

Evolving your offerings:

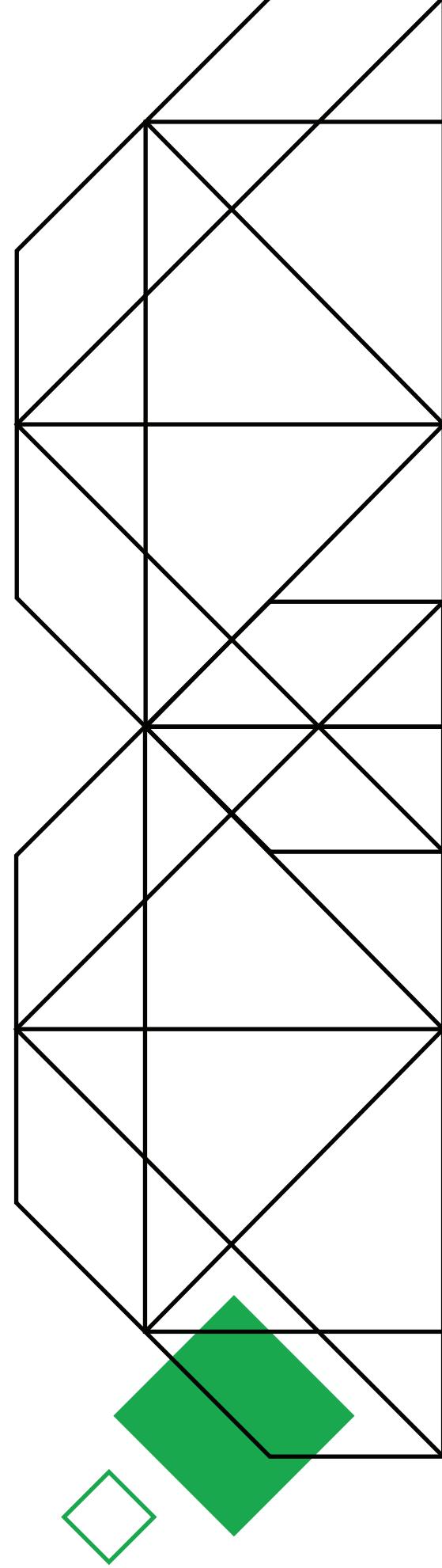
# The agency pricing & packaging report

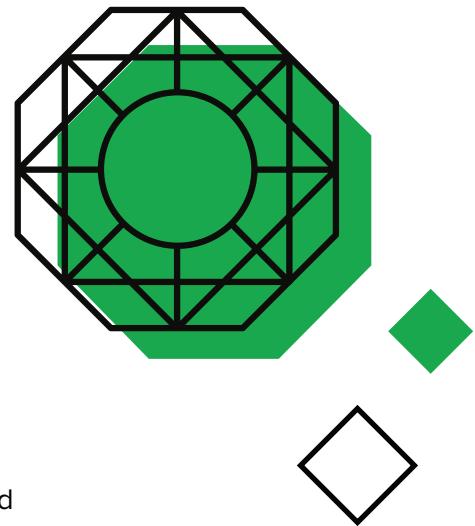


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## About this report

The social media landscape continues to change and the implications for agencies are hard to ignore.

Whether agencies began with providing social media management or have added social media services as a line item over the years, the evolution of social client services has impacted how agencies price and package overall. Social has become a separate package or spread across all other client services.

In this report, 220 Sprout Social agency customer respondents shared how they price, package and pitch their marketing services, how much they charge clients and the most common pain points in their sales processes.

Hope you enjoy,



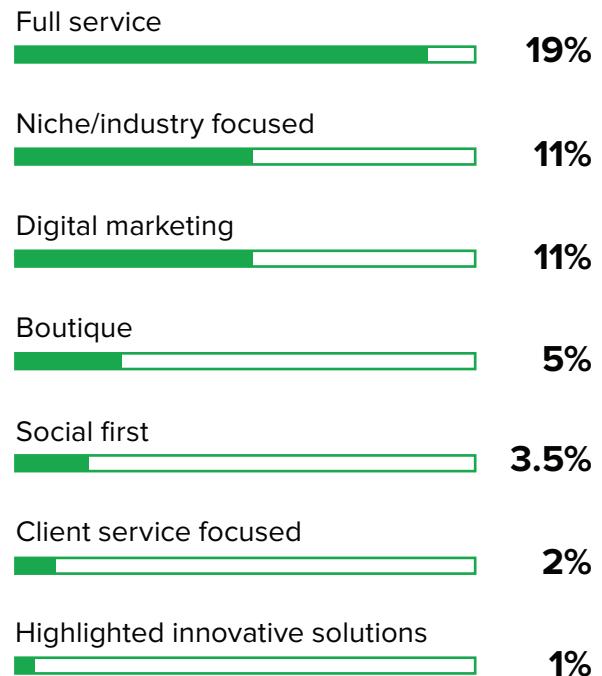
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Manager, Agency and Partner  
Marketing Strategy

# The state of the social agency

In a crowded environment of internal teams, freelancers, holding companies and mid-size firms, agencies in the small to mid-market size are finding it hard to break through the noise and describe their services uniquely.

