

LEGAL MARKETING BUDGET PLANNING THE ULTIMATE CHEAT SHEET

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The #1 reason why firms should budget their marketing dollars is to measure success and generate profits.

However, it can be a daunting and time-consuming task. We've whipped up a cheat sheet for you to take with you on your legal marketing budgeting journey and hope it serves as a compass that will guide you towards success:



INSIGHT #1

**MOST FIRMS THAT SET A MARKETING BUDGET SPEND ROUGHLY.
15% OF THEIR REVENUE ON MARKETING.**

Budgeting for the hourly vs. contingency fee based firms

The firms that get money through a contingency fee basis, need a steady stream of calls and cases. These firms should allocate their marketing dollars towards the higher percentages (15%+)

Also good to know

As a rule of thumb, law firms starting their marketing strategy should invest around 10-15% of their gross revenue.



INSIGHT #2

WHEN USING PPC, THE MOST COMPETITIVE PRACTICE AREAS E.G. PERSONAL INJURY, DIVORCE FIRMS, ETC. WILL LIKELY SPEND MORE MONEY THAN THOSE IN E.G. ESTATE PLANNING OR INTELLECTUAL PROPERTY.

The competitiveness of the industry in the offline world is often a good indicator of the competitiveness in the online world. In this case, the cost per click is higher for the more competitive practice areas.

Good to know

The type of campaign you choose to run, and the network/platform you choose to run those campaigns on oftentimes imply different costs per click. This is a good place to start diving into this topic more deeply.

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INSIGHT #3

3 FACTORS TO CONSIDER WHEN INCREASING YOUR MARKETING BUDGET

The geographic competition - is it a highly competitive area?

Level of desired marketing aggressiveness.

Your competitors' budgets.

Gather your top 3 competitors and research their budget. Sites like Manta sometimes provide the revenue estimate of businesses.



INSIGHT #4

USE THE CLIENT ACQUISITION COST (CAC) FORMULA.

CAC

Sales and marketing costs ÷ number of new customers = CAC

Recognize trends and foresee seasonal shifts

By keeping tabs on your CAC, not only will you have a clear picture of what your baseline is, you will also be able to start to recognize trends and foresee seasonal shifts. The more you know, the better you will be able to prepare!



INSIGHT #5

CALCULATE YOUR MARKETING ROI

This will show you how effective your marketing budget and strategy has been.

Sales Growth

$(\text{Sales Growth} - \text{Marketing Cost}) / \text{Marketing Cost} = \text{ROI}$

Marketing ROI

Rule of thumb for marketing ROI: Have a 5:1 Ratio.