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How to Build a Marketing Budget You Can Actually Defend

Plan smarter, allocate better, and maximize ROI with Marketing Mix Modeling.



Executive Summary

- Most marketing budgets aren't wrong because of size: they're wrong because they're inherited.
- Finance doesn't distrust marketing's creativity. It distrusts marketing's ability to quantify return in the same currency as every other capital allocation decision.
- Marketing Mix Modeling (MMM) gives marketing and finance a shared model, turning the budget conversation from negotiation to evidence-based planning.
- The proof, from MMM-driven reallocations: concentrating spend instead of spreading it thin drove a 57% increase in incremental sales for one skincare brand. Reallocating 20% of a beauty portfolio's budget lifted ROI by 22%, with no new spend.
- The 90/10 rule: run 90% of the budget on proven, modeled performance; dedicate 10% to structured experimentation that expands what you know.

Introduction

Budget Planning: Same time every year. Same conversation. Same doubts.

Every year, it's the same ritual.

A "Budget Planning" calendar invite lands in Q3. What follows: weeks of slides, spreadsheets, and conversations pulling in two directions at once — marketing making the case for what it needs next, finance questioning what last year's spend actually returned.

Beneath the standoff sit two working theories. Finance often suspects marketing can't prove which spend works and which doesn't. Marketing often believes that more budget will unlock more growth. Both carry some truth. Both have holes. And neither can be tested from inside the conversation — because the evidence that can settle it doesn't exist in the room.

Take marketing's side of it first. More money raises the bar. It doesn't change whether anyone knows where the next dollar should go. As for finance's suspicion: it's right, but with a big caveat. The gap isn't marketing's judgment: it's that most marketing tools can't prove which investments lead to true incremental growth.

Many marketing teams approach this moment with the same toolkit: benchmarks, historical spend, and ingrained practices. Look closely at what that toolkit rests on, and the problem reveals itself. Plenty of allocations are built on inherited hypotheses — channel splits, market weightings, brand hierarchies — that made sense at an earlier stage but haven't been re-tested since. They roll forward each year not because anyone re-validated them, but because nothing in the process requires anyone to.

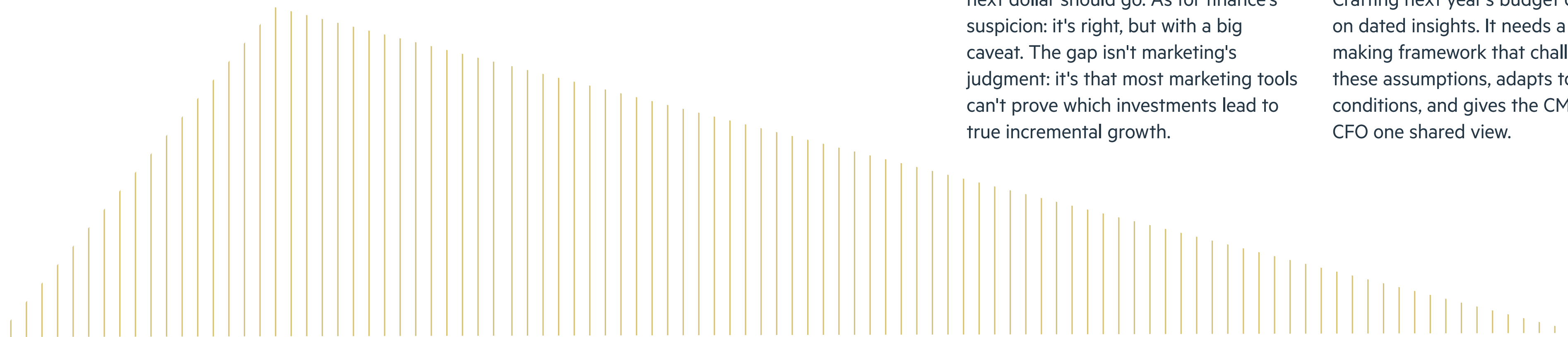
That's the real gap: not a data problem, but a process problem. As consumer behaviors, media channels, and financial scrutiny shift simultaneously, allocations built on aging assumptions leak value. And that problem compounds.

