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# A COSTING COMPARISON: TRADITIONAL VS. DIGITAL MARKETING

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**(You can adapt the projections to your business as per example at the bottom of this comparison. Also note: While digital marketing generally offers cost-saving opportunities compared to traditional marketing, there are certain industries where the cost comparison may not result in immediate savings, industries also listed below.)**

I am from South Africa and do not boast to know if the results are the same internationally, that's why I tailored my examples for South African businesses, but I am sure that there will be similar results in other countries. So, let's jump right into my example.

Imagine you're the owner of a local butchery in South Africa, and you're faced with the task of deciding where to allocate your marketing budget. In this rapidly evolving digital era, it's essential to compare the costs and benefits of traditional marketing versus digital marketing to make an informed decision. Let's delve into a specific example to help you understand the potential costs involved.

Traditional marketing methods, such as print advertisements and local radio commercials, have long been the go-to options for businesses. Let's say you're considering a full-page advertisement in a popular local newspaper, which could cost around R5,000. Additionally, running a series of radio commercials during peak hours might amount to R10,000 per month. While these traditional methods have their merits, the total costs can quickly add up, especially for small businesses.

On the other hand, digital marketing offers cost-effective avenues that can reach a wide audience at a fraction of the cost. Let's consider a few potential digital marketing strategies for the butchery:

1. **Social media marketing:** Establishing and maintaining an active presence on popular platforms like Facebook, Instagram, and Twitter can be done at no direct cost, aside from your time and effort. However, you may consider investing in paid advertising on social media platforms to increase your reach. For example, running a targeted Facebook ad campaign with a budget of R3,000 per month can help you reach thousands of potential customers.

2. **Search engine optimization (SEO):** Optimizing your website for search engines can improve its visibility in online search results. While you might need to engage a professional SEO service, costs can vary depending on the scope of work and

competitiveness of keywords. As a rough estimate, an SEO campaign for a local butchery could range from R5,000 to R10,000 per month.

3. **Email marketing:** Building an email list and sending regular newsletters or promotional offers to your customers can be a cost-effective strategy. Utilizing an email marketing service like Mailchimp or Sendinblue typically starts at around R500 per month, depending on the number of subscribers.

It's important to note that these figures are approximate and can vary based on various factors such as the specific marketing goals, target audience, and competition in your area. However, they provide a general idea of the potential costs associated with digital marketing strategies for a butchery in South Africa.

One significant advantage of digital marketing is the ability to track and measure results. Through tools like Google Analytics and social media insights, you can monitor the performance of your campaigns in real-time. This data-driven approach allows you to adjust your strategies as needed, ensuring your marketing efforts yield maximum returns on investment.

### **Calculating Potential Savings:**

Let's consider the example figures of the butchery's marketing costs. If you were to invest in traditional marketing, the total expenditure for a full-page newspaper ad (R5,000) and radio commercials (R10,000 per month) would amount to R15,000.

Now, let's compare this with the digital marketing strategies discussed. Suppose you allocate a budget of R3,000 per month for a targeted Facebook ad campaign, R10,000 per month for an SEO campaign, and R500 per month for an email marketing service. The total expenditure for digital marketing would be R13,500.

To calculate potential savings, subtract the total digital marketing cost from the total traditional marketing cost:

***Savings = Traditional Marketing Cost - Digital Marketing Cost***

***Savings = R15,000 - R13,500***

***Savings = R1,500***

***Based on this example, by opting for digital marketing strategies, you could potentially save R1,500 compared to traditional marketing methods.***

By adapting the approach and figures to your own situation, you can gain a clearer understanding of the potential cost savings that digital marketing can offer for your business.

Ultimately, as the owner of a business, it's crucial to assess your unique circumstances and goals when considering traditional versus digital marketing. While traditional methods may still have a role to play, digital marketing offers a cost-effective and trackable alternative that can help you reach and engage your target audience more efficiently.

