An investigation of the factors that influence marketing decision makers in their budget allocation process

Study conducted among Financial Services and Food & Beverage enterprises in Ireland

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Declaration

I, Anna Nogaj, hereby declare that this dissertation is the result of my own independent work and investigations, except where indicated in the text and references.
I acknowledge that this dissertation has not been previously submitted, in any form, either at Dublin Business School or any other institution.

Anna Nogaj

Signed:…………………………

Date:…………………………. 
# Table of Contents

List of figures.........................................................................................................................4
Acknowledgement..................................................................................................................10
Abstract................................................................................................................................11
Chapter 1: Introduction...........................................................................................................12
1.1 The importance of understanding marketing decision making process and factors that influence that process..................................................................................................................12
1.2 Traditional and Digital marketing.....................................................................................13
1.3 Research Aims and Objectives.........................................................................................13
1.4 Research Questions...........................................................................................................14
1.5 Scope and Limitations.......................................................................................................15
1.6 Dissertation Structure......................................................................................................16
Chapter 2: Literature Review................................................................................................17
2.1 The main factors that influence marketing decision makers during the process of budget Allocation.................................................................................................................................17
2.2 Marketing budget allocation – the art of making right choices......................................18
2.3 Trends in marketing budget spending in Ireland............................................................20
2.4 How the increase in digital marketing spending affects budget allocation to traditional marketing.................................................................................................................................21
Chapter 3: Research Methodology........................................................................................22
3.1 Introduction.......................................................................................................................22
3.2 Research Philosophy........................................................................................................23
3.3 Research Approach: Deductive and Inductive..............................................................23
3.4 Research Strategy: Survey..............................................................................................24
3.5 Research Choice: Multiple Methods ................................................................. 25
3.6 Research Time Horizon: Cross-Sectional Study ........................................... 26
3.7 Data Collection .................................................................................................. 26
3.8 Data Analysis .................................................................................................... 31
3.9 Ethics .................................................................................................................. 31
3.10 Limitations ....................................................................................................... 31
3.11 Suitability of Researcher .................................................................................. 32
3.12 Research Plan ................................................................................................... 32
Chapter 4: Data Analysis and Findings ................................................................. 33
  4.1 Introduction ........................................................................................................ 33
  4.2 Main results from the quantitative research .................................................... 34
    4.2.1 General Findings .......................................................................................... 34
    4.2.2 Comparison between Financial Services and Food & Beverage industries ... 40
    4.2.3 Testing the hypothesis and applying the theory .......................................... 45
    4.2.4 How factors such as own intuition, data-evidence and combination of both influence marketing budget allocation decisions ........................................ 47
    4.2.5 Other Findings ............................................................................................. 57
  4.3 Qualitative research .......................................................................................... 60
Chapter 5: Discussion, Limitations and Suggestions for Future Research .......... 65
  5.1 Introduction ........................................................................................................ 65
  5.2 Research question – part one: “what factors influence marketing decision makers in their budget allocation process and why did they choose the specific factor?” .......... 65
  5.3 Main patterns and trends that have been observed in this part of the research .. 68
  5.4 Research question – part two “ Are factors such as own intuition, data –evidence or combination of both related to a specific budget allocation decision?” ............... 69
5.5 Other findings ........................................................................................................70
5.6 Limitations.............................................................................................................74
5.7 Suggestion for future research..............................................................................75
5.8 Conclusion.............................................................................................................76
Bibliography..............................................................................................................78
Appendices................................................................................................................87
Appendix 1: Self Reflection on own learning and skills developed..............................87
Appendix 2: Cover Letter for survey..........................................................................94
Appendix 3: Survey.....................................................................................................96
List of Figures

Figure 1: Theoretical framework for relationship between specific marketing budget allocation (existing trend and expected result) and factors influencing this decision 14
Figure 2: Research Onion 22
Figure 3: Structure of Research Method 23
Figure 4: Research choices 25
Figure 5: Types of Questionnaires 27
Figure 6: Sampling techniques 28
Figure 7: Timetable 33
Figure 8: Industries that took part in the research (Q1) 34
Figure 9: Number of respondents that are responsible for their company’s marketing budget allocation (Q2) 34
Figure 10: Companies that increased digital marketing budget in 2014 (Q3) 35
Figure 11: Decisions made about traditional marketing budget allocation while increasing digital marketing spending (Q4) 36
Figure 12: Budget allocation between digital and traditional marketing (Q5) 37
Figure 13: What factors mostly influence marketing decision makers during the budget allocation decisions making process? (Q6) 38
Figure 14: Companies that are planning to increase digital marketing budget in 2015 (Q8) 39
Figure 15: Financial Service and Food & Beverage companies that increased digital marketing budget in 2014 (Q3) 40
Figure 16: Decision about budget allocation to traditional marketing while increasing digital spending – Financial Services versus Food & Beverage industry (Q3) 41
Figure 17: Budget allocation to traditional and digital marketing in Financial Services industry

Figure 18: Budget allocation to traditional and digital marketing in Food & Beverage industry

Figure 19: Factors influencing budget allocation decisions - Financial Services and Food & Beverage industries (Q5)

Figure 20: Plan to increase digital marketing spending in 2015 between Financial Services and Food & Beverage industries (Q5)

Figure 21: Companies that integrate digital and traditional marketing activities

Figure 22: Companies that fit into the theoretical framework

Figure 23: Companies that have chosen particular factor while increasing digital marketing spending and decreasing traditional marketing budget

Figure 24: Which hypothesis fits into the findings?

Figure 25: Data – evidence and marketing budget allocation decisions

Figure 26: Own intuition and marketing budget allocation decisions

Figure 27: “Combination of both” and marketing budget allocation decisions in Financial Services industry

Figure 28 Combination of both and marketing budget allocation decisions in Food & Beverage industry

Figure 29: Factors that influence marketing budget allocation and decision about increase or not to increase digital marketing in 2014 – Financial Services industry

Figure 30: Factors that influence marketing budget allocation and decision about increase or not digital marketing in 2014 – Food & Beverage industry
Figure 31: Factors that influence marketing budget allocation and decision about increase or not to increase digital marketing in 2015 – Financial Services industry

Figure 32: Factors that influence marketing budget allocation and decision about increase or not digital marketing in 2015 – Food & Beverage industry

Figure 33: Budget allocation to traditional marketing (while increasing digital in 2014) and willingness to further increase digital marketing budget in 2015 – Financial Services industry

Figure 34: Budget allocation to traditional marketing (while increasing digital in 2014) and willingness to further increase digital marketing budget in 2015 – Food & Beverage industry

Figure 35: Budget allocation to traditional marketing (while increasing digital in 2014) and actual % of the budget allocated to traditional marketing spending – Financial Services industry

Figure 36: Budget allocation to traditional marketing (while increasing digital in 2014) and actual % of the budget allocated to traditional marketing spending – Food & Beverage industry

Figure 37: Factor influencing budget allocation decisions and budget allocation to traditional marketing (while increasing digital in 2014) – Financial Services industry

Figure 38: Factor influencing budget allocation decisions and budget allocation to traditional marketing (while increasing digital in 2014) – Food & Beverage industry

Figure: 39 Financial Services companies that increased digital marketing in 2014 and planning to further increase digital in 2015

Figure: 40 Food & Beverage companies that increased digital marketing in 2014 and planning to further increase digital in 2015

Figure 41: Companies that did not increased digital marketing in 2014, but planning
to do so in 2015

Figure: 42 Companies that increased traditional marketing spending while at the same time increasing digital spending in 2014 and data evidence as an influencing factor

Figure 43: Companies that increased traditional marketing spending while at the same time increasing digital spending in 2014 and combination of both as an influencing factor

Figure 44: Companies that increased traditional marketing spending while at the same time sustaining digital spending in 2014 and data evidence as an influencing factor

Figure 45: Companies that increased traditional marketing spending while at the same time sustaining digital spending in 2014 and combination of both as an influencing factor

Figure 46: Three Categories of factors influencing budget allocation decisions

Figure 47: Two main assumptions that provide a base for a theory: “Increase in digital marketing spending will result in decrease in traditional marketing spending”

Figure 48: Theoretical Framework for hypothesis 2: “Increase in digital marketing spending and decrease in the traditional marketing spending will be positively related To a combination of a marketing manger’s decision based on data evidence as well as his / her own intuition
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Abstract

The main purpose of this research is to identify what factors influence marketing decision-makers operating in the Financial Services and Food & Beverage industries in Ireland during the budget allocation decision-making process. It also aims to examine their rationale for choosing such factors. Moreover, this paper intends to present key trends and patterns emerging from budget allocation to digital and traditional marketing in the above-stated industries in Ireland.

