

How Much Do Businesses Spend on Marketing?

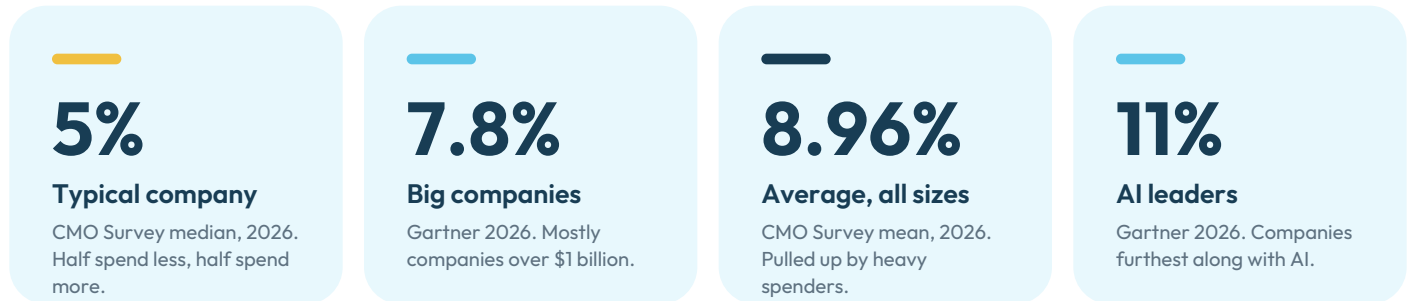
Marketing spend as a percentage of revenue, broken down by year, business model, company size, industry and stage. Plus a simple way to set your own budget.

5%	what the typical company spends
7.8%	the big company average in 2026
16.8%	what companies under \$10M spend

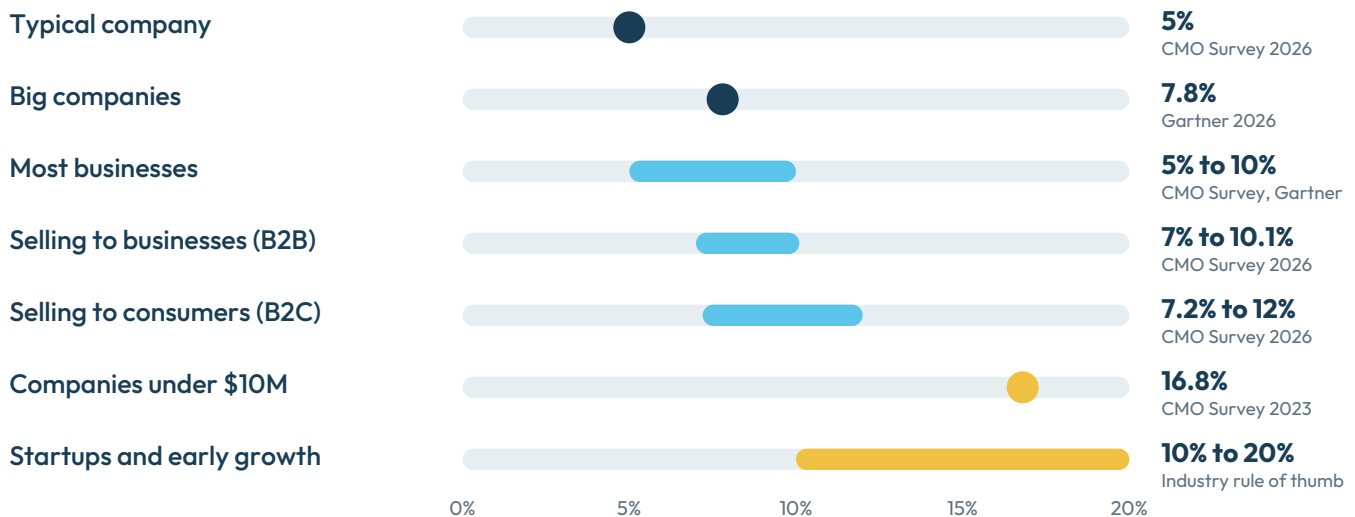


The Short Answer

There's no single right number, but the data clusters tightly. Most companies spend **5% to 10% of revenue** on marketing. Smaller businesses, newer businesses, and anyone selling to consumers sit at the high end.