## **Here is the same example for different Industries:**

### **1. Life Coach:**

Traditional Marketing:

- Placing an ad in a local newspaper: Approximately R3,000 for a quarter-page ad.
- Distributing flyers in the neighbourhood: Printing costs of around R1,000.

Digital Marketing:

- Social media marketing: Running targeted Facebook and Instagram ads with a budget of R2,000 per month.
- Creating a professional website: Initial cost of R5,000, with additional monthly hosting and maintenance fees of around R500.

Calculating Potential Savings:

**Traditional Marketing Cost:  $R3,000 + R1,000 = R4,000$**

**Digital Marketing Cost:  $R2,000$  per month +  $R500$  per month =  $R2,500$  per month**

Estimated Yearly Savings:  $(\text{Traditional Marketing Cost} - \text{Digital Marketing Cost}) \times 12$  months

Savings =  $(R4,000 - R2,500) \times 12 = R6,000$

### **2. Event Planner:**

Traditional Marketing:

- Printed brochures and business cards: Printing costs of approximately R2,500.
- Local radio advertising: Running 30-second spots during peak hours for R15,000 per month.

#### Digital Marketing:

- Creating a visually appealing website: Initial cost of R8,000, with additional monthly hosting and maintenance fees of around R800.
- Social media marketing: Running targeted ads on Facebook and Instagram with a budget of R5,000 per month.

#### Calculating Potential Savings:

Traditional Marketing Cost:  $R2,500 + R15,000 \text{ per month} = R17,500 \text{ per month}$

Digital Marketing Cost:  $R8,000 + R800 \text{ per month} + R5,000 \text{ per month} = R5,800 \text{ per month}$

Estimated Yearly Savings:  $(\text{Traditional Marketing Cost} - \text{Digital Marketing Cost}) \times 12 \text{ months}$

Savings =  $(R17,500 - R5,800) \times 12 = R131,400$

### 3. Restaurant:

#### Traditional Marketing:

- Placing an ad in a local magazine: Approximately R7,000 for a half-page ad.
- Distributing printed menus in the surrounding area: Printing costs of around R3,500.

#### Digital Marketing:

- Creating an enticing website with online ordering functionality: Initial cost of R12,000, with additional monthly hosting and maintenance fees of around R1,000.
- Social media marketing: Running targeted ads on Facebook and Instagram with a budget of R8,000 per month.

#### Calculating Potential Savings:

Traditional Marketing Cost:  $R7,000 + R3,500 = R10,500$

Digital Marketing Cost:  $R12,000 + R1,000 \text{ per month} + R8,000 \text{ per month} = R9,000 \text{ per month}$

Estimated Yearly Savings:  $(\text{Traditional Marketing Cost} - \text{Digital Marketing Cost}) \times 12$  months

Savings =  $(R10,500 - R9,000) \times 12 = R18,000$

#### 4. Clothing Boutique:

Traditional Marketing:

- Printed flyers and posters: Printing costs of approximately R2,000.
- Local newspaper advertisements: Placing a weekly ad for R5,000 per month.

Digital Marketing:

- Social media marketing: Running targeted ads on Instagram and Facebook with a budget of R3,000 per month.
- Creating an e-commerce website: Initial cost of R10,000, with additional monthly hosting and maintenance fees of around R1,000.

Calculating Potential Savings:

Traditional Marketing Cost:  $R2,000 + R5,000 \text{ per month} = R7,000 \text{ per month}$

Digital Marketing Cost:  $R10,000 + R1,000 \text{ per month} + R3,000 \text{ per month} = R14,000 \text{ per month}$

Estimated Yearly Savings:  $(\text{Traditional Marketing Cost} - \text{Digital Marketing Cost}) \times 12$  months

Savings =  $(R7,000 - R14,000) \times 12 = -R84,000$  (Higher cost for digital marketing in this scenario)

#### 5. Fitness Studio:

Traditional Marketing:

- Local radio advertising: Running 30-second spots during peak hours for R12,000 per month.
- Printing and distributing brochures: Printing costs of approximately R3,500.