The findings of this research were collected by online and phone questionnaires and the research combines quantitative as well as qualitative research methods.

The main finding of this study identified that within three main factors (‘own intuition’, ‘data evidence’ and ‘combination of both’) that influence marketing decision-makers in their budget-allocation process, the combination of both is the most popular. Moreover, the research also revealed that despite choosing a combination of intuition and data, respondents from Financial Services weigh their decisions mainly on data evidence. However, those operating in Food & Beverage use mainly their experience and intuition when deciding on budget allocation. Other findings demonstrate that there is no significant difference between the number of companies that increased, decreased or sustained traditional marketing while also increasing digital marketing spending within the Financial Services and Food & Beverage industries in Ireland. The study also showed that despite a growing trend of increasing digital marketing budgets across the above-mentioned industries, traditional marketing spending outperforms digital. The vast majority of surveyed companies still invest most of their money in traditional marketing activities.

Finally, recommendations for further research are given in order to gain in-depth understanding of differences in budget allocation between Financial Services and Food & Beverages industries in Ireland, as well as to reveal more factors that may influence marketing decision-makers during their budget-allocation process.
Chapter 1. Introduction

1.1 The importance of understanding marketing decision making process and factors that influence that process

Berend Wierenga, in the *Journal of Research in Marketing* (2011), states that “while a whole range of factors influence the outcomes of a marketing policy, it is managerial decision-making that can really make a difference. A clearer understanding of how marketers make decisions should therefore improve their quality”.

In the era of computers, fast internet access and easy availability of Big Data, many decision makers rely on data evidence when making decisions. According to the *Wall Street Journal* (2013), decision making has long been a subject of study. Given the explosive growth of Big Data over the past decade, it is not surprising that data-driven decision making is one of the most promising applications in the emerging discipline of data science. The more data we gather, and the more sophisticated the analysis, the more such decisions can be made with little or no human intervention. Furthermore, Fisher, Albers, Wagner and Frie (2012) declare that determining the marketing budget has been of paramount importance to marketers for many decades; therefore, marketing-budget decisions are critical and should be fact based rather than intuitive. Nevertheless, marketing practitioners often use ‘rules of thumb’ when it comes to determining marketing budgets.

According to A. & D. Bennet (2008), while all decisions essentially amount to guesses about the future, decision makers must increasingly rely on their intuition and judgment as complexity builds upon complexity. Moreover, according to a report by Dane, Rockman & Pratt (2012) published in the *Journal of Organisational Behavior and Human Decision Process*, intuition may be just as effective in decision making as an analytical approach – and, sometimes, may be even more efficient and effective, depending on a decision maker’s level of expertise on the subject. Furthermore, more and more people realise that intuition is essential to making good decisions. This particularly applies to managers at all levels in an organisation who work under conditions of high uncertainty or little precedent (Agor, 1984).

According to Forbes (2014), there is one part of the enterprise where this conflict between data and intuition is critically important: marketing. Long viewed as a largely subjective space dependent on creativity, marketing now has massive streams of data to inform and measure its strategies. While one group of decision makers relies heavily on data, another group takes an intuitive approach to budget decisions. There are many opinions as to which approach is most appropriate and brings better results. Therefore, the battle between data and intuition continues…
1.2 Traditional and Digital marketing

According to Financial Times Lexicon, digital marketing can be defined as “the marketing of products or services using digital channels to reach consumers. The key objective is to promote brands through various forms of digital media.” In contrast, traditional marketing fall under one of four categories: print, broadcast, direct mail and telephone (Marketing –Schools.org). Despite the differences between digital and traditional marketing, these marketing styles have the same goals. They both aim to attract customers, build brand awareness and increase sales. Therefore, integrating them can maximise the impact of company’s marketing communications. InfoTrends (2009) reports that personalised multichannel campaigns see improvement of close to 35% over traditional campaigns. Moreover, according to Omnicon Media Group (2009), some 62% of online campaigns are seeing an increase in return on investment when combined with offline marketing, such as direct mail. As can be seen, the success of marketing campaigns lies in integrating marketing channels. Nevertheless, the question remains: what percentage of a marketing budget should be allocated to digital and how much money should be devoted to traditional marketing activities?

1.3 Research Aims and Objectives

The fundamental aim of this research is to understand what factors influence marketing decision-makers in their budget-allocation decisions and to examine their rationale for selecting specific factors. The secondary aims of this research are to observe possible trends and patterns in marketing-budget allocation, as well as to identify the relationship between budget-allocation decisions and influencing factors.

To create a starting point for this research, three supporting research objectives have been selected:

- To identify what influences marketing decision-makers during the process of marketing-budget allocation (possible influencers include: data evidence, own intuition or combination of both);
- To examine why marketing decision-makers are influenced by specific factors during the budget-allocation process;
- To identify trends in marketing-budget allocation among enterprises in Ireland operating in the Food & Beverage and Financial Services industries; and
- To identify the relationship between specific budget-allocation decisions and the factors that influence these decisions.
1.4 Research Questions
The main research questions examine: a) what factors influence marketing decision-makers in their budget-allocation process; b) why they choose specific factors; and c) whether or not these factors are related to specific budget-allocation decisions.

In order to answer these questions, however, a more specific question must first be answered: which of the following factors mostly influence marketing decision-makers’ budget-allocation processes?

a) Own intuition (so-called ‘gut feeling’);
b) Data evidence; or
c) A combination of both factors.

In order to identify a relationship between a factor that influences the budget decision-making process and a specific budget-allocation decision, the below theory and following hypotheses must be tested:

Figure 1: Theoretical framework for relationship between specific marketing-budget allocation (existing trend and expected result) and factors influencing this decision

<table>
<thead>
<tr>
<th>Existing trend</th>
<th>Influencer</th>
<th>Expected Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in digital marketing spending</td>
<td>Marketing manager’s decision based partially on the intuition and partially on “data-evidence”</td>
<td>Decrease in the traditional marketing spend</td>
</tr>
<tr>
<td>Marketing manager’s decision based on “data – evidence”</td>
<td>H1</td>
<td></td>
</tr>
<tr>
<td>Marketing manager’s decision based on the intuition</td>
<td>H2</td>
<td></td>
</tr>
<tr>
<td>H3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Below are the alternative hypotheses for research finding:

H1: Increase in the digital marketing spending and decrease in the traditional marketing spending will be positively related to the marketing manager’s data-based decision;

H2: Increase in the digital marketing spending and decrease in the traditional marketing spending will be positively related to a combination of the marketing manager’s data-based decision as well as his/her own intuition;

H3: Increase in the digital marketing spending and decrease in the traditional marketing spending will be positively related to the marketing manager’s decision based on his/her own intuition.

The following are null hypotheses created:

H1: Increase in the digital marketing spending and decrease in the traditional marketing spending will not be positively related to the marketing manager’s data-based decision;

H2: Increase in the digital marketing spending and decrease in the traditional marketing spending will not be positively related to a combination of the marketing manager’s data-based decision as well as his/her own intuition;

H3: Increase in the digital marketing spending and decrease in the traditional marketing spending will not be positively related to the marketing manager’s decision based on his/her own intuition.

With regard to the research hypothesis questions, the survey method is suitable for testing and analysing this hypothesis in order to accept an alternative or null hypothesis.

