

# Marketing Campaign Break-even Analysis

*How to work out whether your campaign is worth it ...*

Exclude all GST

## **Fixed Costs of this Marketing Campaign...**

Ad Placement Costs etc	\$.....
Production/Printing/Design	\$.....
Postage, Envelopes, Distribution	\$.....
Competition Prizes, Notification	\$.....
Surveys, Vouchers, Reply envelopes	\$.....
Display/expo Site Rental, Staffing...	\$.....
Signwriting, Buy Database List etc	\$.....
Other direct campaign costs	\$.....

**Total Campaign Fixed Costs**      **A** \$.....in total

**Average value per expected Sales**      **B** \$.....per sale

## **Average Variable Cash Costs per sale per unit sold. (Not fixed overheads)**

Cost of Sales/Goods/Service	\$.....	each sale
Hard Cost of any Offers made with each sale	\$.....	each sale
Telephone follow-up	\$.....	each sale
Travelling, accommodation to make a sale	\$.....	each sale
Temp. sales staff	\$.....	each sale
Follow-up Brochures, Postage	\$.....	each sale
Delivery costs, freight, Packaging	\$.....	each sale
Other costs per unit sold	\$.....	each sale

**Total Ave. Variable (+ Delivery) Cost**      **C** \$..... per sale

**Average Gross Profit per sale**      **B** minus **C** = **D** \$..... per sale

**Total Fixed Cost** **A** \$..... divide by **Ave. Gross Profit** **D** \$..... (excluding GST)

**A** , **D** = **Number of Sales Needed To Break Even** .....\*

\* *You need to exceed this number of sales to cover the cost of your campaign... does it seem feasible???* N.B. Add on the **lifetime value** of the customer- worth a lot more!

- Yes, it makes enough profit so I'll give this campaign a go!
- No, I'll try another one (*there's no profit in it*).