#### Digital Marketing:

- Social media marketing: Running targeted ads on Instagram and Facebook with a budget of R6,000 per month.
- Building a mobile-friendly website: Initial cost of R15,000, with additional monthly hosting and maintenance fees of around R1,500.

#### Calculating Potential Savings:

Traditional Marketing Cost: R12,000 per month + R3,500 = R15,500 per month

Digital Marketing Cost: R15,000 + R1,500 per month + R6,000 per month = R22,500 per month

Estimated Yearly Savings: (Traditional Marketing Cost - Digital Marketing Cost) x 12 months

Savings = (R15,500 - R22,500) x 12 = -R84,000 (Higher cost for digital marketing in this scenario)

#### 6. Beauty Salon:

##### Traditional Marketing:

- Local magazine advertisements: Placing a monthly ad for R6,000.
- Distributing printed flyers and discount vouchers: Printing costs of around R2,500.

##### Digital Marketing:

- Social media marketing: Running targeted ads on Facebook and Instagram with a budget of R4,000 per month.
- Creating an informative website: Initial cost of R8,000, with additional monthly hosting and maintenance fees of around R800.

#### Calculating Potential Savings:



Traditional Marketing Cost:  $R6,000 + R2,500 = R8,500$  per month

Digital Marketing Cost:  $R8,000 + R800$  per month +  $R4,000$  per month =  $R12,800$  per month

Estimated Yearly Savings:  $(\text{Traditional Marketing Cost} - \text{Digital Marketing Cost}) \times 12$  months

Savings =  $(R8,500 - R12,800) \times 12 = -R52,800$  (Higher cost for digital marketing in this scenario)

## 7. Home Cleaning Services:

Traditional Marketing:

- Local newspaper advertisements: Placing a weekly ad for  $R3,500$  per month.
- Distributing printed flyers in the neighborhood: Printing costs of around  $R1,500$ .

Digital Marketing:

- Social media marketing: Running targeted ads on Facebook and Instagram with a budget of  $R2,500$  per month.
- Building a mobile-friendly website: Initial cost of  $R6,000$ , with additional monthly hosting and maintenance fees of around  $R500$ .

Calculating Potential Savings:

Traditional Marketing Cost:  $R3,500$  per month +  $R1,500 = R5,000$  per month

While digital marketing generally offers cost-saving opportunities compared to traditional marketing, there are certain industries where the cost comparison may not result in immediate savings. These industries typically involve high-value or specialized products/services that require a significant investment in digital marketing strategies. Here are a few examples:

### 1. Luxury Real Estate:

In the luxury real estate industry, where properties command high prices and target a niche market, traditional marketing methods like high-end print advertisements and exclusive events may still be the norm. Digital marketing can still play a role, but the

costs associated with creating impactful online campaigns, high-quality virtual tours, and maintaining an upscale website might outweigh the potential savings compared to traditional approaches.

## **2. High-End Jewellery:**

Similar to luxury real estate, the high-end jewellery industry often relies on prestige, exclusivity, and personal connections. Traditional marketing methods like participating in high-profile events, showcasing at exhibitions, and collaborating with renowned designers may hold more weight than digital marketing efforts. The significant investment in digital marketing campaigns to reach a limited and discerning audience may not result in substantial cost savings.

## **3. High-End Automobiles:**

When it comes to high-end automobiles, the target audience often consists of enthusiasts, collectors, and individuals seeking a luxurious driving experience. Traditional marketing tactics like auto shows, exclusive test drive events, and partnering with luxury lifestyle publications may be preferred over digital marketing. The costs associated with creating captivating online campaigns and reaching a niche market might outweigh potential savings in this industry.

It's important to note that while these industries may not see immediate cost savings in the traditional vs. digital marketing comparison, digital marketing still offers numerous benefits such as increased brand visibility, targeted audience reach, and data-driven insights. The effectiveness and suitability of marketing strategies depend on the specific business goals, target audience, and industry dynamics. Each business should carefully evaluate their unique circumstances and consider a well-rounded marketing approach that aligns with their objectives.