The ranges at a glance



Average vs. typical: why it matters

The CMO Survey average is 8.96%, but the median is 5%. A small group of heavy spenders drags the average up. Gartner sees the same thing: half of companies spend 6% or less. Benchmark yourself against the typical number.

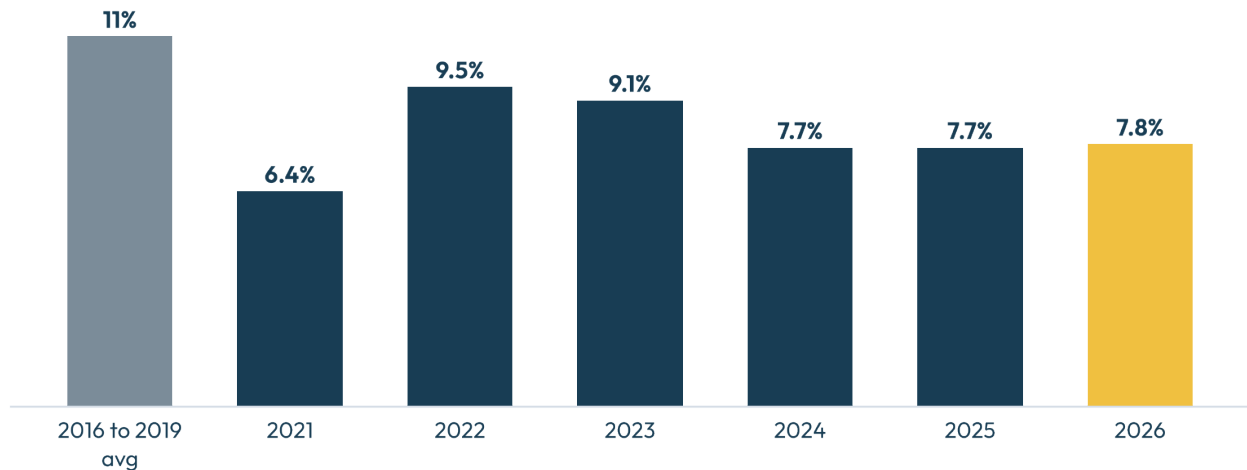
The bottom line

Big companies spend about 8% of revenue on marketing. Most land around 5%. Small businesses trying to grow often spend more. A percentage is a starting point. Your real number comes from your goals and your math (page 7).



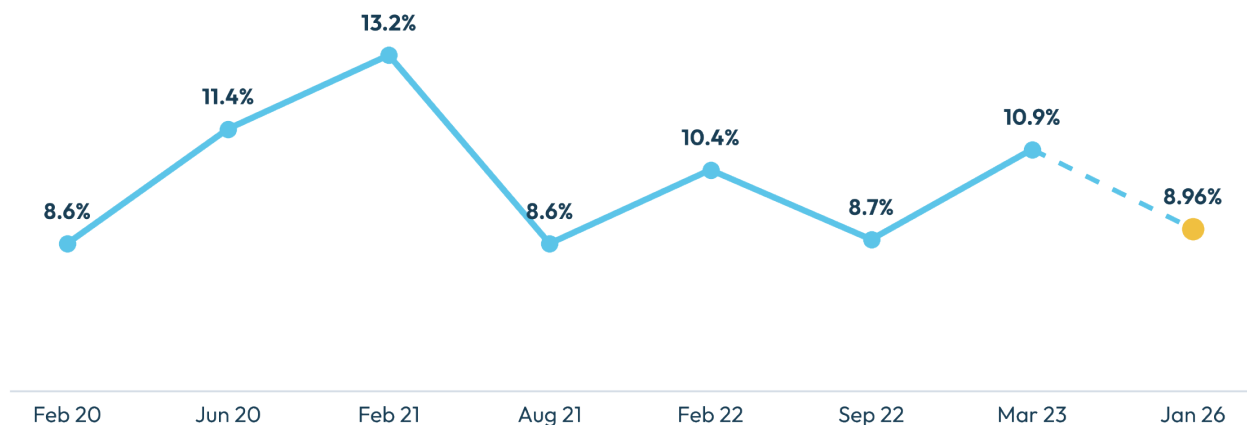
Spend Over Time

Gartner CMO Spend Survey: big companies



Mostly companies over \$1 billion in revenue; about 400 marketing leaders a year in North America and Europe. 2020 was not reported.