1.5 Scope and Limitations

This dissertation is mainly focused on the identifying which of the three selected factors (own intuition, data evidence or combination of both) is most frequently used during the marketing-budget allocation process. This study also intends to identify a rationale for marketing decision-makers’ choice of a specific factor. Lastly, this research aims to identify possible trends and patterns in the budget-allocation process in the Financial Services and Food & Beverage industries in Ireland. Only three of above-mentioned factors will be tested in this research and therefore, this study will not include other possible factors that may influence the marketing-budget allocation process.
1.6 Dissertation Structure

In order to present this research in the most clear and logical manner, the dissertation structure will be as follows. Chapter Two will discuss the research methodology that has been applied for this study. It will present the research philosophies, approaches, strategies, choices and time horizons that have been used. Target audience and sample size will also be discussed in this chapter, followed by a discussion of ethical issues and the limitations of the research. Chapter Three will demonstrate all the findings of this research. Chapter Four will discuss the findings, explain the limitations encountered during the research process and provide suggestions for future research. Chapter Five will present the conclusion of the entire research.
Chapter 2. Literature Review

2.1 The Main Factors that Influence Marketing Decision-Makers during the Process of Budget Allocation

There are many factors influencing marketing-budget allocation. According to Low and Mohr (1999), in many companies, budget-allocation decisions are subject to competing pressures such as long-term objectives versus short-term needs, risk versus reward trade-offs, and personal career success versus what is best for the company. Additionally, in the *Journal of Marketing Research* (2010), we read that marketing managerial decisions are based on two fundamentally different types of information. The first type is the set of beliefs held by managers regarding what is generally true about the markets in which they compete. This approach stems from many sources, including formal training, everyday experience and the high-level strategies formulated by company executives and industry analysts. The second type is a collection of data-based information that routinely flows through most organisations (e.g. sales and profit figures, previous budgets and forecasts, and various technical and market research results). As this data-driven strategy seems to be a more rational approach, according to an article by *Journal of Brand Strategy* (2013), many marketing practitioners still rely on ‘gut feeling’ to make their budget decisions. Survey findings of the *Journal of Strategic Management* (2012) clearly show that intuition is widely practised by marketing managers striving to make better decisions. As the qualitative themes of analysis illustrate, intuition becomes a particularly powerful tool in instances where there is a paucity of data, when options are manifold, when the future is uncertain and when the logic of strategic choice needs to be confirmed.

According to the *Marketing Intelligence Review* (2012), marketing practitioners frequently use ‘rule of thumb’ when it comes to determining marketing budgets. By far the most often-used budget rules across regions and industries are the ‘percentage of sales’, ‘objective and task’ and ‘affordability’ method. In addition, budget decisions are often based on gut instinct and the negotiation skills of individual managers. Consequently, politics and individual opinions tend to shape the decision process, instead of fact-based discussions. (Fischer, Albers, Wagner, Frie, 2012).

Recent studies by Adobe Survey (2013) indicate that US marketing decision-makers often rely on intuition when deciding on marketing budgets. Nevertheless, these findings are contradicted by research conducted by the *Economist* Intelligence Unit (2014). New findings reveal that global leaders are more data driven (42%) than intuitive (10%). However, the study also demonstrates a low amount of confidence in data when it comes into conflict with intuition. It may suggest that when it comes to making a decision about budgets, both data and intuition are important. Peter Swabey, senior editor (technology) in the *Economist* Intelligence Unit, says that “the relationship between data and intuition – the old ‘gut feeling’ – is a complicated one”. He further adds, “They both play a role. The process of developing data is the process of trying to
identify what the true state is. In identifying that, your intuition could be a useful guide.” Furthermore, another survey by Accenture Analytics (2014) found that data and intuition, when used together, correlate with higher returns on investment. The survey demonstrates that among those businesses that reported more than 75% return on their analytics investment made over the last two years, more than half declared that their best decisions incorporated both human expertise and data.

As seen in the literature above, there have been two main factors that drive and influence decision makers: intuition and data. Some decision makers are more intuitive, while others base their decisions on data; nevertheless, examples from the literature illustrate that best results are obtained when combining both of these factors.

2.2 Marketing Budget Allocation – the Art of Making Right Choices

Marketing is an essential element of business success and further growth. Not surprisingly, big brands such as Proctor & Gamble, Coca-Cola, Nike and Adidas spend billions of dollars on advertising and other marketing activities every year. Marketing decision-makers are responsible for allocating marketing resources in the most optimal way, in order to generate the biggest profits for their companies. Fischer, Wagner and Sönke (2013) add that the budget allocation process is one of the marketing manager’s most important tasks. With a portfolio of products, and bearing in mind that various marketing activities can have a dynamic impact on future sales, the issue of profit maximisation is becoming increasingly complex. Moreover, according to Gupta and Steenburgh (2013), allocating marketing resources is a complex decision in a constantly evolving environment. The emergence of new media – such as online search and display advertising, video games, virtual worlds, social networking, online user-generated content and word-of-mouth marketing – is creating both new opportunities and challenges for companies.

According to the Journal of Advertising Research (2010), allocating marketing budgets in the most efficient way remains one of the key challenges for any marketing executive. Especially in cases of online pure plays such as social networks, the trade-off between online channels (display advertising and search-engine marketing) versus classic communication (television, radio and print) has been fervently discussed during the last decade. In practice, online channels are often favoured for their direct accountability in terms of cost per click. Indeed, digital marketing brings many advantages for companies, such as cost and time efficiency. However, “the dramatic shift to digital channels (...) has put pressure on companies in traditional sectors” (Christopher Hosford, 2011). According to McKinsey Quarterly (2012), in the face of growing complexity, relentless financial pressure and a still-challenging economic environment, marketers are striving to exploit new-media vehicles and to measure their impact through new analytic approaches and tools. According to Forbes (2013), many new marketing tactics and
media have emerged in recent years, but not all of them are particularly effective for all types of businesses. Forbes states that traditional marketing is still alive and can work for businesses of all sizes that do not want to venture into an entirely new and unfamiliar world of internet marketing. Nevertheless, the modern marketing world is highly customer-driven. “Consumers adopted digital technology as they themselves saw fit, in the process fundamentally altering the way they make purchasing decisions. Companies that understand this evolution are now carefully moving digital interactivity toward the centre of their marketing strategies, rethinking their priorities and budgets, and substantially reshaping their processes and skills” (McKinsey, 2010).

More and more consumers spend vast of their time online. The eMarketer (2014) predicts a “consumption shift”, which means that “marketers need to quickly undertake a radical reinvention of their organisations and the way they communicate with consumers, although other sectors of the market have warned against equating the increased time spent with mobile and digital devices to a jump in media spend on those channels” (Marketing Week, 2014). Additionally, nowadays many consumers go online to shop or at least to investigate items that interest them on the internet. According to the Online Shopper Survey, which was conducted by the U.S. data analysis firm comScore, online shopping continues to outpace growth in traditional retail. Moreover, there is an expectation that 4.55 billion people worldwide will use a mobile phone in 2014 (eMarketer, 2014) and that “by 2016, mobile local search will exceed desktop local searches by more than 27 billion annual queries” (BIA Kelsey, 2012). As a result, more and more companies are rethinking their marketing activities and are favouring digital in order to stay constantly connected with increasing numbers of mobile customers. Furthermore, as there is an increasing shift in consumer attention from television to online, eMarketer has predicted that the average UK adult will spend more than three hours and 41 minutes per day online (or on non-voice mobile and tablet activities) in 2014, compared with three hours and 15 minutes spent watching television daily.

As can be seen, customers spend a vast amount of their time online, browsing the internet on their mobile devices, tablets or personal computers. Companies are becoming aware of this fact and many of them shifting their activities, as well as their marketing budget, to digital.

This overall trend of investing in digital marketing is a worldwide phenomenon. “If you're in advertising, you'd better learn to speak digital, because that's the way the world is going,” according to Josh Bernoff from the AdAge (2009).

According to survey findings from the ExactTarget Marketing Cloud (2014), two-thirds of marketers worldwide plan to increase investment in digital marketing in 2014. Scott Dorsey, chief executive officer at ExactTarget Marketing Cloud, adds: “We are in the third wave of the internet revolution, where everything and everyone is connected; this is the internet of customers, as the number of connected devices and mobile phones continues to skyrocket,
marketers are investing aggressively in digital to connect with their customers in entirely new ways across every channel and every device.” (Scott Dorsey, Bulldog Reporter, 2014).

