



EQUITY RESEARCH

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# Buffer

## TEAM

Jan-Erik Asplund  
Co-Founder  
[jan@sacra.com](mailto:jan@sacra.com)

Marcelo Ballve  
Head of Research  
[marcelo@sacra.com](mailto:marcelo@sacra.com)

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## Buffer

Tool for scheduling, publishing, and analyzing content across multiple social media channels

#social-media #b2b

[Visit Website](#)

### REVENUE

**\$18,000,000**

2023

### FUNDING

**\$4,000,000**

2023

## Details

### HEADQUARTERS

**San Francisco, CA**

### CEO

**Joel Gascoigne**



## Product

Buffer was founded in 2010 by Joel Gascoigne, who built the initial product as a simple way to schedule tweets. He validated the idea by launching a minimal landing page to gauge interest before building the actual product, gaining his first paying customer within 4 days of launch.

Buffer found product-market fit as a social media scheduling tool for bloggers, individuals, and small business owners who needed to maintain a consistent social media presence without spending hours each day manually posting content. The product allowed users to queue up social media posts in advance and automatically publish them at optimal times throughout the day.

The core product enables users to compose posts once and schedule them across multiple social networks including Twitter, Facebook, Instagram, and LinkedIn. Users can build a queue of content, analyze post performance, and maintain a consistent posting schedule across all their social channels from a single dashboard. Small business owners particularly value the ability to batch-create content in advance and maintain an active social presence even when they're busy running their business.

Buffer later expanded its product suite to include social analytics (Buffer Analyze) and engagement management (Buffer Engage), creating a comprehensive social media management platform for small businesses while maintaining its focus on simplicity and ease of use.

## Business Model

Buffer is a subscription SaaS company that helps businesses manage and schedule their social media content across multiple platforms. The company monetizes through tiered subscription plans based on the number of social media channels managed and team members who need access.

The core product, Buffer Publish, starts with a free plan allowing management of 3 social channels and scales up through Essentials (\$5/channel/month), Team (\$10/channel/month), and Agency (\$100/month for 10 channels) tiers. Their analytics product, Buffer Analyze, is priced separately starting at \$50/month for 10 social accounts and scaling up to \$800/month for 200 accounts.

Buffer employs a product-led growth strategy, using their free tier to acquire users who then upgrade as their social media needs expand. This approach has helped Buffer build a large base of small business customers while keeping customer acquisition costs low. Their pricing model encourages expansion through both additional social channels and team members.

The company differentiates itself through its focus on simplicity and user experience, particularly for small businesses and agencies. Unlike enterprise-focused competitors, Buffer maintains a straightforward pricing structure and feature set that appeals to smaller organizations looking to professionalize their social media presence.

## Competition

Buffer operates in the social media management platform market, which includes tools for scheduling, analytics, and engagement across multiple social networks.

### Enterprise social media management

The enterprise segment is dominated by Sprout Social, which went public in 2019 with over 23,000 customers and \$100M in annual recurring revenue. Sprout Social offers comprehensive features including scheduling, analytics, and customer service capabilities, targeting businesses of all sizes from small companies to major enterprises like Shopify and IBM. Their pricing starts at \$99/user/month, allowing them to capture significant revenue from larger teams.

### Mid-market scheduling and analytics

This segment includes players like Hootsuite and Later that focus on social media scheduling with integrated analytics. These platforms typically charge \$20-50/month for small teams and offer tiered pricing for additional users and features. While Buffer historically competed directly in this space with its \$10/month plan, it has recently shifted focus toward small businesses and creators.

### Small business and creator tools

Buffer has carved out a distinct position serving small businesses and creators, with over 70,000 paying customers at a \$25 average revenue per user. This segment also includes newer entrants like Planoly and Preview that focus specifically on Instagram management. These tools typically offer freemium models with paid plans starting around \$10-15/month.

The market continues to segment based on customer size and needs, with enterprise players moving upmarket while specialized tools emerge for specific use cases and platforms. Buffer's focus on small business customers and transparent company culture has helped it maintain a loyal customer base despite increasing competition.

## TAM Expansion

Buffer has tailwinds from the growing creator economy and small business digitization, with opportunities to expand into adjacent markets like brand building, content creation, and social commerce tools.

### Creator economy infrastructure

The creator economy represents a massive opportunity for Buffer to expand beyond traditional social media management. With over 50 million creators globally and growing rapidly, Buffer can build specialized tools for content planning, audience growth, and monetization. Their existing integration with major social platforms positions them well to become the operating system for creators managing their personal brands across multiple channels. The company's recent focus on serving small businesses and creators, rather than enterprises, aligns perfectly with this expanding market.

### Small business digital transformation

Buffer's core social media management platform serves only a fraction of the 400+ million small businesses globally. As more businesses recognize social media as a primary marketing channel, Buffer can expand horizontally into adjacent tools these businesses need. Their recent launch of engagement analytics and visual content creation tools demonstrates their ability to capture more value from existing customers. The company's high ARPU growth from \$18 to \$25+ shows their success in expanding services while maintaining their focus on smaller customers.

### Brand building platform

Buffer's evolution from a simple scheduling tool to a comprehensive brand building platform presents significant expansion potential. By adding capabilities in areas like influencer collaboration, social commerce integration, and automated content generation, Buffer can increase their share of wallet from existing customers while attracting new segments. Their profitable business model, with \$20M+ in ARR and 25% margins, provides them the resources to pursue these opportunities organically.

## Risks

**Dependence on social platform APIs:** Buffer's core functionality relies entirely on social media platforms' APIs and their willingness to maintain access. While Facebook/Meta and others currently benefit from the small business ecosystem Buffer enables, platforms could restrict API access or build competing native scheduling tools. This risk is partially mitigated by Buffer's strong brand and large customer base making it costly for platforms to cut them off.

**Commoditization of social media management:** The social media scheduling space has become increasingly crowded with both established players like Hootsuite and new entrants. Basic scheduling features are now table stakes, forcing Buffer to compete on price or expand into adjacent services like analytics and engagement. Their focus on SMBs also means limited ability to raise prices without risking customer churn.

**Revenue concentration in small businesses:** Buffer's strategic focus on small businesses and creators makes them vulnerable during economic downturns. Their relatively low ARPU (~\$25) requires maintaining a large customer base to drive meaningful revenue growth. While they've achieved profitability, this customer segment may limit their ability to expand into higher-margin enterprise deals without significant product changes.

Funding Rounds

Series A		
Share Name	Issue Price	Issued At
Series A	\$4.57	Oct 2014
Series AA	\$0.47	Dec 2011
Figures sourced from the latest Certificate of Incorporation we have available.		

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