The CMO Survey: a broader mix of company sizes



US marketing leaders, run by Duke University, Deloitte and the American Marketing Association. Dashed line spans editions not shown.

✓ Budgets never fully recovered

Big companies averaged 11% before the pandemic. They've held near 7.7% to 7.8% for three straight years.

✓ The pandemic swung everything

Spend as a share of revenue spiked in 2020 and 2021 as revenue fell faster than budgets, then snapped back.

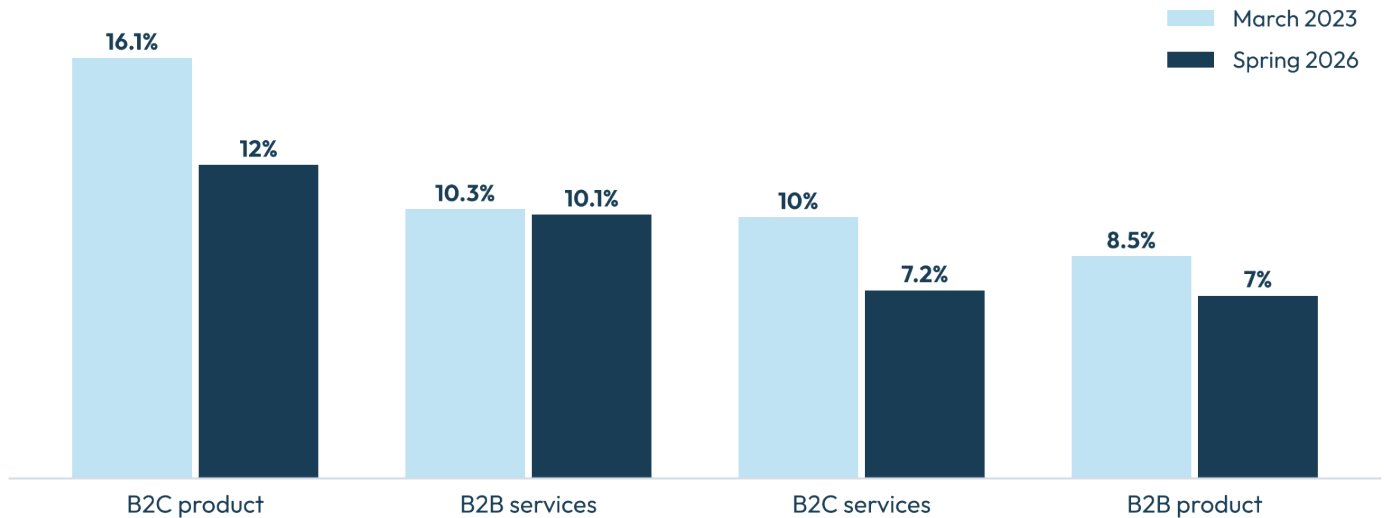
✓ Flat is the new normal

Gartner calls 2026 essentially flat. Marketing teams are being asked to do more with the same money.