Almost three out of four businesses (71%) planned to increase their digital marketing budgets in 2013, according to statistics included in the Econsultancy/Responsys Marketing Budget 2013 report. In comparison, only 20% of respondents said they planned to increase their traditional (offline) budgets in that year, up slightly from 16% in 2012. Indeed, according to the following year’s Econsultancy/Responsys Marketing Budget 2014 report, responding companies planned to spend on average 38% of their marketing budgets online. This represents a 3% increase on the 2013 figures.

In today’s complex and dynamic marketing world, where most companies operate in a multichannel space, allocating the appropriate funding to digital and traditional resources is a challenging task. As seen in the literature, with the emergence of the internet and easy access to computers, the increasing trend is to invest more and more of the marketing budget in digital activities.

### 2.3 Trends in Marketing Budget Spending in Ireland

The 2012 Irish Digital Marketing Sentiment Survey looked at digital marketing trends in Ireland. The survey, published by AMAS in partnership with the Marketing Institute of Ireland, revealed that 20% of Irish marketers now spend most of their marketing budgets online. Some 10% of respondents indicated that they moved advertising/marketing spend to digital from other media (cinema, outdoor, newspapers, public relations, events, magazines, television, radio, telephone and direct mail) from 11% to 21% in the previous three years. Almost three in five respondents said that they got more accountable return on investment from online marketing compared with other marketing channels (Marketing Institute and AMAS, 2012).

According to the most recent Marketing Outlook research, conducted jointly by Amárach and the Marketing Institute (2014), almost 60% of those surveyed planned to increase their digital marketing budget in 2014. Digital currently accounts for almost one quarter (24%) of marketing spend. Commenting on the findings, Gráinne O’Brien, director of MC2, says: “The 2014 marketing outlook is more positive than at any time over the past six years. Marketing jobs and budgets are expected to increase over the next two years with digital and content marketing set to benefit most from any uplift.” Additionally, Tom Trainor, chief executive of the Marketing Institute of Ireland, adds: “It is clear that many marketing decision-makers are now committing significant portions of their overall marketing spend to digital.” The research findings make clear that many marketing decisions makers are now committing significant portion of their overall marketing to digital. Comparing these two reports conducted by AMAS and the Marketing Institute respectively in 2012 and 2014, we can see that there is an increasing trend in allocating marketing budget to digital activities.
2.4 How the Increase in Digital Marketing Spending Affects Budget Allocation to Traditional Marketing

According to a five-year interactive marketing forecast by Forrester (2009), six out of ten marketers surveyed agreed with the statement: ‘We will increase budget for interactive by shifting money away from traditional marketing’ (AdAge, 2009).

Furthermore, the Econsultancy/Responsys *Marketing Budget 2013* report predicted that 39% of surveyed companies would increase their digital marketing spend in 2013 at the expense of other channels. In many instances, it stated, traditional avenues would take the biggest hits. A report from Gartner (2013) supports this prediction, showing that businesses have saved significant amounts of money transitioning their marketing to the web, allowing brands to invest even more resources in various new-media channels. “Some 41% of surveyed businesses indicated that they save money by replacing traditional tactics with digital practices, and this funds further online investments. Some 28% of brands said they decrease traditional marketing spend to free-up room for digital programmes” (Gartner, 2013).

As can be seen in the examples above, companies that plan to invest more in digital-marketing activities tend to simultaneously decrease their spending on traditional marketing channels.
Chapter 3. Research Methodology

3.1 Introduction

According to Goddar & Melville (2004), research can be defined as a process of answering unanswered questions or exploring which currently not exist. Saunders et al. (2009) present the research process “as a series of linked stages” that one needs to follow in order to complete a research project. According to the Industrial Research Institute (2010), the word ‘methodology’ can be defined as “the way of searching or solving the research problem”. Research methodology illustrates the various steps adopted by a researcher in studying a problem.

The ‘Research Onion’ framework, introduced by Saunders, Lewis and Thornhill (2009), covers all the steps that need to be considered in the research process. This framework will be used throughout this chapter in order to describe the methods used in this research. The framework contains six different layers:

- Research philosophy;
- Research approach;
- Research strategy;
- Research choices;
- Time horizon; and
- Data collection and data analysis.

Figure 2: Research Onion

![Research Onion Diagram](image)
3.2 Research philosophy

The first layer of the Research Onion is the research philosophy. According to Saunders et al. (2009), “The research philosophy you adopt contains important assumptions about the way in which you view the world.” Therefore, an appropriate choice of a philosophy is important, as it defines the researcher’s approach to a research process.

**Pragmatism**

Pragmatism suggests that it is not necessary to adopt just one position in the course of the research process and that “it is perfectly possible to work with variations in your epistemology, ontology and axiology” (Saunders, 2009). This philosophy is suitable for mixed research methods, both quantitative and qualitative, as it allows the researcher to adopt both subjective and objective points of view when analysing research findings.

The pragmatic research philosophy is the most appropriate for this study because it allows the use of multiple views in answering the research questions.

As stated in Saunders et al. (2009), “Pragmatism argues that the most important determinant of the epistemology, ontology and axiology you adopt is the research question – one may be more appropriate than the other for answering particular questions.”

As this research combines both quantitative and qualitative methods, the mixed approach to analysing research findings is most suitable. I have decided to adopt both objective (in regards to quantitative data) and subjective (qualitative data) points of view.

3.3 Research Approach: Deductive and Inductive

The second layer of the Research Onion is the research approach. There are two different research approaches: deductive and inductive. As this research combines mixed research methods, qualitative and quantitative, the combination of deductive and inductive approach is
used. According to Saunders et al. (2009), it is perfectly possible to combine both approaches within the same research; moreover, it may also provide some advantages.

**Deductive approach**

The process of deductive research is often associated with quantitative research and starts with a theory (Saunders, Lewis & Thornhill, 2009). Based on the available data, the assumption is drawn that an increase in digital marketing spending will result in a decrease in traditional marketing spending. This situation can be influenced by the following factors: a marketing decision-maker’s own intuition, data-based decisions or a combination of both. In this research, this theory will be applied to the following two industries in Ireland: Financial Services and Food & Beverages. The alternative hypothesis will be tested against the research answers.

**Inductive approach**

In contrast to the deductive approach, the inductive approach first involves collecting a qualitative data and then, based on the findings, identifying a pattern or theory. As stated by Saunders et al. (2009), this approach allows for a more flexible structure and facilitates changes of emphasis as the research progresses.

This approach is suited to this research as it allows the researcher to become an active part of the research process and express his or her own opinions and feelings about the research findings.

3.4 Research Strategy: Survey

Various strategies might be considered during research process:

- Experiment;
- Survey;
- Case study;
- Action research;
- Grounded theory;
- Ethnography; or
- Archival research.

**Survey**

Survey strategy is usually associated with the deductive approach. Nevertheless, Saunders et al. (2009) argue that “allowing strategies to one approach or the other is unduly simplistic (…) Consequently, what is most important is not the label that is attached to a particular strategy, but whether it will enable you to answer your particular research question(s) and meet your objectives”.

24
Online questionnaires as well as phone questionnaires/interviews were considered the most suitable methods of gathering data in a time-efficient way. Factors such as convenience for respondents, availability and willingness to respond to this survey were taken into account. Both online and phone questionnaires/interviews seemed the most appropriate strategies to reach out to the target audience (marketing decision-makers), taking into account their busy lifestyles. For this reason, a limited amount of questions were included in the survey.

The survey was created by using the online SurveyMonkey tool and issued to the target audience via e-mail and LinkedIn, as well as via telephone. As the survey was distributed online and through phone calls, it covers almost the entire Irish market. The analysis and examination of the resulting data will be conducted in order to prove the hypothesis as well as draw conclusions on the qualitative part of the survey.

3.5 Research Choice: Multiple Methods

According to Saunders et al. (2009), the terms quantitative and qualitative are used widely in business and management research to differentiate data-collection techniques and data-analysis procedures. The quantitative method is associated with numeric data-collection, such as questionnaires. In contrast, qualitative is associated with non-numeric data (instead relating to words) and is usually done by interviews.

Multiple methods

The multiple-methods choice combines data-collection techniques and analysis.

Figure 4: Research choices
According to Curran and Blackburn (2011), the choice of multiple methods is popular in business and management research.

**Mixed-model research**

According to Saunders *et al.* (2009), mixed-model research combines quantitative and qualitative data-collection techniques and analysis. It also combines these techniques at other phases of the research, such as setting out the research question.

