

Lesson 10: Nothing Is Free

Christopher Duncan

There's no such thing as a free lunch, and the same can be said for your marketing efforts. Much has been made of the opportunities offered by the Internet, and it's true that you can do a great deal of online promotion for little or no money. However, this doesn't mean that your efforts are free. It simply shifts the expense to a different area.

From videos to advertising to social media, no matter what medium you choose, your cost will fall into one of two categories. You're either going to pay with your time or your money. Frequently, you'll pay with both.

Even so, the greatest cost of all is one that many mistake for a savings. Faced with the choice of allocating precious hours or scarce dollars to a marketing campaign, many companies decide to cut back on the expenditure of both. Unfortunately, what seems like a savings in the short term often carries the ultimate expense. An enterprise that no one knows about is one that soon goes out of business.

How Much Are You Willing To Spend?

For those who prefer to keep their doors open, an effective marketing initiative is a must. Consequently, there comes a time when they must answer the question of how much time and money they're willing to allocate in order to effectively promote their wares.

Cost in dollars is relatively easy to calculate. If you have marketing ideas that revolve around advertising, trade show appearances or any other paid activity, you can simply add up the expense of each and know what your efforts will ultimately cost you.

On the other hand, since it often seems easier on the wallet to work a few hours than spend a few dollars, many companies kick off a promotional campaign that leverages what they believe to be free resources. What they haven't factored in is the amount of time it will cost them and what it's worth.

The Value Of Time

For example, if you're a key player in your organization and your experience in the industry makes you one of your most productive salespeople, your time is actually worth a great deal of money. At the other extreme is the work performed by minimum wage employees. More often than not, the kind of promotional tasks you spend your day doing are going to fall somewhere in between. Nonetheless, it's important to quantify the value and associated cost of any activity that you, or anyone else involved in your marketing efforts, are performing. Only then can you truly understand the value of an hour.

When determining the cost of your time, it's important to look at it from both sides of the equation. Expense is not the only consideration. If you're planning on designing new brochures and you have a bit

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of artistic talent, you might be tempted to research how much it would cost to have a professional produce those materials and then decide it's cheaper to do it yourself. However, you also have to look at the revenue you can generate for the company serving in other capacities for that amount of time.

Whether it's a salesperson closing high dollar deals or a CEO building a lucrative partnership with another business, your company's finances are affected. Even though you're generating revenue rather than reducing expenses, it's all the same when you look at your bottom line. Therefore, it's crucial to get a realistic valuation of each person's efforts when you're spending their time instead of your money.

A Practical Strategy

Is spending one of these two currencies better than the other? That's a question that can only be answered on a case by case basis, as each company represents a unique collection of human and fiscal and resources. What matters is that you develop a good sense for each type of expense before putting your marketing plan together.

In this manner, you'll be able to answer the initial question of what and how much you're willing to spend on your marketing campaign. This will in turn lead you to the most effective and practical approaches based on the type, and amount, of resources you're able to allocate. The end result will be a realistic initiative that you're capable of following through with, and one that won't go over budget.