

Marketing Procurement: Challenges and Best Practices



KEY TAKEAWAYS

- Procurement leaders often underestimate the importance of marketing procurement.
- Marketing procurement focuses on bringing in sales, where standard procurement focuses on things needed to keep the business running.
- Managing the challenges with best practices, including using procurement software for the marketing spend category helps simplify your process.

What is Marketing Procurement?

Marketing procurement is identifying, selecting, and contracting with marketing services providers.

It's often thought of separate from the standard procurement function aimed at getting supplies, but it's just as important to an organization.

Marketing procurement aims to ensure that an organization gets the best value

for its money by carefully evaluating marketing service providers and selecting those that offer the most benefit.

By carefully vetting marketing service providers, organizations can save money and improve the quality of their marketing efforts.

In addition, organizations can use marketing procurement to streamline their procurement processes and make it easier to track spending on marketing services through strong category management.

Marketing category spend may include things like:

- Market research and benchmarking
- Media buying and advertising
- Consulting and creative services
- Website design and development
- Social media management

Common Items in Marketing Spend



Market research and benchmarking



Media buying and advertising



Consulting and creative services



Website design and development



Social media management

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Ultimately, marketing procurement can help organizations improve the efficiency and effectiveness of their marketing efforts, but it's about more than sourcing strategies and agency relationships.

Marketing Procurement vs. Standard Procurement

As mentioned, marketing procurement is the process of procuring goods and services that are needed for marketing and advertising activities.

Standard procurement, on the other hand, is the process of procuring goods and services needed for a business's general operation.

The main difference between marketing and standard procurement is that marketing focuses on procuring goods and services that can be used to generate sales.

In contrast, standard procurement focuses on procuring goods and services needed to keep the business running.

The marketing side is typically more complex than standard procurement, as it involves a greater understanding of the market and the needs of customers.

Additionally, marketing procurement often requires a higher level of negotiation skills, as it is often necessary to negotiate better terms with suppliers to get the best possible price for the goods and services being procured.

Benefits of Managing Marketing Procurement

Managing marketing procurement can help to ensure that the raw materials needed to create a product are available when they are needed.

This, in turn, can help to save time and money by avoiding production delays due to a shortage of materials.

Additionally, managing marketing procurement can help businesses negotiate better prices for raw materials, further improving profitability.

It can also help to ensure that products are made using high-quality materials. In addition, by managing marketing procurement effectively, businesses can help to ensure that products are available at a fair price.

Marketing Procurement Challenges

Procurement can be a complex and time-consuming process, particularly when it comes to coordinating with multiple suppliers.

In addition, there is often a need to obtain quotes from multiple vendors to get the best price.

As a result, procurement can be a significant challenge for marketing departments.

• Things Need to Happen Fast

Your conventional strategic sourcing approach likely won't work when it comes to marketing services. Marketing needs to happen quickly, and must be adaptable to ever-changing market conditions and consumer behavior.

Stakeholders want marketing initiatives to move quickly because good marketing translates to sales. That means working with agile partners, which most standard procurement strategies don't account for.

• Technology May Be Problematic

The marketing function is always changing, as new digital platforms come into play. TikTok, for instance, was once a relatively unknown platform that has now started offering business advertising options.

Marketing leaders must always be on the cutting edge, deeply understanding platforms, tools, new technologies, and options like influencer marketing.

Platforms designed to connect brands with influencers only recently developed within the last few years - and before that, people were on their own trying to find the right influencer for their campaigns.

Identifying The Best Suppliers For Each Service

As disciplines blur together, procurement teams have a harder time choosing agencies that are right for their needs. Sometimes, procurement managers may reach out to an agency looking to review their social media channels.

They're not sure about how to review it all since so many other agencies on their supplier list offer a variety of integrated services that include social media. It will be harder to keep marketing agencies segmented as time goes on.

▪ **Lack of Standardization**

Marketing spend relies heavily on agencies, and every agency is different. Your internal marketing team may need to work with multiple agencies to accomplish goals.

No two marketing campaigns are the same, either. Looking at the total cost isn't enough, as the most cost-effective option may cost you more in agency fees.

A more experienced agency may deliver things faster, which affects how a marketing procurement professional may handle sourcing.

