

CEO Narcissism and Advertising Strategy: Moderating Effects of CEO Attention

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Abstract

This study explores how the personal characteristics of top executives—specifically CEO narcissism—shape a firm’s digital advertising strategy. Drawing on upper echelons theory, we analyze how a CEO’s need for visibility and personal validation influences the allocation of resources toward digital advertising, which is often viewed as a modern, high-profile, and measurable strategic domain. Using a panel of 1,129 firm-year observations, our research reveals that narcissistic CEOs significantly increase the share of digital spending relative to total advertising expenditures.

Crucially, the study identifies "CEO attention" as a vital boundary condition that can restrain these narcissistic tendencies. We find that when CEOs maintain a strong focus on external factors—specifically their competitors and customers—the influence of narcissism on digital advertising spend is significantly reduced. In these cases, external strategic priorities anchor decision-making, preventing personal motives from dominating resource allocation. Conversely, an internal organizational focus does not provide this same moderating effect. These findings provide valuable insights for boards of directors and practitioners, highlighting the importance of balancing executive personality with structured attentional priorities to ensure that marketing strategies remain driven by market realities rather than individual ego.

Executive Takeaways

- Narcissistic CEOs tend to favor digital ads to increase personal and firm visibility.
- External focus on customers and rivals curbs ego-driven advertising decisions.
- Internal focus is ineffective at moderating a CEO's narcissistic spending habits.
- Boards should encourage external attentional cues to balance CEO discretion.
- Strategic resource allocation requires anchoring in market-facing priorities