When asked to briefly describe their agency, respondents identified themselves as “full-service” agencies, meaning they provided more than social media management AND deep social media services.

## How are agencies describing themselves?

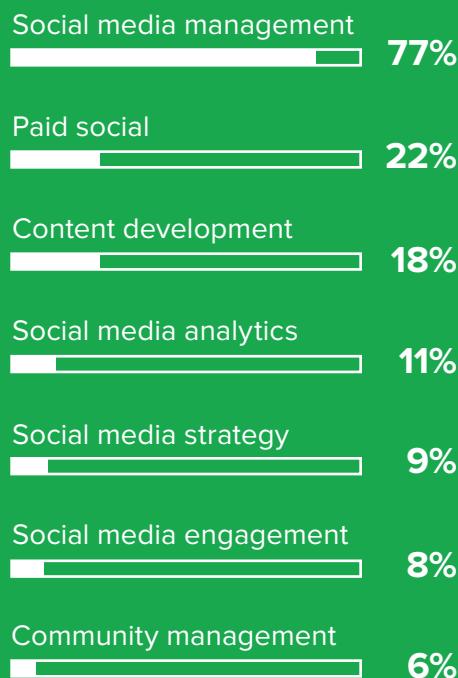


While 77% of agencies that provided social media management services explicitly had a line item for social media platform management, 22% of respondents also split out paid social media services and 11% called out and charged for social media analytics.

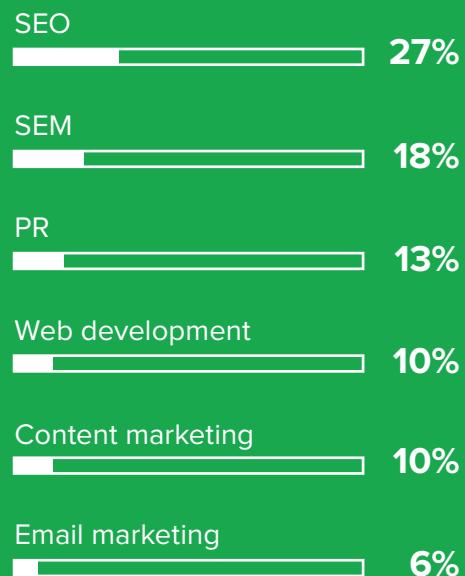
Agencies are providing more than social media management, with 23% of agency respondents providing SEO services and another 13% providing PR services.

