

# Obtaining a Calibrated Marketing Budget

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# OBTAINING A CALIBRATED MARKETING BUDGET

## ***ABSTRACT***

Marketing professionals and academics frequently highlight the challenges of obtaining and protecting the marketing budget. Yet, prior academic research predominantly focusses on the optimal allocation of a given marketing budget. Accordingly, this study makes four contributions by drawing on the theories-in-use of both CMOs and CEOs. First, the study finds that CMOs and CEOs are focused on achieving a calibrated marketing budget (CMB), i.e., a budget that is commensurate with the performance expected of the CMO. Second, the study brings to fore the budgeting signals that CMOs use to lower agency concerns related to goal incongruence and information asymmetry in order to increase the probability of obtaining a CMB. Third, recognizing that the efficacy of the signals can vary with repeated use, we determine which signals are more (less) effective when repeatedly used by a CMO. Finally, we explore the impact of AI adoption on the efficacy of our marketing budgeting signals in achieving a CMB. This research seeks to provide a theoretical foundation for advancing research on the marketing budgeting processes.

**Keywords:** *Marketing Budget; Chief Marketing Officer; Signaling Theory.*

**Track:** *Marketing Strategy & Theory*