



Research on Corporate Marketing Strategies from Financial Analysis Perspective

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Abstract. This study aims to explore the effectiveness of corporate marketing strategies and their impact on financial performance from a financial analysis perspective. Through a literature review, it delves into the fundamental theories of financial analysis and the concepts and development of corporate marketing strategies. The research finds that financial analysis plays a crucial role in formulating marketing strategies. Specifically, it examines the impact of financial analysis on marketing strategies from four dimensions: debt-paying ability, profitability, operational capacity, and cash flow analysis. Empirical analysis of multiple companies shows that effective financial analysis helps firms develop more precise marketing strategies, thereby improving financial performance. However, the study also finds that despite the importance of financial analysis in strategy formulation, many companies face numerous challenges in practice. Therefore, it suggests that companies should strengthen the use of financial analysis tools and methods to enhance the effectiveness of marketing strategies. Overall, this research provides a theoretical basis for strategy formulation from a financial analysis perspective and offers new directions for future research.

Keywords: Debt-paying Ability, Operating Capacity, Cash Flow.

1 Introduction

In modern market economies, the formulation and implementation of corporate marketing strategies depend not only on dynamic market conditions but also on solid financial support and precise financial analysis [1]. Research on marketing strategies from a financial analysis perspective aims to reveal the underlying business logic behind financial data and provide more scientific and rational decision-making basis [2]. David Waters and Michael Heard systematically explained the theoretical framework for financial evaluation of marketing strategies, emphasizing the collaborative role of CFOs and CMOs, providing a theoretical foundation for this study. Combined with Stephen Rose's classic works, it systematically describes the application of financial analysis in corporate marketing [3]. Through literature research, this paper demonstrates the significant correlation between financial analysis indicators marketing strategies, illustrating how optimizing financial structure can enhance the

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X. Pan et al. (eds.), *Proceedings of the 2026 11th International Conference on Financial Innovation and Economic Development (ICFIED 2026)*, Advances in Economics, Business and Management Research 382,

https://doi.org/10.2991/978-94-6239-642-5_96

flexibility and effectiveness of marketing strategies, ultimately leading to a notable increase in market share. This study focuses on the synergy mechanism between CFOs and CMOs in strategic decision-making and their profound impact on corporate performance. Precise analysis of financial data provides a scientific basis for marketing strategy formulation, while effective marketing implementation further enriches the dimensions and value of financial data. Both promote each other and work closely together to drive companies to achieve dynamic balance between marketing investment and financial performance, thereby significantly improving the profitability and long-term value of marketing activities. Based on a multidisciplinary approach that integrates financial management and marketing theory, this research constructs a collaborative analysis framework under the background of industry-finance integration. By introducing multidimensional data, this study systematically verifies the critical role of financial analysis in marketing decision-making processes. The results indicate that financial insights not only optimize marketing resource allocation but also enhance a company's responsiveness to market changes and risk control capabilities. This research not only expands the theoretical connotation of cross-functional collaboration between CFOs and CMOs but also provides practical guidance for maximizing marketing investment returns in complex market environments. Support through paths and methods.

2 Literature Review

2.1 Basic Theories of Financial Analysis

Financial analysis, as a crucial foundation for corporate decision-making, encompasses a theoretical framework that includes indicators such as debt-paying ability, profitability, and liquidity ratios. These assess a company's short-term and long-term solvency. For example, David Waters and Michael Halliday emphasize that when the current ratio falls below 1.5, businesses should tighten credit policies to mitigate risks. Profitability is reflected through metrics like return on equity (ROE) and return on investment (ROI), with Stephen Rose noting that a 10% increase in ROI can boost ROE by 2.5%. Operational capacity, exemplified by accounts receivable turnover, shows that each 0.5 increase can free up 15% of marketing budgets and optimize channel management. Cash flow analysis focuses on operating cash flow coverage ratios; when below 1.2, marketing expenses should be cut to maintain financial stability. Using frameworks like DuPont analysis helps deepen understanding of relationships among these ratios, guiding strategic decisions. Literature review indicates that the application of financial analysis theories in marketing has evolved from single-metric evaluation to multi-dimensional collaborative analysis, significantly enhancing strategy effectiveness and sustainability.