## What services are marketing agencies offering?

### Social media services provided by agencies



### Other marketing services provided by agencies

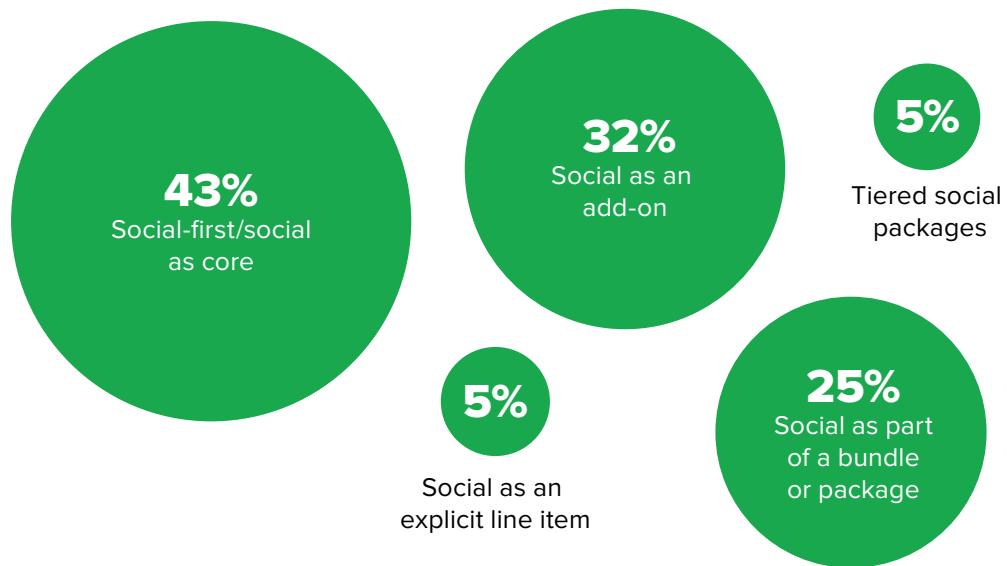


# Pitching and packaging client services

When agency respondents shared how they position and pitch their services, 43% said that their proposals were “social-first” or had social media services at the core of their offering. Even if they were providing other services, they were still wrapping the proposal around social.

Those that didn’t have social media services at the core of their offering were still showing social as having value by proposing it as a line item add-on in their proposals (32%). And a quarter of agencies included social as part of their bundled service packages with other digital marketing services.

## What services are marketing agencies offering?



When actually pitching client services, the majority of agencies are customizing their proposal based on client scope (59%). How services are priced, however, varies. Thirty-one percent are using a skill-based or blended hourly rate and 22% pitch their services as part of a monthly retainer.

## Common client pain points

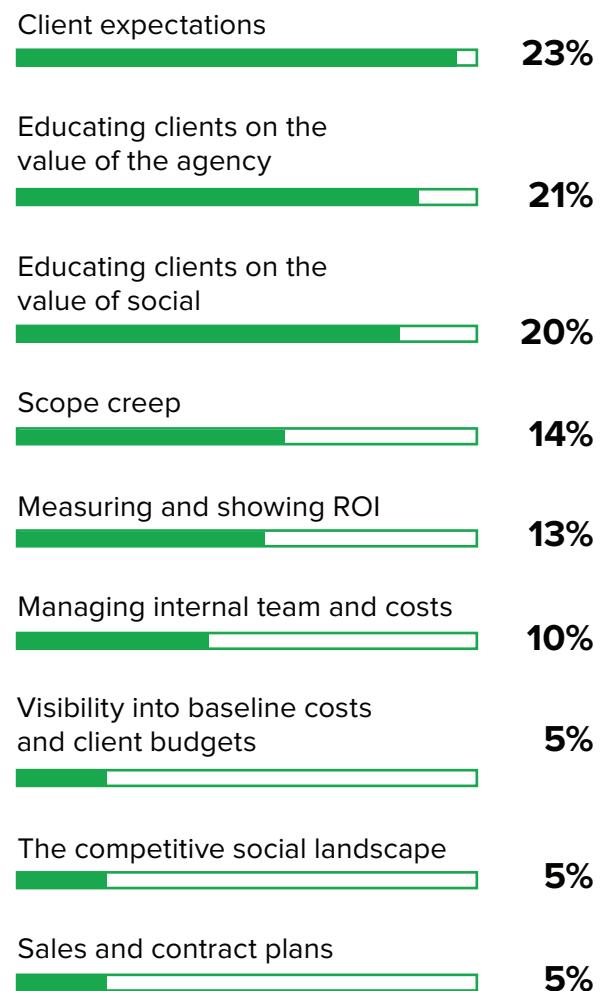
When asked what were the most common pain points for pricing, packaging, and proposing new services to clients, the most common refrain heard from respondents was expectations setting around value.

Managing client expectations on the services provided was the #1 pain point, followed closely by educating on both the value of social and the value the agency is providing.

Agencies have a real opportunity to set clear expectations, educate clients on the front-end about why social and why their agency.

And for those (13%) that also struggle with showing ROI, setting the expectations upfront and following through can help fight the vicious circle of providing services, defending the value, and keeping client expectations in check.

### What are the most common pain points?



## What do you charge for social media management?

### Monthly rate



### Hourly rate



## Average rates for social media services

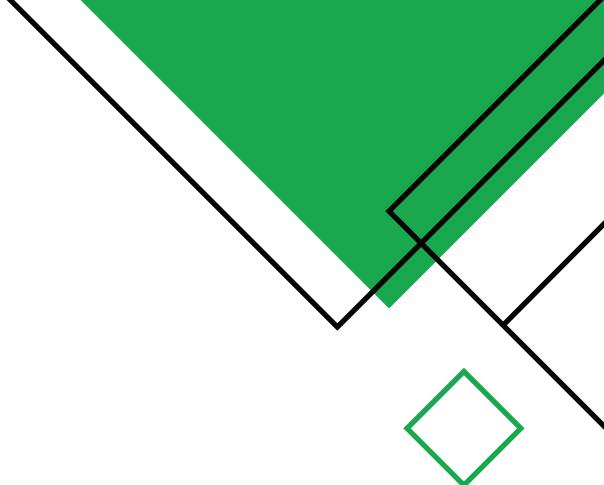
When asked how much agencies are charging for their social media services, answered varied by how they priced and packaged their services.