In this research, mixed-model research is used, combining both qualitative and quantitative data-collection techniques in questionnaires as well as in the design of the research question.

The quantitative data were collected via online and telephone questionnaires and have been quantitatively analysed, with the exception of the information gleaned from Question 6 in the questionnaire. This question is closely related to a qualitative one and, therefore, it has been analysed both quantitatively and qualitatively (along with qualitative Question 7).

The qualitative question (Question 7) was also collected via online and telephone questionnaires. In some cases, telephone follow-up was needed in order to prompt respondents that initially skipped this question online. The qualitative question was analysed qualitatively.

**3.6 Research Time Horizon: Cross-Sectional Study**

According to Robinson (2002), cross-sectional studies often employ the survey strategy. Nevertheless, Saunders *et al.* (2009) state that qualitative methods can also be used in cross-sectional studies.

This research is set to capture a particular phenomenon at a particular time; therefore, the cross-sectional tactic will be applied. As this research is time constrained, a carefully selected representative group of marketing decision-makers operating within selected industries in Ireland has been chosen in order to retain data validity.

**3.7 Data Collection**

Data can be collected by using primary and secondary sources. Primary research can be defined as research conducted by a researcher in order to collect data that is specific to the research topic. Secondary research is a research conducted by someone else for other purposes. Both secondary and primary data are widely used in business, management and academic environments.

**Secondary data**

Secondary data for this research have mainly been collected from online resources such as online surveys conducted by research companies, Journals and professional magazines.
As this research was time constrained, data-collection time was limited and had to be completed early enough to allow sufficient time for data analysis and discussion on findings from the research.

**Primary data**

In order to answer this report’s research question and to achieve its objectives, the target population’s figures, facts and opinions were required.

Two forms of primary research have been used in this project: online and phone questionnaires, along with short phone interviews.

Data collection was begun on the 5th of June 2014 and was completed on the 18th of July 2014.

**Questionnaire (quantitative and qualitative data)**

According to Saunders et al.,(2009), questionnaires are the most commonly used data collection technique within a survey strategy.

**Figure 5: Types of Questionnaires**

![Diagram of Types of Questionnaires]

*Saunders, et al.,(2009)*

Taking into account the short period of time allocated for collecting primary responses as well as a limited financial budget, for the purpose of this research, self administered as well as interviewer questionnaires were used to carry both qualitative and quantitative questions.

**Self-Administered Questionnaires**

Questionnaires were sent to a selected target audience via the online SurveyMonkey tool and via LinkedIn (using existing LinkedIn connections). This was done in order to obtain the necessary data to test a hypothesis and identify trends, as well as to obtain valuable qualitative insights into the factors influencing marketing decision-makers’ decisions regarding budget allocation.
**Interviewer Questionnaires**

The second method of questionnaire distribution was by telephone call. A list of the target audience that had not yet responded to the online questions was compiled and these were contacted by phone in order to prompt them to respond. Additionally, in order to obtain a sufficient amount of qualitative data, short follow-up phone calls were conducted with respondents who had skipped the qualitative question (Question 7) in the online questionnaire.

There are two main sampling techniques used by researchers: probability and non-probability samples, according to *Saunders et al.* (2009).

**Figure 6: Sampling techniques**

![Sampling techniques diagram](source: Saunders et al. (2009))

**Sample technique: non-probability**

**Sample frame: difficult to establish/non-available**

With probability samples, according to *Saunders et al.* (2009), the chance of each case being selected from the population is known. Additionally, sample frame (an actual set of units from which a sample has been drawn) is available. In contrast, when it comes to non-probability samples, the chance of each case being selected from the total population is not known and the sampling frame is not available.
For the purpose of this research, non-probability sampling techniques have been selected, as the sampling framework is difficult to determine. A single, complete list of all organisations operating in the Financial Services and Food & Beverages industries in Ireland is not available. Therefore, for the purpose of this dissertation project, the researcher was required to combine available lists of companies and organisations and select a suitable sample from the following sources:

- IBEC (Irish Business and Employers Confederation)
- IFSC (Ireland’s International Financial Services Centre)
- Bord Bia
- *The Irish Times* Top 1000 Companies

**Purposive sampling**

Purposive or judgmental sampling enables the researcher to select cases that will best enable him or her to answer research question(s) and to meet research objectives (Saunders *et al.*, 2009).

**Purposive sampling: heterogeneous**

Saunders *et al.* (2009) state that purposive sampling cannot be considered to be statistically representative of the total population. Nevertheless, according to the same authors, this type of sampling enables data collection so that key themes can then be observed, described and explained. Although a small sample may contain cases that are completely different, Patton (2002) argues that this is, in fact, a strength: any patterns that do emerge are likely to be of particular interest and value and represent the key themes. Additionally, in order to ensure maximum variation within a sample, Patton (2002) suggests identifying sample-selection criteria prior to selecting a sample.

There are three main reasons for selecting purposive (heterogeneous) sampling for this research:

- As this research concerned only marketing decision-makers operating in the Financial Services and Food & Beverage industries in Ireland, and because the research was time constrained, only a selected group of companies (where the above-mentioned marketing decision-makers could be identified) was included in this research;
- Access to some organisations/companies in Ireland through my work and LinkedIn connections;
- An incomplete list of Financial Services and Food & Beverage companies in Ireland was available, which precluded the use of the probability sampling method.
Snowball sampling

According to Saunders et al. (2009), snowball sampling is commonly used when it is difficult to identify members of the desired population.

For the purpose of this dissertation, I have identified a specific target audience to approach. Nevertheless, the list of contacts within that group was limited. Moreover, data-protection issues made it difficult to obtain details of the desired number of contacts. For these reasons, methods such as snowball sampling were selected in order to receive more responses to the survey.

Saunders et al. (2009) state that purpose of snowball sampling is to make a contact with one or two cases in the population and ask these cases to identify further cases. For the purpose of this research, existing LinkedIn connections were approached, as well as work colleagues’ connections, in order to reach out to more survey respondents. LinkedIn groups designed for marketing professionals were also utilised, where potential respondents (or people that could pass on the questionnaire to appropriate persons) might be present.

Population

Survey respondents were located in counties Dublin, Cork, Kilkenny, Tipperary, Waterford, Cavan and Meath, as well as in Northern Ireland.

Target audience and sample size

Respondents to this survey were marketing decision-makers (mainly managers and directors with responsibility for their companies’ marketing budgets) working in the Financial Services and Food & Beverage industries in Ireland. Identifying appropriate persons to contact was necessary in order to minimise bias (for example, to eliminate the possibility of receiving completed surveys from people not involved in the allocation of marketing budgets). Around 150 companies operating in Ireland’s Financial Services and Food & Beverage industries were researched, in order to identify their marketing decision-makers and to gain access to their contact details. However, many of these companies either had no appointed marketing decision-maker or details of the appropriate person were protected by company policy. In some cases, company policy did not allow for responding to surveys.

For these reasons, some 105 decision makers remained to be surveyed (49 in Financial Services and 56 in the Food & Beverage industry). As mentioned earlier in this chapter, LinkedIn connections and LinkedIn groups were also used in order to elicit responses from other Financial Services and Food & Beverage companies. However, only three further responses were gleaned from this snowball-sampling method. In summary, thirty responses were gleaned from online and phone questionnaires and a further three from snowball sampling. In total, some 33 respondents returned the survey. This gives a response rate of 31.4%.
A survey’s response rate has long been viewed as an important indicator of survey quality, with the inherent presumption that high response-rates generate more reliable results (Aday, 1996; Rea and Parker, 1997). However, Visser, Krosnick, Marquette and Curtin (1996) argue that surveys with lower response rates (near 20%) yield more accurate results than surveys with 60-70% response rates. According to the Journal of Mixed Methods Research, (2007) purposive sampling is designed to generate a sample that will address research questions. Moreover, the Journal also states that a small sample-size (of 30 cases or fewer) is sufficient. Therefore, the 31.4% response rate of the non-probability sample used in this research can be considered satisfactory.