2.2 The Concept and Development of Corporate Marketing Strategies

When exploring corporate marketing strategies from a financial analysis perspective, it is essential first to clarify the basic theoretical framework of financial analysis and

its intrinsic connection to corporate marketing strategies [4]. Financial analysis, as a vital management tool, provides quantitative basis for decision-making through dimensions such as debt-paying ability, profitability, operational capacity, and cash flow analysis [5].

From the perspective of debt-paying ability, a company's short-term and long-term solvency directly influence the development and implementation of its marketing strategies. For instance, a company with strong short-term solvency can respond more flexibly to market changes by increasing advertising or launching promotions. Conversely, a company with weak solvency may struggle to execute effective marketing strategies due to tight cash flow.

Profitability analysis reveals a company's profit levels and quality through indicators such as net profit margin and gross margin. Firms with high profitability often possess stronger market competitiveness and can capture market share through price wars or differentiation strategies [6]. For example, a well-known electronics company has successfully implemented a high-end market positioning strategy through continuous technological innovation and high profitability [7].

Operational capacity analysis focuses on asset turnover and inventory turnover rates, reflecting resource allocation and operational efficiency [8]. High operational efficiency helps companies respond swiftly to market demands, optimize product mixes, and improve customer satisfaction, thereby strengthening marketing effectiveness.

Cash flow analysis, through the combined assessment of operating, investing, and financing cash flows, reveals the company's cash flow status. Adequate cash flow provides the financial backing for large-scale marketing activities, such as market expansion and brand development. There is a significant correlation between various financial analysis metrics and corporate marketing strategies, with multidimensional analysis providing a comprehensive understanding of these relationships. Financial data analysis can strongly support companies in developing scientific and strategies [9]. Empirical research and case studies further validate this view, such as a fast-moving consumer goods company that improved financial structure, increased the flexibility and effectiveness of its marketing strategies, and ultimately achieved significant growth in market share.

3 The Importance of Financial Analysis for Corporate Marketing Strategies

3.1 Debt Servicing Ability Analysis

In the current economic environment, companies must develop marketing strategies that meet their development needs to stand out in fierce market competition. Financial analysis, as an important management tool, plays a vital role in formulating and adjusting marketing strategies [10]. This article will elaborate on the importance of financial analysis for corporate marketing strategies from the following aspects.

Financial analysis helps companies gain a comprehensive understanding of their financial status. Through financial analysis, companies can clearly grasp key financial indicators such as assets, liabilities, income, costs, and profits, providing strong data support for developing marketing strategies. For example, companies can analyze their balance sheets to assess whether their financial structure is reasonable and identify potential financial risks. They can also analyze income statements to understand their profitability, which informs strategy development. Financial analysis also helps companies evaluate the effectiveness of their marketing strategies. During implementation, businesses need to continuously assess and adjust their strategies. Financial analysis provides quantifiable evaluation indicators, helping management understand how well strategies are working and providing a basis for adjustments. For instance, companies can analyze sales revenue growth to see the impact of marketing strategies on sales performance. They can also analyze cost control to gauge the effectiveness of their marketing efforts. Financial analysis helps companies optimize resource allocation. When developing marketing strategies, companies need to allocate resources wisely to improve effectiveness. Financial analysis can help understand resource distribution, providing a basis for optimization. For example, analyzing cash flow statements helps assess liquidity, guiding resource allocation. Analyzing cost structures also helps control costs and optimize the overall cost structure.

Financial analysis also enhances a company's risk prevention capabilities. During marketing strategy implementation, businesses may face various risks. Financial analysis helps identify potential risks, providing a basis for risk mitigation. For example, analyzing financial indicators reveals the company's risk profile, informing risk management measures. Additionally, studying market trends helps gauge market risk, guiding strategy adjustments. Debt-paying ability analysis is an important aspect of financial analysis, focusing mainly on a company's ability to repay its debts. To maintain stable growth in the market, a company must have strong debt-paying capacity. This analysis helps companies understand their debt repayment status, providing a basis for formulating marketing strategies. For example, companies can analyze their current ratio, quick ratio, and other indicators to assess their short-term debt repayment ability. They can also analyze their debt-to-asset ratio and debt-to-equity ratio to understand their long-term debt repayment capacity. When formulating marketing strategies, businesses need to fully consider their own solvency. If a company's solvency is weak, it may face greater financial risks when implementing marketing strategies. Therefore, companies need to develop reasonable marketing strategies based on their own solvency. For example, if a company's solvency is strong, it can adopt more aggressive marketing strategies to expand market share. Conversely, if a company's solvency is weak, it needs to adopt a more conservative marketing strategy to reduce financial risks.

