency Kernel®. Spectrum Reach applies insightful research through data-driven products to understand consumer behavior and build targeted, multi-screen media plans customized for each customer.

With offices in 41 states, and nearly 100 markets, including top markets New York, LA, and Dallas, Spectrum Reach covers over 27 million households throughout the country. From television advertising to exciting new possibilities in interactive media and multi-screen solutions, Spectrum Reach's consultative team brings advertisers effective and efficient ways to turn cable and digital audiences into their customers.

More information about Spectrum Reach can be found at SpectrumReach.com