A process problem needs a process fix. Crafting next year's budget can't rely on dated insights. It needs a decision-making framework that challenges these assumptions, adapts to changing conditions, and gives the CMO and the CFO one shared view.

Which raises the real test of any budget process: not how persuasively it accounts for the money already committed, but how confidently it could deploy new money if it arrived tomorrow. If you had \$10 million more tomorrow, would you know where it should be spent?

For many marketing leaders, that question is uncomfortable. Not for lack of experience or judgment — but because the systems they use aren't built to answer it with precision.

This white paper makes the case for a different kind of budget conversation, one grounded in Marketing Mix Modeling and built around a single question: what does it now cost to plan without it?



#1

When Explaining Performance and Defending Budget Are Two Different Conversations

Every budget cycle asks marketing to do two things at once: account for the past and argue for the future. Accounting for performance is a diagnostic exercise. Arguing for investment is a forecasting one — scenario modeling that speaks to marketing performance and financial outcomes: what the business can expect, under what conditions, and with what degree of confidence.

Most budget conversations collapse the two into one, held together by a single bridge of logic: we spent X, results were Y, therefore we need X again. That bridge is exactly what finance teams are increasingly unwilling to cross¹. And the collapse doesn't only happen between the past and the future. It happens between levels of the organization.

1. The CMO Tension Report: Navigating Growth Across APAC's Complex World. The Marketing Society × Ekimetrics, 2026.



Global Decisions, Local Blind Spots

Allocation also happens on two levels at once:

Global:

who gets what share of the total envelope — the CFO, CEO, and COMEX conversation, conducted in the language of revenue and return on investment.

Local:

how that budget moves across channels, geographies, and brands, largely a conversation marketing has on its own.

Without a shared model connecting the two, global decisions are not synced to local performance, and local decisions are not synced to global priorities. The result is a budget that looks coherent on paper and underperforms in practice. Beneath this sits a deeper divide.

Why Finance and Marketing Speak Different Languages

What Changes the Dynamic

For decades, marketing has asked for budget with conviction about what should work, and limited proof of what did. Ask a CFO what they want from a media budget, and the question is always the same: what does this return? Every other function competing for capital answers that question in the business's own units: revenue, margin, incremental contribution. When marketing can't, the budget becomes a negotiation between competing frameworks rather than a decision built on shared KPIs.

The fix isn't better storytelling. It's a better basis for the story: modeling expected return across scenarios, quantifying the cost of inaction, and presenting budget decisions as what they are — capital allocation choices with measurable consequences.

Instead of one side asserting a number and the other pushing back from a different framework, both sides interrogate the same model. The conversation moves from defending a figure to comparing scenarios. This makes for a fundamentally different budget conversation.

Marketing Mix Modeling is what makes it possible. By isolating the incremental contribution of every lever — from media, promotion, pricing, and distribution to competitive and macroeconomic effects — MMM produces a common currency for performance that marketing and finance can both trade in².

The marketing–finance standoff is one of the oldest structural tensions in the enterprise — older than any channel in the current mix. A shared model doesn't just settle this year's number. It retires the argument and replaces it with a decision system that both functions can stand behind.

The language divide is the first (and perhaps more obvious) dynamic that shapes budget outcomes. The second is subtler, because it doesn't look like a problem at all.

2. [5 Criteria for Choosing the Right MMM Partner](#), Ekimetrics, 2025.

#2

When Last Year's Budget Becomes This Year's Default

One of the most common budget outcomes is the one that looks like a decision but isn't. The budget gets adjusted at the margins. A channel that performed well gets a modest increase, one that underperformed gets cut, and the underlying allocation logic goes unexamined for another year. This is how inherited assumptions compound. Not through bad judgment, but through the absence of a framework that would surface a better question.

Defaulting is rational behavior in the absence of better information. When teams can't model the expected return of a different allocation, the downside of change feels more real than the invisible cost of the status quo. That cost never appears on a spreadsheet. It shows up when a competitor who allocated differently starts eating your market share.