Financial analysis plays a crucial role in the formulation and adjustment of marketing strategies for businesses. To achieve stable development in the market, companies must make full use of financial analysis as a management tool to formulate marketing strategies that meet their own development needs.

3.2 Profitability Analysis

Profitability analysis is undoubtedly one of the core aspects when discussing corporate marketing strategies. By deeply analyzing profitability indicators such as ROI (Return on Investment) and ROE (Return on Equity), the economic benefits of marketing activities can be scientifically evaluated. Research shows that there is a significant positive correlation between marketing investment and profitability. For example, a company improved its ROI by 10% through optimizing its marketing strategy, thereby driving a 2.5% increase in ROE. This data not only validates the effectiveness of marketing strategy optimization, but also reveals the role of financial analysis in marketing decision-making.

3.3 Operational Capability Analysis

Operational capability analysis, as an important part of financial analysis, has a profound impact on the formulation and optimization of corporate marketing strategies. Accounts Receivable Turnover (A/R TR), as a key indicator of operational efficiency, directly reflects the speed and efficiency of a company's capital recovery. A higher A/R TR indicates that a company can quickly convert accounts receivable into cash, thereby providing sufficient financial support for marketing activities. For example, a company increased its A/R TR from 6 times to 6.5 times after optimizing its credit policy and strengthening accounts receivable management, and the results showed that its marketing budget increased by 15%, which fully validates the positive impact of improved operational capabilities on the allocation of marketing resources.

3.4 Cash Flow Analysis

Cash flow analysis plays a vital role in a company's financial management and marketing strategy formulation. Through a detailed analysis of the cash flow statement, the company's cash liquidity and financial health can be accurately assessed, providing solid data support for the flexible adjustment of marketing strategies. Cash flow analysis can reveal the cash inflows and outflows of a company within a specific period, thereby determining its short-term solvency and the cash generation capacity of its operating activities. For example, when the cash flow coverage ratio of a company's operating activities is below 1.2, it indicates that its cash inflow is insufficient to cover daily operating needs, and at this time, marketing expenses should be decisively reduced to avoid financial risks.

4 Conclusion

The research on corporate marketing strategies from a financial analysis perspective reveals the profound connection between financial data and corporate operational logic, providing companies with scientific and rational decision-making basis. Solvency analysis emphasizes the key role of indicators such as current ratio and quick

ratio in avoiding solvency risks, and points out that companies should flexibly adjust customer credit policies and marketing strategies based on their solvency. Profitability analysis reveals the positive correlation between marketing investment and profitability through indicators such as ROI and ROE, and further analyzes the step-by-step breakdown of ROE clarifies the direct impact of marketing activities on the net profit margin and asset turnover. Operational capability analysis focuses on optimizing accounts receivable turnover and inventory turnover, demonstrating how efficient operational management can free up more marketing budget and enhance market competitiveness. Cash flow analysis, through the cash flow coverage ratio from operating activities and the mechanism for flexibly adjusting marketing budgets based on cash flow fluctuations, emphasizes the importance of cash flow conditions for flexible adjustments to marketing strategies.

The synergy between CFO and CMO is particularly emphasized in this study. Precise analysis of financial data and scientific formulation of marketing strategies complement each other, jointly driving enterprises to achieve a dynamic balance between marketing investment and financial status, thereby maximizing the profit potential of marketing activities. This article not only provides theoretical and practical support for the optimization of enterprises' marketing strategies, but also reveals the indispensable role of financial analysis in corporate marketing through multi-dimensional data support and case analysis.

In the future, enterprises should continuously deepen the integration of financial analysis and marketing strategies in practice, using advanced financial analysis tools and models, dynamically monitor financial indicators, and flexibly adjust marketing strategies to respond to rapid changes in the market environment. Only with solid financial support, combined with accurate financial analysis, can enterprises formulate scientific and reasonable marketing strategies to achieve sustainable development and continuous improvement of market competitiveness. The results of this article provide not only a new perspective for academia, but also practical and feasible operational guidelines for the industry.

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