



## Budgeting for Social Media Marketing

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Given your [social media marketing strategy and tactics](#), how do you decide on the size of your budget? The essay focuses primarily on small and medium-size enterprises (SMEs).

Securing the desired budget requires going beyond management's buying into the benefits of social media marketing. You need to sell your budget.

When starting out, keep the budget small. Instead of trying for a big splash, limit your risks and create what, in effect, will be a pilot program that can show management that more outlays will be money well spent. You are better off exceeding management's expectations than you are underdelivering.

The typical argument for a big launch is "if we don't get on Facebook and Twitter now, we will lose to competitors." But remember that your competitors are experimenting too. When venturing into new media, being ready for prime time is more the exception than the rule. Without the right strategy and tactics, a social media presence can hurt you, especially if you don't respond appropriately to online comments.

Thus, you need to start by identifying and selecting must-have social media sites and content. Make sure that you include must-have funds to respond to the risks from known and unknown events.

If you already have started a social media campaign, then:

1. Identify new content options. Other companies, including your competitors, can provide valuable insight. There is nothing wrong with being a fast follower when there are no first-mover advantages.
2. Classify your content and sites as either must-have or nice-to-have.
3. Experiment with adding nice-to-have content with the help of [A/B](#) and [multivariate analyses](#) of the impact of content changes on the identified measures.
4. Add new content with the highest positive expected impact on the measures until you exhaust your budget.

In conclusion, social media budgets are determined iteratively. You don't need to start with a big splash. Thus, start with a budget that covers the cost of developing and maintaining the must-have sites and content. Start adding sites and content that have the strongest impact on the performance measures until you exhaust your budget. ■