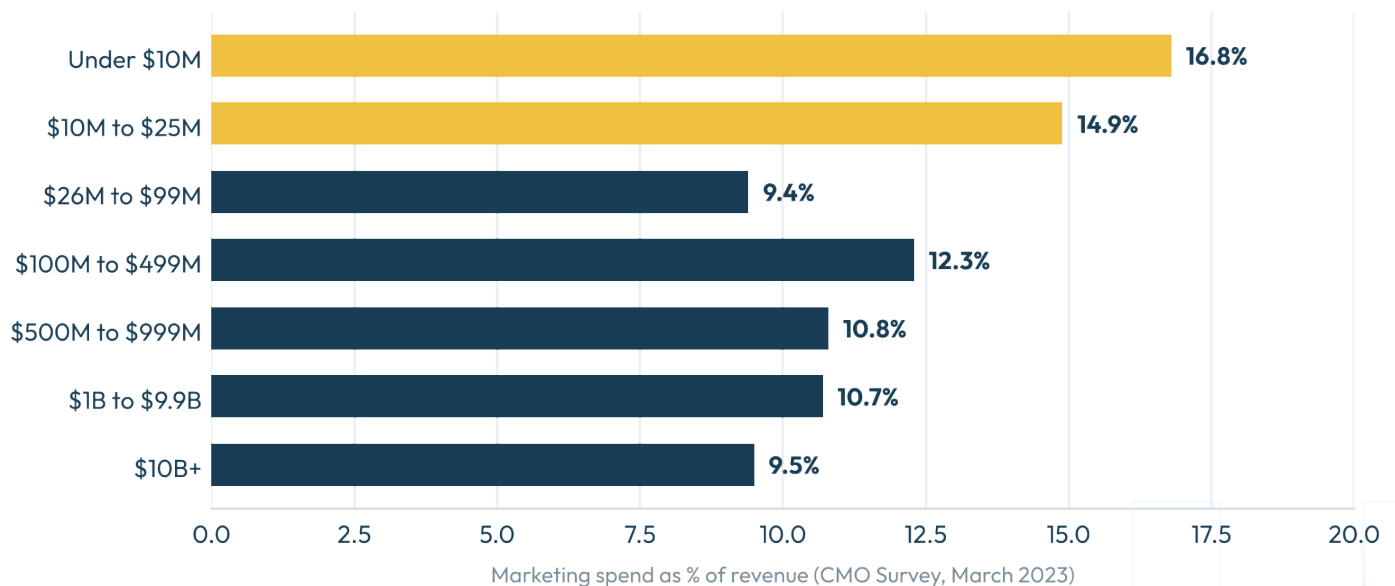
By Business Model and Size

By business model (CMO Survey)



Consumer businesses spend the most. Every group came down between 2023 and 2026, with consumer products falling furthest. Forrester puts US B2B companies at about 8%, in line with these numbers.

By company size (CMO Survey, March 2023)



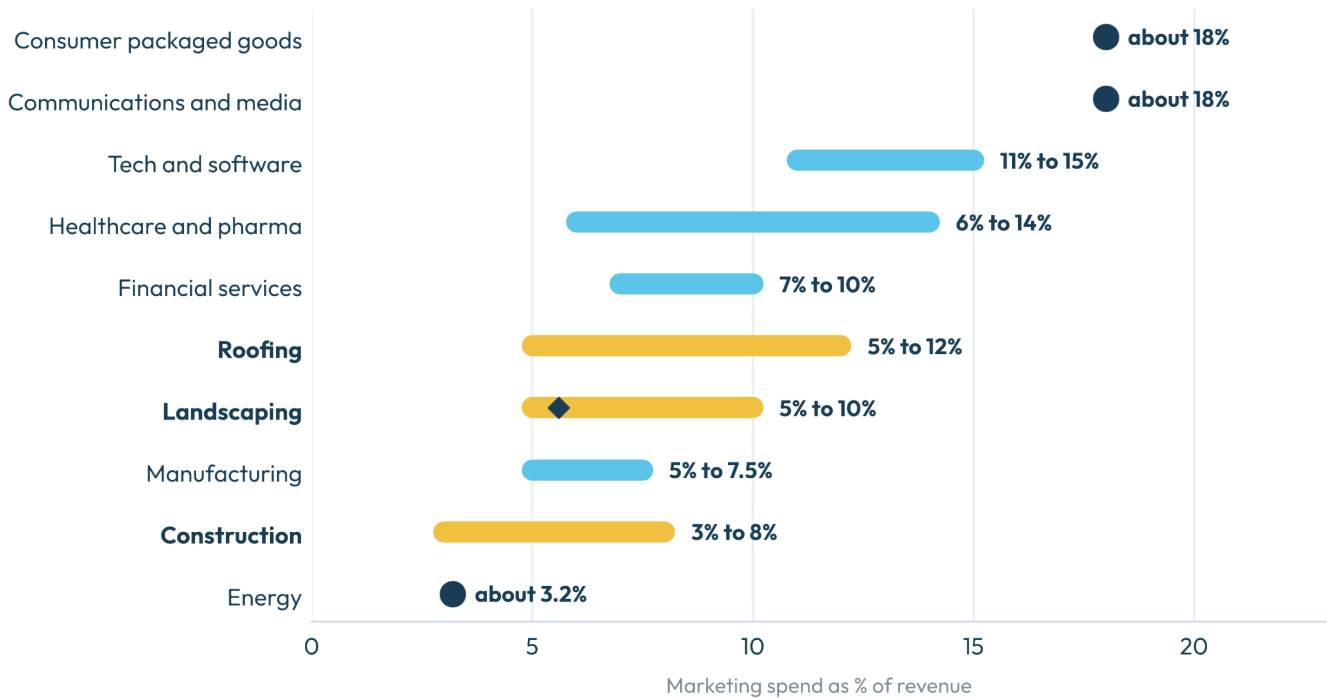
Smaller companies spend a bigger share of revenue

Businesses under \$10M put about 16.8% of revenue into marketing, almost double the biggest companies. The CMO Survey has shown this pattern for more than a decade: when you're smaller, every customer you win matters more.