Case study The illusion of diversified growth

A skincare brand within a major European beauty group was allocating its marketing budget across four product lines simultaneously in a key Asian market. On paper, the logic was sound: diversified investment to support a diversified portfolio. In practice, the budget was insufficient to drive meaningful impact for any single line.

MMM analysis revealed a pronounced concentration effect: incremental sales response was disproportionately higher when investment was focused rather than distributed. Concentrating spend on two core franchises and pausing active support on the remaining lines, the brand achieved a 57% increase in incremental sales without increasing spend.

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From "What did we do?" to "What are our options?"

Most budget conversations are still built around backward-looking questions: *what did we do last year? What did it return?*

MMM-based scenario planning asks different, more expansive questions: *what are our options? What does each one cost or earn us?*

To be more specific:

- *What happens to portfolio ROI if we concentrate on two markets instead of four?*
- *What's the return on shifting 15% of budget from offline to digital?*
- *What's the revenue impact of moving budget from a mature brand to a growing one?*

Scenario planning doesn't replace judgment. It informs it. The output isn't a single "optimal" allocation that everyone must accept. It's a set of comparable options, each with modeled outcomes and explicit trade-offs, that decision-makers can evaluate against their strategic priorities.

The conversation shifts from *"trust me, this is the right budget"* to *"here are three scenarios; here's what each delivers; here's the one we recommend and why."*

That shift—from assertion to evidence—is what builds consensus for more effective budget decision-making conversations.

The Finance Opportunity

Finance's growing influence over marketing investment isn't a threat to manage. It's a forcing function. Teams that meet finance's rigor with modeled scenarios and comparable options stop advocating for a number and start presenting a recommendation. They stop being a cost center justifying its existence and start being a strategic function shaping how the business deploys capital.

The Cost of Silos

The same logic applies inside marketing itself. Global and local teams working from different models, different KPIs, and different definitions of "performance" produce a budget optimized twice, and often worse than one optimized once.

The answer isn't a dashboard. It's one model that global and local teams both interrogate: global sees how local decisions move portfolio ROI, while local sees how their channel mix fits the broader strategy.

The question shifts from "who gets what?" to "which configuration creates the most value for the business?"

Case study

The portfolio wasn't underfunded. It was misallocated.

+22% portfolio ROI, no increase in spend

A beauty group managing three mass-market makeup brands in a single European market had historically allocated budget in rough proportion to each brand's revenue contribution. The assumption: bigger brands deserve bigger budgets.

MMM modeling told a different story. Two of the three brands were operating well above their saturation curve: incremental returns were diminishing, and additional investment was generating marginal uplift. The third brand was significantly underfunded relative to its market potential and response elasticity.

Reallocating 20% of the budget from the two over-invested brands to the underperforming one improved total portfolio ROI by 22% with no increase in overall spend.

#3

When Playing It Safe Stops Being Safe

Optimizing what you already have is a strategy with a ceiling. The ceiling drops every year because the mix it optimizes keeps aging. Channels fragment, audiences migrate, and competitors who test earlier build evidence you don't have. A budget that only refines the known quantities is falling behind.

The 90/10 Framework

A well-run marketing budget operates on two tracks. Roughly 90% sits on measured, validated performance: channels and markets with a strong evidence base, understood response curves, and confidently modeled returns. This is where optimization lives. The remaining 10% is structured experimentation: new channels, new creative, new market configurations. It is deliberately uncertain because it hasn't been measured yet. If the 90% is performing, the 10% stops being a risk. It is a strategic R&D budget that expands the evidence base for the other 90%.

The split itself is a governance decision: which channels have enough validated response data to sit in the 90%, and which are still too thin on evidence to be trusted with more. Making that line explicit — and revisiting it every cycle — is what keeps the 10% working hard to deliver insights. Teams that don't make the split explicit tend to make it implicitly, and less well: tests run without a clear hypothesis, results read through confirmation bias, learnings that never make it back into the core budget.

