



DRITSCHLER MEDIA MARKETING BUDGET GUIDE FOR SMBs

Please use this general guide to build your annual marketing budget.

This guide includes both digital and traditional marketing expenditures, but feel free to make adjustments to your budget over time based on ROI.

*Dritschler Media is not a financial advisor or financial expert.
We're just a team of world class digital marketers :)

SETTING GOALS

Clear, measurable marketing goals are the heartbeat of an effective marketing budget. These goals should align with your business objectives and guide your budgeting decisions.

Here are some common marketing goals you might consider:

(Go ahead and mark the top 1-2 most important goals for your business)

- Brand Awareness
- Revenue from Online Sales
- Website Traffic
- Newsletter Sign-ups
- Engagement on GMB profile
- Lead Generation
- Customer Retention
- Conversion Rates
- Expanding to New Markets
- Simply Reaching Customers When They Search

Focusing on goals like these will also impact several other secondary metrics, but by championing 1-2 goals you can focus your approach in your marketing efforts.

We recommend focusing on **Brand Awareness** and **Customer Retention**.

Brand awareness when done right will reach your target audience wherever they are, and customer retention will help you engage your existing customer base to improve customer lifetime value and enhance your brand.

MARKETING BUDGET BASICS

The U.S. Small Business Administration recommends spending 7 to 8 percent of your gross revenue on marketing.
 (This includes all marketing-related expenditures)

*Example: \$100k Annual Revenue * .08 = \$8k Budget*

The U.S. Small Business Administration ALSO recommends spending 10 to 12 percent of your gross revenue on marketing if you are trying to grow your business.

*Example: \$100k Annual Revenue * .12 = \$12k Budget*

Ultimately, the total percentage of revenue you should plan on spending is entirely dependent on your industry and business model. For example, at Dritschler Media, we spend 10-15% of our gross annual revenue on marketing - this is also normal for our industry.

If you already have an existing customer base, you should plan for a normal budget range of 7-10% depending on your industry and model.

(If you don't have an existing customer base you'll have to work the cash you have)

ANNUAL REVENUE		Based on previous year
% FOR MARKETING		Based on industry & model
TOTAL BUDGET		Annual marketing budget

ALLOCATING YOUR BUDGET [PT. 1]

At Dritschler Media, we recommend that most SMBs split their total marketing budget 50/50 for physical and digital marketing.

Why split the budget 50/50?

Most Small and Medium-sized Businesses (SMBs) operate in a hybrid market environment where their customer base is divided between those who engage with the business online and those who do so through traditional, physical means. This balance ensures that you're not putting all your eggs in one basket and allows for a more comprehensive approach to reaching your target audience.

Benefits of a 50/50 Split:

- **Broader Reach.** This approach allows you to cover a wider spectrum of the market, catering to both tech-savvy customers who spend a significant amount of time online and those who are more likely to respond to traditional advertising methods.
- **Flexibility.** By diversifying your marketing efforts, you're better positioned to pivot and reallocate funds as you learn what works best for your specific audience and as market dynamics change.
- **Risk Mitigation.** Investing equally in digital and physical marketing can protect your business against the pitfalls of relying too heavily on a single marketing channel, which might become less effective over time due to market saturation, changing consumer behaviors, or algorithm updates in digital platforms.
- **Integrated Marketing Opportunities.** A balanced budget encourages the development of integrated marketing campaigns that can bridge the gap between online and offline experiences, offering a cohesive brand message and customer journey.

Ultimately, you can split the budget how you want!

PHYSICAL MARKETING	DIGITAL MARKETING
%	%

Total should = 100%

ALLOCATING YOUR BUDGET [PT. 2]

It's up to you to decide how you want to break down your marketing budget from here, but we'll help you out a little.

Here is an example of different things you might want to allocate budget towards for physical and digital marketing efforts:

PHYSICAL MARKETING

- Print Advertising
- Direct Mail
- Billboards and Outdoor Advertising
- Trade Shows and Events
- Branded Merchandise
- Brochures and Flyers
- In-store Promotions
- Networking Events
- Vehicle Wraps
- Radio and Local TV Advertising

DIGITAL MARKETING

- Website Costs
- Content Marketing
- SEO
- Pay-Per-Click (PPC) Advertising
- Social Media Marketing
- Email Marketing
- Influencer Marketing
- Affiliate Marketing
- Online Webinars & Workshops
- Digital Analytics and Tools

You can obviously allocate your budget to more items not on this list.
Don't forget about personnel costs if you have marketing staff.

TIPS & TRICKS

- We recommend automating as much of your marketing efforts as possible, whether it be with software, apps, or with people like us.
- Scalable marketing solutions usually have a lower initial cost, and can scale with your revenue as it goes up OR down.
- Prioritize channels where your target audience is most active.

ADJUSTING THE BUDGET

Remember when you selected 1-2 marketing goals?

You'll want to adjust the budget accordingly to reflect these goals.

- Brand Awareness
- Revenue from Online Sales
- Website Traffic
- Newsletter Sign-ups
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To do this, you'll need to evaluate the estimated expenditures for each marketing activity. We recommend exploring your options for both cost and effectiveness to ensure your budget is spent wisely.

As you implement your strategies and start spending your budget, it's important to evaluate the ROI on that spending.

Here are some popular questions you should be asking yourself:

Is this generating revenue?

(either directly or indirectly)

Is this keeping our brand "top of mind"?

Are we spending more than originally planned on this?

Is there a better solution for this marketing activity?

Are there any hidden costs to this?

Best Practices for Marketing Budget Management

Set Clear Objectives

Before allocating any funds, clearly define what you aim to achieve with your marketing efforts. These should align with your overall business goals and be as specific as possible.

Understand Your Audience

Invest in market research to gain a deep understanding of your target audience. This will help you allocate your budget more effectively by focusing on the channels and messages that resonate most with your potential customers.

Prioritize High-ROI Activities

Evaluate past marketing initiatives to identify which have yielded the highest return on investment. Prioritize these activities in your budget to ensure that your spending is driving results.

Allocate Budget for Experimentation

Set aside a portion of your budget for testing new marketing channels and tactics. This allows you to explore innovative ways to reach your audience without risking your entire marketing budget.

Monitor Performance Religiously

Establish a system for tracking the performance of your marketing activities. Use this data to make informed decisions about where to allocate or reallocate funds.

Be Flexible

Market conditions and consumer behaviors can change rapidly. Be prepared to adjust your budget allocation in response to these changes to stay ahead of the curve.

Invest in Tools and Technology

Consider budgeting for marketing automation and analytics tools. These can improve efficiency and provide valuable insights into your marketing performance.

Example Budget: \$15k Annual Budget

PHYSICAL MARKETING

DIGITAL MARKETING

Budget Amount: \$7,500

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Activity	Annual Budget	Activity	Annual Budget
Networking Events	\$1,500	SEO	\$1,000
Event Materials	\$1,000	PPC Ads	\$1,000
Business Cards	\$250	Content Production	\$2,000
Other Print Materials	\$750	Social Media Tools	\$500
Branded Merchandise	\$1,000	Cold Emailing	\$400
Vehicle Wrap 1/3 years	\$1,500	Email Automation	\$350
Gifting	\$500	Website Costs	\$750
Sponsorships	\$1,000	Video Ads	\$1,000
		Affiliate Marketing	\$250
		Analytics & Tools	\$250
TOTAL BUDGET	\$7,500	TOTAL BUDGET	\$7,500

Your budget should look different to reflect your needs/goals.

Revisit your budget every quarter to ensure you aren't missing any hidden or unexpected expenses, and to make sure the ROI of each marketing activity adds to your brands bottom line.