

# Editorial Note on Marketing and Accounting

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Accounting and marketing could seem like left and right hemisphere endeavors that might have difficulty working together.

While marketing brings money in, accounting analyzes how money is spent and return on investment. Almost like marketing and artistic professionals, today's accountants and authorized Public Accountants (CPAs) are tech savvy and efficiency oriented.

Unfortunately, marketing professionals are sometimes hesitant to figure with accountants. For a few marketing professionals, working with an accountant is seen as another hurdle to doing their jobs. Marketing professionals already spend a substantial amount of your time educating clients about marketing strategies and technologies. And since the trust factor for marketing is already low, many business owners don't view marketing as important to their budget as other operating expenses.

However, accountants and marketing professionals are seeking an equivalent goal: to form a business successful.

## How accounting can help marketing

When marketing is aligned with financial goals, there's an accurate account of marketing's impact on a company's profitability. As an example, if a corporation experienced higher sales than normal but spent over half that quantity to launch a marketing campaign, marketing might be impeding profitability.

That's where accountants are available. Accountants do a way better job than marketing professionals at analyzing the proper quite data. At an equivalent time, marketing experts are better at determining what sort of activities yields the simplest results.

When accounting and marketing work together for the greater good of a corporation, they are:

### Monitoring sales trends

Openly dialoguing about the effectiveness of selling and advertising efforts

Tracking marketing expenditures supported pre-set budgets

Allocating resources more efficiently

Taking the driver's seat with marketing activities that yield higher results

Marketing reports those employments with accounting accurately determine the viability of selling and sales strategies. Clear and concise marketing financial analysis leaves better business intelligence and better decision-making.

Accountants are educated and trained to watch and to research financial activity. They frequently review financial statements and gauge whether or not the business is profitable within a particular period of your time.

Accountants prepare and analyze the financial statements, data from which allows them to determine:

where excessive spending is happening sales trends what the business can do differently to be more profitable.

Marketing reports typically consist of:

- gross sales per campaign
- gross sales per new customer acquisition
- gross web sales supported the amount of customer hits
- gross sales supported A/B Split test results, etc.

This information can help prepare marketing and sales strategies for brand spanning new product launches or breaking into new markets.

Another example: a corporation is debating on whether to take a position in radio advertisements that reach a limited target market audience or digital marketing campaigns that reach a worldwide audience. Marketing and accounting can determine which marketing campaign will have the foremost significant impact on sales.

Determining marketing expense vs. profitability

Ratio reports analyze the connection between sales and expenses. If a company's sales were \$1 million during the primary quarter and their total expenses amounted to \$250,000, then the expense ratio is 25% of gross revenue.

However, if the marketing portion of the general expenses was \$50,000 for an equivalent period, then the marketing budget accounts for 20% of the general first-quarter expenses. In other words, there's only a 5% gross revenue.

When watching the marketing and sales trends, accounting and marketing may decide there's a requirement for a campaign to extend sales. This might mean a rise within the amount spent on marketing activities by increasing their overall marketing budget.

A decision like this is often a results of the collaboration between the marketing and accounting.