

How much to spend?

Marketing Budget in Relation to Gross Sales

Sector:	% of Gross Sales	Sector	% of Gross Sales
Appliance or TV dealers	4.1%	Hotels	3.9%
Auto Accessories	3.1%	Insurance Agents	2.6%
Auto Dealers, New Cars	2.3%	Lumber Dealers	2.4%
Auto, Service Shops	2.9%	Men's' clothing Stores	3.9%
Barber & Beauty shops	3.9%	Motels	2.4%
Bars, Taverns	1.9%	Music Stores	4.1%
Book Stores	2.9%	Office Supplies	2.9%
Building Material Dealers	1.9%	Paint and Wallpaper	2.7%
Camera, Photo Shops	4.2%	Photographic Studios	3.2%
Credit Institutions	4.0%	Restaurants	3.1%
Department Stores	3.9%	Shoe Stores	4.1%
Discount Stores	2.2%	Travel Agents	6.3%
Drug Stores	3.2%	Sporting Goods Stores	2.9%
Dry Cleaners	3.8%	Women's Wear	4.0%
Family clothing	3.1%	Professional Services:	
Farm Equipment Dealers	3.1%	Banks	3.4%
Floor covering Stores	1.5%	Credit Unions	3.5%
Food Chains	3.2%	Health Services	1.5%
Furniture Stores	2.8%	Accounting Firms	0.8%
Gift, Novelty Stores	3.5%	Engineering Firms	0.7%
Hardware Stores	3.4%	Ad Agencies	3.1%
Jewelry Stores	3.9%	Legal	2.6%
Lawn & Garden	3.2%	Investment Advice	5.1%
Retail	3.3%		

* Statistics Canada 1997 and Advertising & Promotion University text book 1998

* Remember, these are percentages on gross sales and should not be taken as a rule - they are intended as a guide only.

The most recent study shows that on average businesses spend between 3 - 12% of their gross sales each year. Much of this depends on if you are a new business, an established business trying to increase market share, a business reacting to an aggressive competitor or a business that wants to stay consistent with last year's sales.

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Radio Shack for an example, spend on an average 10% of gross sales. That is over 6% more than the average store in that category and they seem to do rather well at it too.- **copy right to WOW Communications Corp**