3.8 Data Analysis

In order to analyse qualitative data of this research I have decided to use Microsoft Excel Software. Excel requires entering all data manually, nevertheless, as I have a good command of this software and the amount of responses were not very large, creating graphs, cross-tabulations and analyzing data was not very difficult and allowed me to further increase my competences on this software.

As to qualitative data analysis, I have brought together all answers to open ended question 7 as well as related Q6 from the online and phone questionnaires. I have then sought similarities between respondents’ opinions and organised their answers into suitable categories.

3.9 Ethics

“Ethics has become a cornerstone for conducting effective and meaningful research. As such, the ethical behavior of individual researchers is under unprecedented scrutiny” (Best & Kahn, 2006; Field & Behrman, 2004; Trimble & Fisher, 2006). In this research, all survey respondents’ identities and feedback received were confidential. The data has been protected by password for online surveys distributed via e-mail and via LinkedIn. Before proceeding to the survey, potential respondents were required to read the cover letter, which explained the purpose of the questionnaire. It also instructed them on how to complete the survey and ensured them of the confidentiality of their data (please see Appendix 2).

3.10 Limitations

This research is limited to the Financial Services and Food & Beverage industries in Ireland. The theory is based on the available data of Irish market trends in relation to digital marketing spending in 2014, as well as on global (mainly U.S.) data concerning the correlation between the increase in digital marketing spending and decrease in traditional (statistics for Irish market were not available). In addition, research is vulnerable to biases due to the non-probability sampling technique used in this study. Convenience sampling cannot be representative of the entire population and, therefore, it is difficult to generalise with regard to the qualitative findings of this
study. Nevertheless, this type of sampling allows the researcher to obtain basic data and identify trends regarding the topic of interest and can be used as a springboard for further research.

3.11 Suitability of Researcher

Being a digital marketing executive I have a keen interest in understanding the factors influencing marketing decision-makers in allocating budgets, as well as their rationale for selecting a specific factor. I am also interested in revealing budget-allocation trends, and patterns in allocation between digital and traditional marketing. I have worked in a creative communications agency for a year before undertaking this study and have been involved in researching various Irish industries, *inter alia*, Financial Services and Food & Beverage. Therefore, prior to conducting this research, I had already obtained significant knowledge about the above-mentioned industries that may contribute to this study.

3.12 Research Plan

As this research was time constrained, the online survey became first priority during the first month of survey release. The feedback from respondents was monitored on a daily bases in order to ensure that the entire research was to be conducted on time.

**Figure 7: Timetable**

The below timetable was created in order for all tasks to be conducted on time.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start Date</th>
<th>Finish Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search for secondary data</td>
<td>12\textsuperscript{th} May 2014</td>
<td>23\textsuperscript{rd} June 2014</td>
</tr>
<tr>
<td>Reading and analyzing secondary data</td>
<td>23\textsuperscript{rd} June 2014</td>
<td>05\textsuperscript{th} July 2014</td>
</tr>
<tr>
<td>List of survey respondent</td>
<td>10\textsuperscript{th} May</td>
<td>04\textsuperscript{th} June 2014</td>
</tr>
<tr>
<td>Survey design</td>
<td>20\textsuperscript{th} May</td>
<td>31\textsuperscript{st} May</td>
</tr>
<tr>
<td>Distribution of surveys</td>
<td>05\textsuperscript{th} June</td>
<td>18\textsuperscript{th} July</td>
</tr>
<tr>
<td>Analyzing survey responses</td>
<td>10\textsuperscript{th} July</td>
<td>18\textsuperscript{th} July</td>
</tr>
</tbody>
</table>
Chapter 4. Data analysis and findings

4.1 Introduction

In this chapter, the results of the online and phone questionnaire, as well as follow-up phone conversations with members of the target audience, will be presented. This part of the research intends to present the findings without trying to draw conclusions. The first part illustrates the results of quantitative analysis and the second part will present qualitative analysis.

The sample used in the course of the research is made up of 33 respondents representing enterprises in Ireland operating in the Financial Services and the Food & Beverage industries. Every response came from a different company; thus, each response represents one company.

As the main aim of this research is to understand what factors influence marketing decision-makers in their budget-allocation decisions, as well as to examine marketers’ rationale for selecting such factors, only responses completed by marketers responsible for company’s budget allocation can be taken into account. One respondent did not meet these criteria. Therefore, some 32 out of 33 responses are taken into consideration when analysing and discussing the qualitative part of the research, as well as some other findings relating to questionnaire questions 6 and 7.

However, the secondary aim of this research is to observe possible trends and patterns in marketing-budget allocation. Despite the fact that the remaining respondent is not responsible for decisions regarding the marketing budget, this person was able to answer budget-related questions and for this reason can be taken into account in other quantitative analysis.
4.2 Main results from the quantitative analysis

4.2.1 General Findings

Figure 8: Industries that took part in the research (Q1)

As presented in the figure above, 48% of surveyed companies come from Financial Services and 52% come from Food & Beverage industry. This almost equal number gives a good opportunity to compare these two industries.

Figure 9: Number of respondents that are responsible for their company’s marketing budget allocation (Q2)
Thirty-two out of 33 respondents answered this question. The ‘no’ answer came from a company operating in Financial Services. Although respondent stated that s/he was not responsible for the company’s budget-allocation process, this person was still able to give answers to all the questions relating to budget-allocation decisions (Q1-Q5 and Q8). The only two questions the respondent could not address were Q6 and Q7, which could only be answered by marketing decision-makers with responsibility for their company’s marketing budget.

Figure 10: Companies that increased digital marketing budget in 2014 (Q3)

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1%</td>
<td>0</td>
</tr>
<tr>
<td>1-5%</td>
<td>0</td>
</tr>
<tr>
<td>5-10%</td>
<td>7</td>
</tr>
<tr>
<td>10-25%</td>
<td>5</td>
</tr>
<tr>
<td>25-50%</td>
<td>4</td>
</tr>
<tr>
<td>50-75%</td>
<td>1</td>
</tr>
<tr>
<td>75-100%</td>
<td>5</td>
</tr>
<tr>
<td>Company did not increase marketing budget in 2014</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total:</strong> 33</td>
<td><strong>Answered: 32</strong></td>
</tr>
</tbody>
</table>
Some 96.9% of respondents have answered this question. 68.6% of respondents increased digital marketing spending in 2014, whereas, 31.2% decided to do not invest in increasing digital marketing budget in the same year. 21.8% of surveyed companies decided to increase digital marketing by 5-10% followed by 15.6% of companies that increased their spending on digital by 10-25% and further 15.6% respondents that increased digital by 75-100%. 12.5% out of all respondents represent a group that increased digital by 25-50%. The last two groups, 1-5% and 50-75% were selected by the smallest groups of respondents, little over 3% each.

**Figure 11: Decisions made about traditional marketing budget allocation while increasing digital marketing spending (Q4)**

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase traditional marketing spending</td>
<td>7</td>
</tr>
<tr>
<td>Decrease traditional marketing spending</td>
<td>8</td>
</tr>
<tr>
<td>Sustain traditional marketing spending</td>
<td>9</td>
</tr>
<tr>
<td>Company do not invest in traditional marketing</td>
<td>0</td>
</tr>
<tr>
<td>Company did not increase digital marketing spending in 2014</td>
<td>7</td>
</tr>
</tbody>
</table>

| Total: 30 | Answered: 31 | Skipped: 2 |

Thirty-one companies responded to this question, while two decided not to respond. From the above chart, we can see that nine (29%) of the surveyed companies sustained traditional
marketing spending while increasing digital budget. Over 25% (eight) companies decreased traditional marketing spending while at the same time increasing digital marketing and 22.5% of companies increased traditional marketing. The same percentage of companies (22.5%) declared that they do not invest in traditional marketing at all.

Figure 12: Budget allocation between digital and traditional marketing (Q5)

As seen in the figure 12 above, all respondents answers this question. The most common digital marketing allocation range was 10-25% chosen by 36.3%. The second most popular was between 5-10% and 30% of companies have chosen this option. When it comes to traditional marketing budget allocation, 39.3% of companies stated that they allocate between 50-75% of
their budget to traditional marketing, followed by another 21% of companies that allocated 75-100% of their overall budget to traditional marketing activities.

