



There is no single figure that every Australian small business should set aside for digital marketing. A local plumber in Penrith, an online retailer selling across Australia, and a professional services firm in Sydney may have completely different marketing needs.

Some marketing advisers use 5% to 15% of revenue as a general starting point for marketing expenditure. [Business Queensland](#) also refers to this range, while noting that the amount a business can realistically invest depends on its industry, customers, circumstances and goals. It is a useful rule of thumb, rather than an official Australian benchmark.

The bigger question is where your money should go.

Today, we look at how to approach a digital marketing budget, which channels may deserve priority and how to judge whether your spending is producing worthwhile results.

What Should You Consider Before Setting a Marketing Budget?

Your budget should follow your business objectives rather than the other way around. Before deciding how much to spend, take some time to work out what you actually want your marketing to achieve.

Your Customers

Consider who you are trying to reach, where they live, what they are looking for and how they

normally find businesses like yours.

Business Queensland recommends segmenting customers according to factors such as location, behaviour and engagement so marketing can be directed towards the people most likely to respond.

Your Business Goals

A business trying to generate more phone enquiries may need a different approach from one trying to increase online sales or build recognition in a new suburb.

Your goals might include generating more enquiries, improving search visibility, increasing repeat purchases or building a database for email marketing.

Your Competition

A business operating in a highly competitive market may need to invest more to gain visibility than one serving a small, specialised market.

Your competitors' websites, search rankings, advertising and social media activity can give you a useful sense of what customers are seeing before they reach you.

Your Available Resources

Money is only part of the equation - you also need to consider who will create content, manage campaigns, answer enquiries and monitor results. Business Queensland advises small businesses with limited resources to start with high-priority activities rather than trying to do everything at once.

Why Should Your Strategy Come Before Your Budget?

It is easy to look at Google Ads, SEO, Instagram, email marketing and content creation and feel that you need all of them immediately. Most small businesses do not.

A digital marketing strategy helps you decide which channels actually make sense for your customers and goals. The Australian Government's business.gov.au guidance recommends setting marketing goals, identifying activities, estimating costs and establishing a timeframe as part of the planning process.

Before committing money, your plan should identify:

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Target audience and service area

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Main business objectives

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Relevant marketing channels

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Competitors

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Customer journey

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Desired actions such as calls, bookings or purchases

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Key performance indicators

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How results will be reviewed

Business Queensland similarly recommends understanding your audience, choosing appropriate online platforms and developing targeted campaigns rather than simply using every available channel.

You can also refer to the [Australian Government's marketing plan guidance](#) when working through these decisions.

How Much Could Different Digital Marketing Activities Cost?

There is no government-set price for SEO, paid advertising, social media management or content marketing. Costs vary considerably according to the level of work involved, the industry, competition and whether activities are handled internally or outsourced.

The following figures are therefore best treated as illustrative monthly planning ranges, not standard Australian prices.

Digital marketing activity

Illustrative monthly planning range

Google Ads / paid search

\$1,500-\$3,000

SEO

\$1,500-\$2,000

Content marketing

\$500-\$800

Social media marketing

\$1,500-\$3,000

Email marketing

\$800-\$1,200

These figures should not be read as a recommended package. They simply show why a business needs to decide its priorities before allocating money.

Paid Advertising

Google Ads, Meta advertising and other paid campaigns can put a business in front of potential customers relatively quickly. Your budget needs to account for the advertising spend itself and, where applicable, campaign management, creative work, landing pages and tracking.

SEO

SEO generally takes a longer view. Work can include keyword research, technical improvements, local search optimisation, website content and authority building.

Content And Social Media

Content may include articles, guides, photography, video and landing pages. Social media can involve organic posts, creative production, account management and paid campaigns.

Email Marketing

Email can be useful for businesses that already have a customer database. Spending may cover software, campaign creation, automation, database management and reporting.

Do You Need To Pay For Every Marketing Channel?

Probably not. If you add every figure in the example table together, the potential spend is roughly \$5,800 to \$10,000 per month. That does not mean a small business should spend that amount.

The more sensible approach is to decide which two or three channels are most closely connected to the way your customers buy.

Business type

Possible starting focus

Local trade business

Local SEO, Google Ads, useful website content

Ecommerce business

Paid search or social, SEO, email

Professional services

SEO, Google Ads, educational content

Local retailer

Local search, paid campaigns, social media

Business Queensland specifically recommends focusing on high-priority initiatives when

resources are limited.

Does Your Service Area Change Your Marketing Budget?

It can. The areas in which you operate and the locations you want to attract customers from should form part of your marketing planning.

A local business does not necessarily benefit from paying to reach people well outside its service area. Depending on the business, a greater proportion of the budget may be directed towards local search, location-based advertising and pages that help customers find the relevant products or services in their area.

This is particularly relevant in Sydney, where businesses can serve a defined group of suburbs while still competing within a much larger metropolitan market.

For a supplier of [roof tiles in Sydney](#), for instance, the marketing strategy needs to account for customers across Sydney as well as its established presence in Penrith and Padstow. The appropriate balance between local and broader campaigns will depend on where its customers come from and which areas the business intends to grow.

Its marketing priorities could therefore be different from those of an ecommerce business trying to reach customers nationally. Local search visibility could matter alongside product pages, paid advertising and useful information for people researching roofing products.

For a Penrith business, working with Netplanet Digital, for example, may be one option when deciding how to approach [SEO services in Penrith](#) alongside other marketing channels.

How Do You Know Whether Your Marketing Budget is Working?

The amount you spend tells you very little on its own. You need to know what that spending

produced.

Depending on your business model, useful measures can include number of enquiries or leads, organic search traffic, cost per lead, website and email conversions and paid advertising results.

For example, spending \$2,000 on advertising is not automatically good or bad. If it produces two enquiries that never become customers, you may need to rethink the campaign. If it produces enough profitable sales to justify the cost, the same budget may make sense.

Business Queensland recommends reviewing campaign results and using customer and website data to refine your marketing approach over time.

The Bottom Line

A digital marketing budget should be flexible. As you learn which campaigns generate enquiries, sales or repeat customers, you can put more of your budget behind the activities that are earning their place.

For a small Australian business, the strongest starting point is therefore not a magic percentage or a fixed monthly figure. It is a savvy strategy, a realistic budget and a willingness to measure the results and adjust as the business develops.