

How Much Should I Spend on Marketing?

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If I categorized all of the questions that I would receive, I would have to say that the majority are concerning how much to budget and spend on marketing.

It's a tricky question. The important thing for new companies is testing marketing vehicles to see which performs and provides the best return on investment. Mature companies or businesses that have been in business for a considerable amount of time know which vehicles work for them; if they don't they are in trouble.

I typically recommend that companies invest 20% of their resources into marketing. This is 20% of your budget as well as your time. You continually reinvest 20% into marketing on an ongoing basis. As time goes on you may be able to decrease your time spent in marketing, but in return monetary resources may need to increase. The key is to find the vehicles that work best for your target market. Is it Internet, newspaper, audio commercials, or television commercials.

You will find that some people suggest as your business grows to decrease your amount in marketing. I firmly disagree with this tactic. You should always be marketing to new potential customers as well as marketing to the repeat consumer.

Review your marketing mix. There's no such thing as one specific activity but rather a cross-section of marketing strategies will bring the success you need. It's the small things that add up when put together. Determine what marketing works by asking your customers and disregard any marketing vehicles that are not working for you and reinvest in those that do.