

Marketing and Accounting

Rajender Kumar

Assistant Professor university of delhi, rajdhani college, department of commerce.

Although accounting departments and marketing departments are separate and distinct, they must work together to monitor sales trends and to manage the effectiveness of marketing campaigns. When the two departments work collaboratively, sales trends are tracked, marketing campaigns are budgeted wisely, resources are allocated efficiently, and the business runs more smoothly. Accounting departments and marketing departments are connected in that an accounting department determines a business's financial condition, which in turn gives a marketing department a budget in which to operate. By keeping track of sales trends, accounting departments inform senior management as to whether the business can allocate more to marketing. Every business has some type of accounting system that monitors the business's financial well-being. By compiling financial statements, the accounting department assists management in determining the business's profitability. Marketing departments create sales strategies and programs aimed at increasing sales through promotions and advertising. Marketing departments are responsible for compiling reports that include information about the success or failure of specific campaigns and sales strategies. Every business must get the word out about its services or products. Thus, marketing and advertising are crucial expenditures for any business. Accounting departments advise management with information regarding advertising costs and the relative effectiveness of costs vs. gross sales. For instance, a sales strategy or marketing campaign may have appeared successful regarding gross sales, but the accounting department can determine whether the campaign was truly successful when weighed against its costs. Marketing departments can give accounting departments business forecasts, which assist accounting in allocating resources effectively.

Marketing may also provide accounting with information regarding which products or services are best sellers. The two departments must also work together in order to budget for future marketing campaigns. Accounting departments and marketing departments keep management apprised of the success of specific marketing campaigns, which helps management create future strategies. The accounting department of a business monitors the financial condition of a company based on financial statements that are compiled on a regular basis. The marketing department is responsible for managing and developing the sales of a business. The accounting department must work closely with the marketing department to monitor trends in the business as well as manage the efficiency of sales promotions initiated by the marketing company.

For example, a marketing campaign might be successful in terms of gross sales, but the accounting department might determine that the cost of the campaign was too high. All businesses must keep some form of accounting system to monitor the financial results of a business. The financial statements help management gauge the profitability of a business within a given period. The accounting department is responsible for the preparation and analysis of the financial statements. They can monitor sales trends and expense trends in the business that can provide management with the information it needs to make plans for expansion or cost reductions. Some of the most important expenditures a business can make are in the areas of marketing and advertising.

***Address for Correspondence:** Rajender Kumar, Assistant Professor university of delhi, rajdhani college, department of commerce; Phone:9818037375 E-mail: prof.rajender@gmail.com

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