Fear of Testing is a Measurement Problem

When teams avoid new channels, the reason is often risk. The real reason, more often, is measurement paralysis: the inability to tell a channel that doesn't work from one that hasn't been measured properly. That distinction matters more every year as media fragments and causal measurement becomes standard practice rather than a competitive edge⁴.

If you test a channel and can't measure what it returned, you didn't run a test. MMM fixes this by isolating incremental contributions, even for channels with limited history, turning experiments into decisions rather than guesses.

3. Use Incrementality Measurement to Prove Marketing's Value, Gartner, 2025

4. The Future of Measurement 2025, WARC



New Channels Reward First Movers

The pattern across emerging channels is consistent. Early measurement capability creates an informational advantage that compounds while the window is open. The window closes as adoption widens. Digital media, programmatic, social commerce, influencer marketing: in each case, early movers spent years allocating against evidence their competitors didn't have. Late adopters eventually caught up on capability. They never got those years back⁵.

This is the 90/10 framework working as designed: a structured experiment, measured properly, that graduated into a core channel — and took its evidence base with it.

What matters now is recognizing where that window is still open. Two areas stand out for teams thinking seriously about budget planning today.

Retail media is redrawing the line between brand and trade budgets. The teams that have integrated it into their MMM framework already see its true incremental contribution.

Generative engine optimization (GEO), the emerging discipline of ensuring brand visibility in AI-powered search, is earlier in its development, but the directional evidence is clear enough to warrant structured testing now rather than later⁶. The brands building measurement infrastructure around GEO today are doing what early programmatic adopters did a decade ago: establishing a baseline before the channel becomes crowded enough to make that baseline expensive.

Case study Early mover advantage in AI-powered search

0 > 30% of site traffic from AI-assisted discovery in 12 months

A leading insurance group identified early that AI-powered search was beginning to reshape how consumers research and compare financial products. Rather than waiting for market consensus on best practices, the group allocated dedicated budget and measurement resources to test and quantify their brand's visibility in AI-generated search responses.

Within twelve months, they had moved from near-zero presence in AI search outputs to driving approximately 30% of site traffic through AI-assisted discovery. More significantly, they had built the measurement infrastructure to understand which content and brand signals drove that visibility — a capability their competitors are now having to build from scratch.

5. Social commerce: The future of how consumers interact with brands, McKinsey & Company, 2022.

6. Generative Engine Optimization (GEO): Winning Visibility in AI-Driven Marketing, Ekimetrics, 2026.

Conclusion

From Annual Ritual to Competitive Advantage

Budget planning has always been one of the highest-stakes moments in a marketing leader's year. Before raising the question of how much a team needs, there are essential questions to answer: Is the allocation logic underneath still true? Which channels work, which markets deserve investment, and which brands have room to grow? Those assumptions age. In most organizations, they age silently, renewed by default rather than by evidence. That's where the competitive gap opens.

Marketing Mix Modeling makes better allocation possible, along with a different quality of decision-making. This shifts the conversation away from "how do we justify what we spent?" and towards "what does the evidence say we should do next?" Where finance and marketing work from the same model, rather than negotiating from different assumptions. And where each budget cycle generates the data that makes the following one sharper.

It's also the difference the title of this paper promises. Without a model, a budget can only be argued: a story assembled after the fact, each function holding its own version. With MMM, the number comes from the model. The scenarios are compared, the trade-offs priced, and the recommendation is one that marketing and finance arrive at together. That's the difference between a budget one function has to sell and a budget the business has already agreed on.

The teams that get there aren't necessarily the ones with the biggest budgets. They're the ones that recognized the ritual for what it is, a process optimized for comfort, not performance, and decided the cost of changing it was lower than the cost of staying.

**So if you had
\$10 million more
tomorrow, what
would be your
next move?**

Talk to Ekimetrics

Ready to re-test the assumptions your budget is built on?
Ekimetrics builds the MMM foundation that gets marketing
and finance planning from the same model —
and makes every budget cycle more effective.

Get in touch:

contact@ekimetrics.com to book a session.