But common trends arose among those that charged for social media platform management and other explicit line items like paid social media management.

**“The average social media platform management retainer is \$3,000 per month and the average hourly rate is \$150.”**

Other notable pricing data were in line-itemed services. For those that offered paid social media management services, the average rate is 15–20% of digital ad spend.

Community management rates averaged \$1,400 per month on retainer and agencies that charged a per platform rate (e.g. Twitter, Facebook or Instagram) charged between \$500–\$800 per platform, per month.



# Packages by attitudinal segment

Research from the [AMI 2018 Research Project](#) showed that there were three primary attitudinal segments that aligned with how and when clients would outsource to agencies.

## **These segments were:**

### **01 Take the reins**

“I have no expertise and value your input to be our resident expert.”

### **02 Specialist seekers**

“I need a specialist to handle things that are outside of my wheelhouse.”

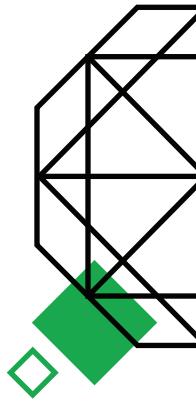
### **03 Resident experts**

“Marketing isn’t hard but my organization needs to be more sophisticated.”

Agencies often flex across these client types. But knowing who you work best with, how to price for each client and how much effort you should put into each proposal can help save time in the process and lead to the right fit in your book of clients.

The following pages contain some general ideas around how to approach and package services for these client persona types.

# Take the reins



## About:

- Works with ~1 agency or freelancer with no team or a small internal team
- Tight budget and small team
- Wants you to drive strategy

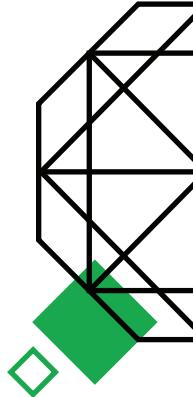
## Social media packages:

Package	Pricing (monthly)
Online or social media audit	\$1,000
Social media management (publishing)	\$1,000—\$2,000
Content creation (content in a box or template)	\$500—\$1,500
Social engagement	\$1,000+
Custom packages	\$1,500—\$5,000
Digital advertising	\$1,500—\$2,000

# Specialist seekers

## About:

- Prefer agencies they know
- Outsource as little as they can
- Projects are ad hoc
- Need to see ROI



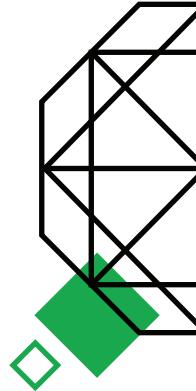
## Social media packages:

Package	Pricing (starts at - monthly)
Strategy	\$5,000
Social media management	\$3,000
Social ad buying and planning	\$300
Copy writing	\$1,000
New platform launch	Varies
Influencer campaigns	\$10,000
Community management	\$3,000
Minimum project rate	\$1,500

# Resident experts

## About:

- Big budgets and big teams, often working with multiple agencies
- Have limited faith in internal teams, although they may ‘get it’ when it comes to marketing expertise
- Reinforce their knowledge and show ROI



## Social media packages:

Package	Pricing (starts at - monthly)
Basic SMM	\$5,000
Mid-level SMM	\$8,000
Advanced: SMM	\$15,000
Digital ad strategy	\$3,000
Digital ad spend management	15—20% of ad spend



## Summary

Agencies are in the unique position to help manage client marketing functions while also leading the charge toward new tactics in order to adapt to an ever-changing consumer landscape. As consumers demand more from the brands they work with, it's critical that agencies are in a position to add value to their clients that meet their expectations while also educating them on the value they provide.

How you price services depends on the types of services agencies provide and how they best go to market. Some services agencies provide that are not included in this report are social media audits, trainings and bootcamps, executive social management and other ad hoc services that can help bridge the gap between consultancy and monthly execution.

Finding the right fit for your agency, how to best pitch your services and what will set you apart makes your agency more ready to evolve.

For more information on how agencies price and package their services or on how to work with Sprout Social on your social media offering, contact us at [partners@sproutsocial.com](mailto:partners@sproutsocial.com).



**Want to partner and grow together?**

Learn more about [Sprout Social's Agency Partner Program](#).