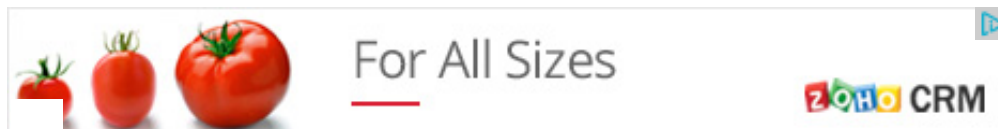


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Yes, Some Small Businesses Have Social Media Budgets over \$100,000

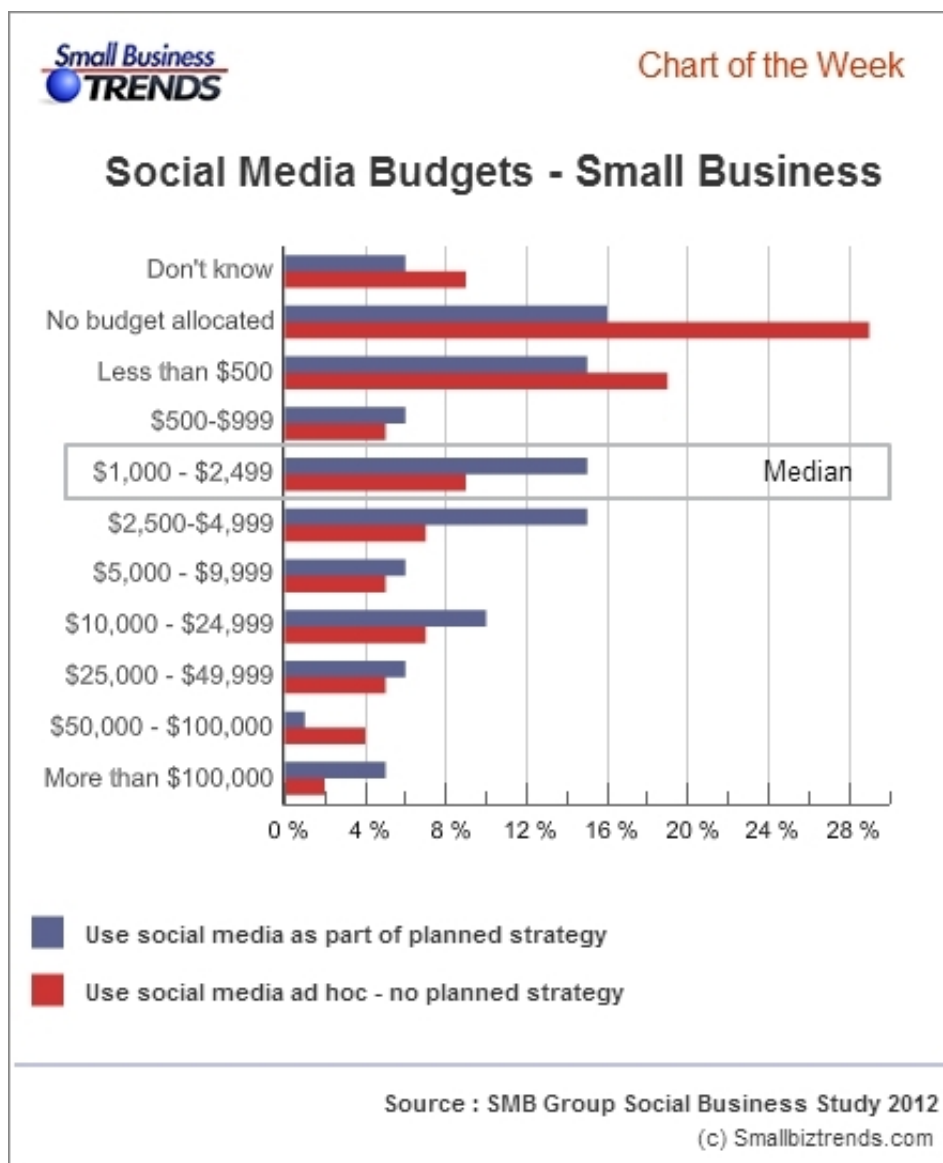
Posted By [Anita Campbell](#) On January 3, 2013 @ 1:00 pm In [Research](#) | [11 Comments](#)



How does your social media budget compare with other small businesses?

If you're like 5% of the small businesses that have a social media strategy, then you have a social media budget over \$100,000 annually.

But what if you're not part of the \$100K club for social media budgets? Well, the fact is, most of your peers that are already using social media have much lower budgets. The median budget for social media among those small businesses is far smaller – between \$1,000 and \$2,499 per year, as this week's chart demonstrates:



[1]

The data is from the [2012 Small and Medium Social Business Study](#) ^[2] conducted by

the [SMB Group](#) ^[3] in mid-2012. That study surveyed small businesses with under 100 employees. The numbers do NOT include the cost of internal staff, although the numbers DO include outside consultants. The data covers just those small businesses that already use social media.

A few key points are worth pointing out:

(1) Non-strategic users of social media are less likely to have a budget for social media. No surprise there.

(2) But what is a surprise, is how many small businesses say they use social media strategically — yet have no budget or report a minuscule budget of \$500 or less. You'd think that strategic users would be more deliberate in allocating specific funds for social media. But it's possible that their biggest expenditure is internal staff dedicated to social media — staff costs are not reflected in these numbers.

(3) Some small businesses are jumping on the social media bandwagon without thinking it through. They may be wasting money, leading to disappointment later. Look at the percentages of small businesses with no strategy that are spending \$25,000, \$50,000, even \$100,000. If they don't know what their strategy is, how can they know whether all that money is being well spent?

Here is what you should do:

- **If you operate or work in a small business**, this shows what your peers are budgeting for social media. As you can see, aside from internal staffing costs, social media need not cost a lot out of pocket, especially at the start. The median external expense is under \$2,500 annually (around \$200 a month or less). Most small businesses can afford that. Perhaps the biggest challenge will be to allocate staff internally, as the staffing costs are not captured here — and social media is time-consuming to carry out. Also, be sure to first develop a social strategy to avoid disappointment and waste. It's not bad to spend — just bad to spend unwisely.
- **For consultants, marketing agencies and technology companies**, consider that small business budgets are all over the ballpark. Some appear willing to spend freely (even without a strategy!) yet others do not. That suggests you should offer a variety of different price points, starting with free limited offerings, and offering a migration path up to higher-priced, more full-featured offerings. As small businesses see wins from free advice and or low-cost tools, the smart ones will be more inclined to invest in higher-level solutions and consulting to drive better results. "Help small businesses develop a social media strategy driven by their business goals to get value from social media," adds Sanjeev Aggarwal of the SMB Group.

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[1] Image: <http://smallbiztrends.com/wp-content/uploads/2012/12/social-media-budgets-small-businesses.jpg>

[2] 2012 Small and Medium Social Business Study: <http://www.smb-gr.com/2012-smb-social-business-study/>

[3] SMB Group: <http://www.smb-gr.com/>