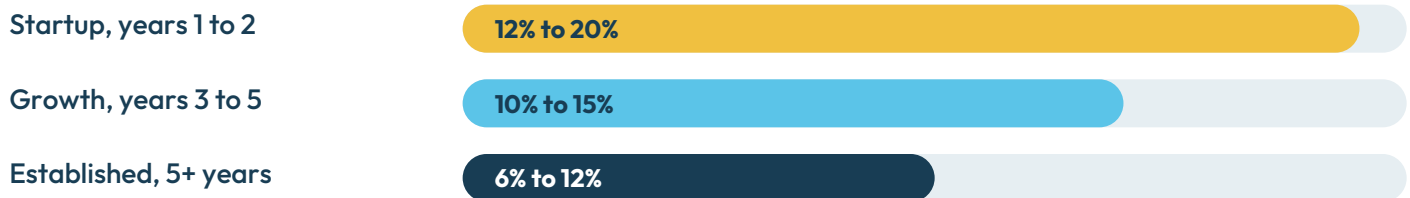
By Industry and Growth Stage

By industry



Blue: ranges compiled from Gartner, the CMO Survey and industry reports. **Gold: trade benchmarks**, which come from contractor surveys and industry guidance. Landscapers spent 5.6% of sales on advertising in a peer reviewed study (diamond). Residential builders and remodelers run leaner, about 3% in 2026 data, and the CMO Survey put mining and construction at 3.5%. Roofing runs higher because jobs are large and storm driven; larger roofers often spend 10% to 12%.

By growth stage



Stage ranges are a common rule of thumb rather than survey results. The newer the business, the more it typically invests to get known.

Software companies are measured differently

SaaS Capital's 2026 survey of 1,000+ private software companies puts median marketing spend at **8% of annual recurring revenue**, with sales another 15%. Investor backed companies spend about twice as much on marketing as bootstrapped ones. If you run a local or service business, compare yourself to the business model and size benchmarks instead.



What Small Businesses Actually Do

Most benchmarks come from marketing leaders at companies with \$10M+ in revenue. Small business owners look very different.