**Figure 13: What factors mostly influence marketing decision makers during the budget allocation decisions making process? (Q6)**

As presented in the figure 13, vast majority of respondents, 25 companies (78.13%), chose a combination of own intuition and data – evidence as the main factor that influences their marketing budget allocation decisions. 15.6% of respondents selected “data –evidence” factor and only 6.25% respondents chose their own intuition.
Figure 14: Companies that are planning to increase digital marketing budget in 2015 (Q8)

As can be seen in the chart above, 28 companies (84.84%) are planning to increase digital marketing spending in 2015, among which the most (42.42%) are planning to increase digital by further 5-10%. 5 companies (15.15%) plan to increase digital by 10-25% and the same amount by 25-50%. Only 15% of companies declared that they do not plan to increase digital marketing budget in 2015.
4.2.2 Comparison between Financial Services and Food & Beverage industries

Figure 15: Financial Service and Food & Beverage companies that increased digital marketing budget in 2014 (Q3)

As shown in the chart above, 64.7% out of total surveyed companies that come from the Food & Beverage industry increased digital marketing budget in 2014, whereas, 68.7% of all Financial Services companies that answered this question decided to increase their digital spending in 2014. Within companies that decided not to decrease digital marketing in 2014, 35.3% comes from Food & Beverage industry and 18.8% from Financial Services.
As presented above, all of the respondents that answered this question stated that their companies invest in traditional marketing. Nevertheless, 15.4% of 81.2% of Financial Services companies and 29.4% out of all Food & Beverage companies admitted that they did not increase digital marketing budget in 2014. Among Financial Services companies, the most popular trend was to sustain traditional marketing spending while increasing digital (53.8%) followed by another 30.8% companies that decided to increase traditional marketing spending. When it comes to Food & Beverage industry, main trend was to decrease traditional marketing while increasing digital budget (35.3% of companies).
As shown in the charts 17, nearly all Financial Services companies (93.7%) invest in digital marketing. Most companies from this industry (40%) allocate 10-25% of their budget to digital, followed by 33.3% companies allocating 5-10% and 26.6% that allocate 25-50%.

When it comes to budget allocation to traditional marketing, 81.2% of all Financial Services companies invest in digital with the vast majority (61.5%) investing as many as 50-75% to digital budget. 15.4% allocate 75-100% to digital and the same percentage allocate 25.50%.

As for Food & Beverage industry, all surveyed companies invest in digital and 76.5% invest in traditional. The highest budget allocation to traditional marketing was noted in the following
ranges: 50-75% (38.5% of companies) and 75-100% (also 38.5% of companies). As for the digital marketing, most companies (35.3%) decided to allocate between 10-25% to digital activities.

Figure 19: Factors influencing budget allocation decisions - Financial Services and Food & Beverage industries (Q5)

As presented in the figure above, “own intuition” factor was chosen by 6.25% of all respondents, both of them coming from Food & Beverage industry. “Data – evidence” factor was selected by 15.6% of respondents, all operating in Financial Services industry. “Combination of both” factors were chosen by 81.2% of respondents in total, 31.2% from Financial Services and 46.9% from Food & Beverage.
Above chart illustrates that 43.6% companies from Financial Services industry and 41.1% of companies from Food & Beverage industry decided to increase their digital marketing spending in 2015 by 5-10%. Following 17.6% companies from Food & Beverage decided to increase digital by 10-25% and the same amount by 25-50% in 2015. 15.1% of all companies, 17.6% form Food & Beverage and 12.5% from Financial Services stated that they do not plan to increase digital marketing in 2015 at all.
As seen above, vast majority (78.8% out of total respondents) integrate digital and traditional marketing activities. Half of them come from the Financial Services industry and other half from Food & Beverage. Only 21.2% of companies do not integrate digital and traditional, 9.09% of them come from Financial Services (all of them invest in digital) and remaining 12.11% of them from Food & Beverage (within them, half invest only in digital and half only in traditional).

### 4.2.3 Testing the hypothesis and applying the theory

**Figure 22: Companies that fit into the theoretical framework**

<table>
<thead>
<tr>
<th>Existing trend</th>
<th>Influencing factor</th>
<th>Expected Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in digital marketing spending</td>
<td>Marketing manager’s decision based on “data-evidence” 2 (25%)</td>
<td>Decrease in the traditional marketing spend 8 (25.8%)</td>
</tr>
<tr>
<td>H1</td>
<td>H1</td>
<td>H2</td>
</tr>
<tr>
<td>H2</td>
<td>H2</td>
<td>H3</td>
</tr>
<tr>
<td>H3</td>
<td>H3</td>
<td></td>
</tr>
<tr>
<td>Marketing manager’s decision based partially on the intuition and partially on “data-evidence” 5 (62.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing manager’s decision based on the intuition 1 (12.5%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure above shows the number of responses that fits into the theoretical framework that was drawn for this research. Referring to the Figure 11, 25.8% of surveyed companies decided to decrease traditional marketing spending while at the same time increasing their digital marketing...
spending in 2014. With the 25.8% of respondents that qualify for this framework, most of them (62.5%) have chosen a combination of own intuition and data–evidence (Figure 23) as being the main factor in the budget allocation decision making process.

**Figure 23: Companies that have chosen particular factor while increasing digital marketing spending and decreasing traditional marketing budget**

![Figure 23](image)

- **number of companies that have chosen "combination of both" while increasing digital marketing spending and decreasing traditional marketing**
- **number of companies that have chosen "data evidence" while increasing digital marketing spending and decreasing traditional marketing**
- **number of companies that have chosen "own intuition" while increasing digital marketing spending and decreasing traditional marketing**

**Figure 24: Which hypothesis fits into the findings?**

**Hypotheses for research findings**

H1: Increase in the digital marketing spending and decrease in the traditional marketing spending will be positively related to marketing manager’s “data-based” decision

H2: Increase in digital marketing spending and decrease in the traditional marketing spending will be positively related to a combination of marketing manager’s data-based decision as well as his/her own intuition

H3: Increase in digital marketing spending and decrease in the traditional marketing spending will be positively related to marketing manager’s decision based on his/her own intuition
**Null hypothesis**

H1: Increase in the digital marketing spending and decrease in the traditional marketing spending will not be positively related to marketing manager’s “data-based” decision

H2: Increase in digital marketing spending and decrease in the traditional marketing spending will not be positively related to a combination of marketing manager’s “data-based” decision as well as his/her own intuition

H3: Increase in digital marketing spending and decrease in the traditional marketing spending will not be positively related to marketing manager’s decision based on

According to Figure 22, Hypothesis 2 applies: “Increase in digital marketing spending and decrease in the traditional marketing spending will be positively related to a combination of marketing manager’s data-based decision as well as his/her own intuition.”

### 4.2.4 How factors such as Own Intuition, Data Evidence and Combination of Both influence marketing budget allocation decisions

**Figure 25: Data – evidence and marketing budget allocation decisions**

Figure 25 shows that all of 15.6% of respondent influenced by data – evidence invested some of their budgets into the digital marketing, with 60% of them investing 10-25% in digital. 80% of
all companies that chose data evidence also decided to invest in traditional marketing, with 50% of them investing 50-75% of their budget to traditional.

**Figure 26: Own intuition and marketing budget allocation decisions**

As illustrated in the figure above, half of the companies that have selected “own intuition” decided to dedicate 10-25% of its budget to digital marketing. Other half stated that 25-50% of their budget was invested to traditional marketing.

**Figure 27: Combination of both and marketing budget allocation decisions in Financial Services industry**
As can be seen in the charts 27 and 28, some 88.2% of respondents from the Food & Beverage industry that have chosen combination of both factors invested in digital marketing, with 33.3% of them allocating 5-10% and another 33.3% allocating 10-25% of their marketing budget to digital. 56.2% of respondents from Financial Services that have chosen combination of both factor allocated their budget to digital, with 44.4% of them dedicating 5-10% of the budget to this and another 33.3% allocating 10-25%.

58.8% of companies from Food & Beverage allocated their budget to traditional marketing, within them, 50% allocating 50-75% to traditional and 40% allocating 75-100%. When it comes to Financial Services companies, 56.2% of them allocated their budget to traditional, with 66.6% of them dedicating 50-75% to this.
“Data –evidence “factor was chosen by 31.2% of Financial Services companies. All of these companies also increased digital marketing in 2014. Further 62.2% companies from this industry that have chosen “combination of both” factor stated that they increased digital marketing in
2014 versus 40% in the same category that did not. One company from this industry did not choose any influencing factor.