▪ **Difficulty Measuring ROI**

Since marketing planning cycles tend to be longer than other functions, you may end up with longer contract periods and fewer suppliers to work with. This adds difficulty to measuring ROI.

When you add in the various marketing and advertising methods and the nuances in how they work, and the costs associated with each, it can be difficult to really see the ROI. Sure, Meta offers a reporting dashboard that shows things like cost per click on your ads, but this isn't always enough to see the ROI of a full campaign.

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Challenges in Marketing Procurement



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Lack of Standardization



Difficulty Measuring ROI

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Best Practices for Your Marketing Procurement Process and Strategic Sourcing

Any company that wants to be successful needs to have a good marketing strategy in place.

But what many businesses don't realize is that the procurement process for marketing services can be just as important as the actual marketing itself.

By finding the right partnerships and putting together a comprehensive plan, businesses can ensure they're getting the most out of their marketing budget.

• Identify Your Core Target Market

This will help to focus the search for potential marketing partners and ensure they can reach the right audience.

Once the target market has been identified, it's important to define the company's objectives and create a detailed brief that outlines what you're looking for from a marketing partner. This will help to ensure that you can

find providers who are a good fit for your business.

▪ **Establish Key Performance Indicators (KPIs) and Metrics**

The sourcing manager should always know the KPIs and metrics you'll use to measure campaign success. This will make it easier to connect with agencies and create a solution that works for everyone.

▪ **Find the Right Partners**

Once you've defined your objectives, it's time to search for potential marketing partners. There are several ways to do this, including online directories, industry associations, and word-of-mouth recommendations.

When you find a potential partner you're interested in working with, send a request for proposal (RFP) to learn more about the company and its competencies. Some agencies focus on traditional PR, while others are geared more toward digital marketing.

It's important to take time and evaluate each potential partner carefully before making any commitments. In addition to their experience and expertise, you'll also want to consider the price (agency fees can add up quickly!), turnaround times, and customer service levels.

▪ **Create a Solid and Detailed Proposal**

Once you've found a few potential marketing partners, it's time to develop a comprehensive proposal outlining your company's needs and how they can be met.

This proposal should include an overview of your company's products or services, your target market, and your objectives for the initiatives. It should also provide details on the specific services you're looking for and any budget or timeline constraints you may have.

By putting together a strong proposal, you'll increase your chances of getting the most out of your marketing procurement process.

• Build Solid Supplier Relationships

Building relationships with marketing agencies is just as important as managing any other part of your supply chain, whether you hire an agency full-time, or as a one-off.

Your marketing team should work closely with your marketing procurement team to ensure you follow supplier relationship management practices here, as your marketing services should be considered a business partner like any supplier.

Marketing Procurement Best Practices



Identify Your Core Target Market



Establish Key Performance Indicators (KPIs) and Metrics



Find the Right Partners



Create a Solid and Detailed Proposal



Build Solid Supplier Relationships

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How Marketing Procurement Impacts an Organization's Overall Success

Because marketing procurement can significantly impact an organization's bottom line, it is important to carefully consider all options before making any decisions.

In many cases, businesses will work with marketing procurement specialists who can help find the best deals and ensure that all purchases are made promptly and efficiently.

If you have too much marketing spend with insufficient return on that investment, you risk running into budget issues in other departments. Even if you don't need global marketing, your budget may need to be larger than you expect - depending on your goals.

Keeping Your Marketing Procurement Process Effective and Efficient Over Time

To ensure your marketing procurement process remains effective at sourcing what you need while also helping you achieve cost savings, consider the following:

- **Clearly Define your Objectives**

What are you trying to achieve with your marketing procurement? Ensure everyone involved in the process is clear on the objectives so they can work towards them.

- **Streamline the Process**

Simplify the marketing procurement process as much as possible. Create templates and standardize procedures to make it easier for everyone involved.

- **Use Technology**

Technology can help you automate tasks and keep track of information more easily. This can help you save time and improve efficiency.

- **Invest in Procurement Software**

Procurement software can also help you manage the marketing procurement process more effectively by providing tools for streamlining tasks, tracking information, and collaborating with team members. Investing in procurement software can save you time and money in the

long run.

Marketing procurement is a complex but essential process for any business that wants to optimize its marketing ROI and grow its bottom line. By following the best practices outlined in this article, you can overcome many of the common challenges associated with marketing procurement and put your company on the path to success.

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