FREE GUIDE

How Much Should You Spend on Marketing?

How to set your marketing investment by business type, area and goals

Georgia Website Experts

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The quick answer

There's no single right number, but there are reliable starting points. The most common approach is to invest a percentage of your revenue, then adjust for your type of business, your local competition and how fast you want to grow.

Benchmark	Marketing spend
Common SBA guideline for small businesses	**7-8% of gross revenue**
Average across large companies (Gartner, 2026)	**7.8% of revenue**
New businesses building awareness	**12-20% of revenue**
Established businesses maintaining	**5-7% of revenue**
Businesses pushing for fast growth	**10-15%+ of revenue**

Example: a business with $500,000 in yearly revenue following the 7-8% guideline would invest about $35,000-$40,000 a year, or roughly $2,900-$3,300 a month.

Step 1: Start with your business type

Businesses that sell to consumers usually spend more on marketing than businesses that sell to other businesses, because they need to reach more people, more often. The Spring 2026 CMO Survey reported these averages:

Business model	Spend (% of revenue)
Consumer products	**12.0%**
Business services	**10.1%**
Consumer services	**7.2%**
Business products	**7.0%**

Most local service businesses, like contractors, salons, auto shops and medical offices, fall in the consumer services range.

Step 2: Adjust for your area and competition

Where you are matters as much as what you do. The biggest driver of cost is how many competitors are fighting for the same customers and searches in your area.

- Smaller markets with fewer competitors, like many towns around Columbus, can often hold top spots with less spend.
- Big metro areas like Atlanta, and crowded categories like legal, roofing and HVAC, cost more just to stay visible.
- If you serve several cities, budget for each one you want to show up in.

Step 3: Match the budget to your goals

Your goal	Suggested range
Maintain your current flow of customers	**5-7% of revenue**
Steady, sustainable growth	**7-10% of revenue**
Launch, expand or grow fast	**10-20% of revenue**

Step 4: Check it with cost per customer

Percentages are a starting point. The better test is what a new customer is worth to you.

1. **Estimate what a customer is worth**
   Multiply your average sale by how many times a customer buys from you. A roofing job might be worth $10,000 once. A salon client might be worth $60 a visit, eight times a year.

2. **Decide what you'd pay to win one**
   Many businesses are comfortable spending 10-20% of a customer's value to win that customer.

3. **Work backward**
   Multiply that amount by the number of new customers you want each month. That's your target monthly budget.

> Example: if a new customer is worth $2,000 and you'd pay up to $300 to win one, ten new customers a month supports about $3,000 a month in marketing.

Step 5: Split it across channels

A sample starting split for a local business. Adjust it as you see which channels bring in the most customers.

Channel	Share of budget
Website and SEO	**30-40%**
Paid ads (Google, social, streaming)	**30-40%**
Google Business Profile and reviews	**10-15%**
Local and direct marketing (mail, events, sponsorships)	**10-20%**

Remember that ad spend paid to Google or Meta is separate from what you pay an agency to manage it.

Common mistakes to avoid

- Waiting until business slows down. Marketing takes time to build, so cutting it in busy seasons leaves you with an empty pipeline later.
- Spreading a small budget across too many channels. Do two or three things well.
- Not tracking results. If you can't tell which channel brought in a call, you can't tell what's worth paying for.
- Judging SEO too early. Competitive terms usually take 3-6 months.

Sources

U.S. Small Business Administration guideline of 7-8% of gross revenue for small businesses, as summarized in Beancount, Small Business Marketing Budget Guide (March 2026), which also gives the stage-based ranges for new, established and fast-growing businesses.

Gartner, 2026 CMO Spend Survey, press release May 11, 2026: marketing budgets averaged 7.8% of company revenue, up from 7.7% in 2025. Survey of 401 marketing leaders, mostly at large companies.

The CMO Survey, Spring 2026 edition, as reported by MarketScale (2026): marketing spend as a percent of revenue by business model.

Beancount, Local SEO and Google Business Profile Budget Benchmarks by Industry (July 2026): local competition as the main driver of local marketing cost.

Goal-based ranges and the channel split are planning ranges based on the sources above, not fixed rules.

This booklet offers general planning ranges, not financial advice. Every business is different. Book a free consultation and we'll help you build a budget that fits yours.

Want us to do it for you?

Georgia Website Experts builds websites, sets up and manages Google Business Profiles and social media, runs ads and handles SEO and direct marketing for local businesses across Georgia, Alabama, South Carolina and Florida.

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