When it comes to the Food & Beverage industry, only 6.2% of respondents, both coming from the Food & Beverage industry have chosen the “own intuition” factor. 50% stated that his / her company increased digital marketing in 2014 by 5-10%, whereas, the other half answered that a company did not increase digital in that year. When it comes to “Combination of both factor”, 66.6% of companies from Food & Beverage industry that have chosen “combination of both” factor declared that they increased digital in 2014, whereas, 33.3% said that they did not.

**Figure 31: Factors that influence marketing budget allocation and decision about increase or not to increase digital marketing in 2015 –Financial Services industry**

Above figure 31 shows that 80% out of total 15.6% of Financial Services companies that chosen data –evidence declared further increase in digital in 2015 as well as another 90% from the same industry that have chosen combination of both factor. Only 10% of companies from this industry decided not to increase digital marketing spending in 2015.
Figure 32: Factors that influence marketing budget allocation and decision about increase or not digital marketing in 2015 – Food & Beverage industry

Figure 32 shows that half of the companies that chosen own intuition factor decided to further increase digital marketing in 2015 and the other half decided not to. 86.6% out of a total 46.9% of respondents from Food & Beverage industry that have chosen “combination of both” factor stated that they are planning to further increase digital marketing in 2015 and only 13.3% of companies said that they do not.
68.75% out of total respondents from the Financial Services industry allocated some of their budget to traditional marketing in 2014, while at the same time increasing digital marketing spending. All of these companies declared that they are planning to further increase digital marketing in 2015. 36.3% of companies that have increased traditional marketing and another 36.3% that have sustained traditional marketing decided to further increase digital in 2015, with only 18.1% of companies that decreased traditional in 2014 deciding to increase digital in 2015. 28.5% (out of all 36.3% that sustained traditional in 2014) stated that they do not wish to increase digital in 2015.
Figure 34: Budget allocation to traditional marketing (while increasing digital in 2014) and willingness to further increase digital marketing budget in 2015 – Food & Beverage industry

64.7% (out of a total surveyed Food & Beverage companies) decided to further increase digital spending in 2015, while allocating some of their budget to traditional marketing (and at the same time increasing digital marketing spending in 2014). Within these 64.7%, most of them (54.6%) decreased traditional marketing in 2014; other 27.1% increased and remaining 18.1% sustain traditional marketing in the same year.

Overall, on average, both industries declared to further increase digital marketing in 2015 by 5-10%.
As can be seen on the above charts 35 and 36, more companies operating in Financial Services industry sustained their traditional marketing in 2014 (18.1%) while only 3% decided to do the same in Food & Beverage industry. On the other hand, more Food & Beverage companies
decided to decrease traditional marketing (18.1%) in comparison to only 6% of companies from Financial Serviced industry. Nevertheless, on average, budget allocation to traditional marketing in both industries ranges between 50-75%.

**Figure 37: Factor influencing budget allocation decisions and budget allocation to traditional marketing (while increasing digital in 2014) – Financial Services industry**

[Bar chart showing budget allocation decisions]

**Figure 38: Factor influencing budget allocation decisions and budget allocation to traditional marketing (while increasing digital in 2014) – Food & Beverage industry**

[Bar chart showing budget allocation decisions]

In figure 37 we can see that most respondents that increased and sustain traditional marketing in Financial Services industry were influenced by the combination of own intuition and data –
evidence factors with 6% of companies that decreased traditional marketing being influenced by data –evidence. As for the Food & Beverage industry, vast majority of companies in all categories declared that their budget decision about traditional marketing was influenced by Combination of both factor. Only 3.1% of respondents that decreased traditional marketing have chosen own intuition factor.

4.2.5 Other Findings

Figure: 39 Financial Services companies that increased digital marketing in 2014 and planning to further increase digital in 2015

![Graph showing financial services companies digital marketing budget increase in 2014 and planned increase in 2015](image)

Figure: 40 Food & Beverage companies that increased digital marketing in 2014 and planning to further increase digital in 2015

![Graph showing food & beverage companies digital marketing budget increase in 2014 and planned increase in 2015](image)
Figure 39 shows that in 2014, 68.7% out of all surveyed companies from Financial Services decided to increase digital marketing that year. 99.9% of this 68.7% stated that they further plan to increase their digital marketing spending in 2015. Majority of them (45.5% of companies) planning to increase their digital spending by 5-10%.

As it can be seen in figure 40, when it comes to Food & Beverage industry, 64.7% of total companies from this industry increased digital marketing in 2014. Moreover, all of these 64.7% that increased digital marketing in 2014 planning to do the same in 2015, with majority of them planning to increased digital by further 5-10% in 2015

**Figure 41: Companies that did not increased digital marketing in 2014, but planning to do so in 2015**

<table>
<thead>
<tr>
<th>Do not plan...</th>
<th>Financial Services</th>
<th>Food &amp; Beverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>1-5%</td>
<td>10%</td>
<td>10%</td>
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<td>50-75%</td>
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<td>10%</td>
</tr>
<tr>
<td>75-100%</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Total companies: 10

As illustrated above, 70% out of total 30.3% of companies that did not increase digital marketing budget in 2014 are planning to increase digital spending in 2015. All 30% that did not intend to increase digital in 2015 come from the Food & Beverage industry.

**Companies that did not fit into the theoretical framework (Figure no.22)**

As per Figure 11, beside 25.81% out of total respondents that fit into the theoretical framework (companies that decrease traditional marketing while increasing digital), 29.03% companies decided to sustain traditional marketing spending while increasing digital and another 22.58% decided to increase traditional marketing budget.
Figure 42: Companies that increased traditional marketing spending while at the same time increasing digital spending in 2014 and “data-evidence” as an influencing factor

As seen in the figures above, over 85% out of a total 22.58% that decide to increase traditional marketing while increasing digital were influenced by combination of own intuition and data evidence. Remaining 14.2% is represented by respondents that have chosen “data-evidence” factor.

Figure 43: Companies that increased traditional marketing spending while at the same time increasing digital spending in 2014 and “combination of both” as an influencing factor
In companies that sustained traditional marketing while increasing digital, we can see that again, the vast majority of respondents were influenced by a combination of their own intuition and data evidence, whereas only 25% were influenced by the data-evidence factor alone. One company was omitted because a respondent did not state the influencing factor in the questionnaire; therefore, only eight companies out of nine were taken into account in this category.

### 4.3 Qualitative Research

The qualitative question (Question 7) is linked to the following survey Question 6: ‘As a marketing decision-maker, what mostly influences your marketing-budget allocation decision?’ Respondents were asked to provide a rationale behind their selection of an influencing factor (‘Why do you believe that your own intuition, data evidence or a combination of both is the best approach for you?’ – Q7)

Out of 33 people, 15 initially skipped this question. However, after conducting a phone follow-up with people that omitted this question, the researcher obtained a further three responses. Therefore, a total number of 21 respondents answered Question 7.

LeCompte and Schensul (1999) define qualitative analysis as the process a researcher uses to reduce data to a story and its interpretation. Therefore, qualitative data analysis can be seen as a process of reducing large amounts of collected data in order to reveal only the most important themes, patterns or key concepts.

According to Saunders *et al.* (2009), there are three main types of processes used to group qualitative data:

- Summarising (condensation) of meanings;
- Categorisation (grouping) of meanings; and
- Structuring (ordering) of meanings using narrative.

Saunders states that all of these can be used alone, or in combination, to support interpretation of findings. However, for the purpose of this research, categorization was used to present the findings in a clear and transparent way. As this research contains only one qualitative question, data collected was not large. Therefore, respondents’ opinions were included (in form of direct citations) in order to support the research findings.

According to Saunders *et al.* (2009), categorising data involves two activities: developing categories and attaching these categories to meaningful chunk of data. The authors further suggest that categories may be derived from data or from the theoretical framework.
Three main categories may be derived from the theoretical framework of this research (see Figure 1:

1. Own intuition;
2. Data evidence; and
3. