

NNC SERVICES

MARKETING THAT'S
MEASURABLE
REDUCE SALES COSTS
THROUGH EFFICIENT
MARKETING

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INTRO

Companies that choose to outsource their marketing department can focus on their core competencies while a team of experts handles marketing operations. This is a very common phrase, but what does it mean? It basically means that **marketing improves**, as the entire function is driven by objectives, strategies, a marketing plan, and a professionally developed budget.

Success in today's volatile business environment requires access to human resources that are **well-trained in current practices across all marketing disciplines**. However, companies must focus on their current activities, and often cannot focus on adopting the latest marketing tactics. Outsourcing the marketing function lets key executives in the firm to focus on the core competencies instead of trying to keep up on the latest marketing strategies. Ultimately, marketing outsourcing leads to:

1. **Reduced costs for marketing activities**
2. **Access to better marketing & sales skills**
3. **Savings & focus on core business**

REDUCED COSTS FOR MARKETING ACTIVITIES

Every part of marketing has a cost – particularly promotional methods such as advertising and running a sales force. Even companies that do not undertake specific marketing activities have to pay a “cost”: that of not taking advantage of the opportunities the market has to offer, and missing in on the chances to grow. Many of the marketing costs are fixed costs and so, as a business gets larger, it is able to spread the cost of marketing over a wider range of products and sales – cutting the average marketing cost per unit. Even so, internal costs of marketing can represent a significant percentage in the total revenues of a company.

Cost/Revenues is a value that should be kept as low as possible in order to obtain money savings. Ideally, **costs should be reduced so that they represent the lowest possible percentage as compared with the revenues**. Marketing outsourcing does just that:

- If a company hires a top-management-level marketing executive, it will pay high amounts of money in salary and benefits. While this new marketing manager may be able to develop a marketing strategy, the company will still have to allocate a considerable budget to outsource projects to creative agencies for tactical execution. All employees need marketing training that requires high costs;



- By comparison, outsourced marketing resources do not require a full-time salary and benefits. Outsource resources may work on a retainer, hourly, or project basis, with the latter being most common and probably most fair to both parties.

Hiring and firing employees is expensive, while negotiating outsourced services is much more easily to control. Buying outsourced services gives companies more budgeting freedom; in contrast, once they hire someone in-house, they need to keep them active, even if it is with things that are below or above their skills. Companies do not need to hire an individual or team for a specific program; they can just outsource an expert. That way they do not bear the hidden costs of recruiting, training, furnishing an office, and employee benefits. For example, a medium-sized company can **reduce its overhead with around 40%**.

ACCESS TO BETTER MARKETING & SALES SKILLS

Within a strategic outsourcing firm, a dedicated project manager works with the client to develop a marketing strategy designed specifically to meet his company's needs. The strategic outsourcing firm then provides the company with a full array of marketing expertise. This expertise results in **keeping up with marketing techniques and the skills needed to adopt and use them**.

A few distinctions are necessary here, to understand the major differences between an internal marketing department and a marketing outsourcing provider:

- Any new employee in the internal marketing department needs at least 3 months of adjustment, with minimum results;
- Employees of a marketing services provider are responsible for the results, and they get paid accordingly. In comparison, internal employees can have less productive times;
- Due to their specialization, the employees of an external provider are more efficient and bring money savings;
- For the external provider, marketing services are core business;
- For any other company, these services are a secondary activity, more difficult to oversee and control;
- Marketing services providers have access to benchmarks, and they experiment in various projects.

Marketing outsourcing brings:

- **Extensive knowledge.** Online business networks, business blogging - marketing tactics and supporting technologies are changing very rapidly. Outsource marketing provides access to a team with expertise in every marketing discipline. A quality "turn-key" marketing firm can provide specialists in all marketing disciplines as well as vertical industry experts. By



outsourcing the marketing function, the company's internal team will have more time to spend on what they do best: **product innovation, customer service or quality control.**

- **Objective outside view.** While an outsourced marketing department takes the time to intimately learn about their client's products, technologies, and customers, its team members do not have years of company culture. Outsource marketing employees are not afraid of suggesting radical ideas. Because marketing team members may work on several outsource teams, they often have fresh and objective viewpoints to share. Furthermore, companies eliminate bias and get a broader, different perspective. Outsourcing eliminates the "We've always done it this way" mentality. Organizations can access the strategic thinking and creative expertise of a marketing professional who is not influenced by the internal policy of the company.

SAVINGS & FOCUS ON CORE BUSINESS

Keeping up with today's rapid changing business environment requires access to resources well trained in all marketing disciplines. However, companies, and especially **technology firms must focus on their intellectual property and product lifecycles**, and often cannot focus on the latest in marketing technology. Outsourcing the marketing function:

- Allows key executives to focus on the firm's core competencies, instead of trying to keep up on the latest internet marketing tactics, for example.
- Ensures the internal team will have more time to spend on what they do best: technical innovation, customer service or quality control.
- Frees up in-house personnel for certain responsibilities, so they can use their skills to develop new products and processes, for instance. Even if a company does not maintain its own marketing staff, outsourcing can provide marketing strategy, support and deliverables, thus allowing the business to focus on its core competencies.

OTHER BENEFITS OF MARKETING OUTSOURCING

- **Market share expansion.** Whereas money savings focus on reducing costs for an improved **cost/revenues** value, the expansion of market share relies on more intelligent deployment of marketing resources. More directly said, **more clients could be reached with each dollar spent.** Marketing outsourcing is responsible for expanding the market share with the same costs as in the case of an internal marketing department, or less.
- **Professional image.** A company that undertakes visible marketing activities creates, in fact, a trustworthy and professional image in its industry, and becomes a continuous presence on the market.



CONCLUSIONS

Using full-time marketing employees is not the only option available to organizations to practice marketing. Outsourcing provides **a genuine alternative** to developing and executing marketing tasks, one that is **cost effective and efficient**.

When companies outsource marketing, a single resource takes over the responsibility for all their marketing activities. From research, analysis, strategy, planning and management, to advertising, public relations, direct marketing, internal communications, Web marketing, media buying and printing – all operations are handled in the most effective possible manner. The results derive from the company's focus on core competencies, and can be quantified in increased awareness and, ultimately, sales. Overall, the benefits of marketing outsourcing, as stated above, make it an efficient and modern tool to improve business results.