26%

Plan to spend \$0

UENI, 7,413 small business owners, Aug 2026

90.5%

Plan under \$200 a month

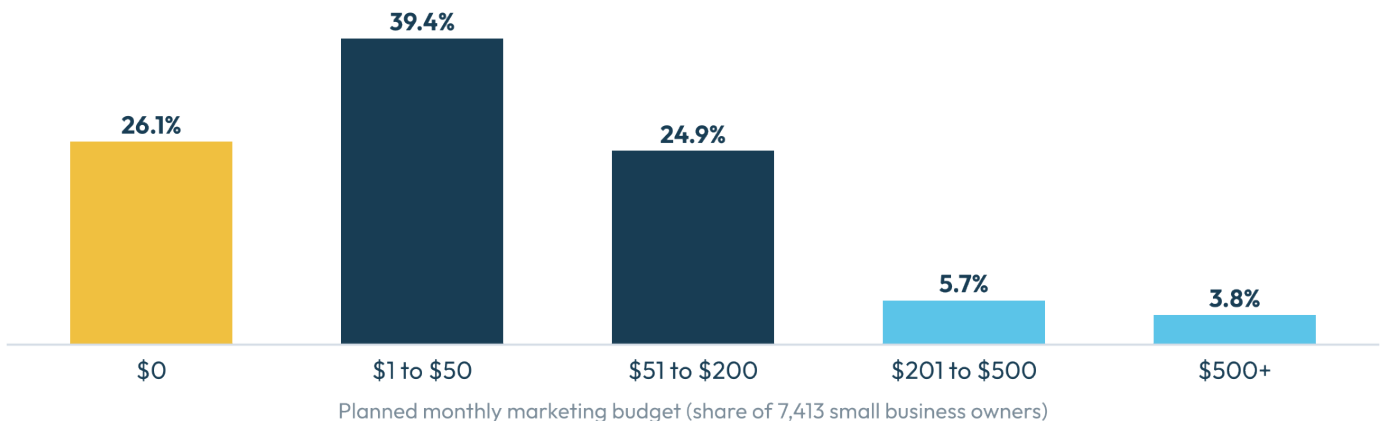
Same UENI data; planned, not actual

68%

Expect budgets to rise

Constant Contact, 1,500 owners, 2026

Planned monthly marketing budget



What the percentages mean in dollars

For a business doing **\$500,000** a year in revenue:

5% **\$25,000 a year**

about \$2,083 a month

Typical company

8% **\$40,000 a year**

about \$3,333 a month

Big company average

12% **\$60,000 a year**

about \$5,000 a month

Growth mode



Set Your Own Budget

Percentages tell you what others spend. They don't tell you what you need. Work backwards from your goal instead.

1

Pick your revenue goal

How much new revenue do you want marketing to bring in this year?

\$300,000

2

Divide by your average sale

That's how many new customers you need.

 $\$300,000 \div \$2,000 = 150 \text{ customers}$

3

Divide by your close rate

That's how many leads you need.

 $150 \div 25\% = 600 \text{ leads}$

4

Multiply by your cost per lead

That's your marketing budget.

 $600 \times \$50 = \$30,000 \text{ a year}$

Then check it against the benchmarks

In this example, \$30,000 is 10% of the \$300,000 goal: right in the range for a small business in growth mode. If your number lands far above the benchmarks, look at your close rate and cost per lead first. Those two numbers usually move the budget more than anything else. The figures above are an example; use your own.



Sources and Reliability

Every number in this report, where it comes from, and how much weight it can carry.

THE NUMBER	SOURCE	TYPE
5% median, 8.96% average (2026)	The CMO Survey, Jan 2026, 308 US marketing leaders	Survey data
7.8% of revenue (2026); 7.7% (2024, 2025)	Gartner CMO Spend Survey, about 400 leaders a year	Survey data
Half of companies spend 6% or less	Gartner CMO Spend Survey 2025	Survey data
11% for AI leaders	Gartner CMO Spend Survey 2026	Survey data
11% average before the pandemic	Gartner CMO Spend Survey 2024	Survey data
By business model: 12%, 10.1%, 7.2%, 7%	The CMO Survey, Spring 2026	Survey data
By company size, incl. 16.8% under \$10M	The CMO Survey, March 2023	Survey data
8% of ARR for software companies	SaaS Capital 2026, 1,000+ companies	Survey data
26% plan \$0; 90.5% plan under \$200 a month	UENI signup data, Aug 2026; planned spend	Directional
68% expect budgets to rise	Constant Contact small business survey, 2026	Directional
Industry ranges	Compiled from Gartner, CMO Survey and industry reports	Directional
Landscaping 5.6% of sales on advertising	HortTechnology peer reviewed study, 2017	Survey data
Roofing, landscaping, construction ranges	Contractor industry guidance; Buildern 2026 data	Rule of thumb
Growth stage ranges	Common industry rule of thumb	Rule of thumb

Full sources: Gartner CMO Spend Survey press releases (May 13, 2024; May 11, 2026) and Marketing Brew coverage of the 2025 survey | The CMO Survey Topline Report 2026 and Highlights and Insights Report, March 2023 (cmosurvey.org) | CMO.Works summary of The CMO Survey Spring 2026 | MarketScale, July 2026 | Boomcycle industry compilation, 2026 | SaaS Capital spending benchmarks, 2026 | UENI small business budget data, Aug 2026 | MarketingProfs coverage of Constant Contact's 2026 small business survey | HortTechnology, landscape firm marketing study (ASHS, 2017) | Buildern 2026 Residential Construction Marketing Report | ProLine, Landscape Leadership and Just By Design contractor budget guidance.



Want help finding **your number?**

We'll work through the math with you: your goals, your close rate, your cost per lead, and the budget that actually gets you there.

[Book a free strategy call at hightidemarketing.com](https://hightidemarketing.com)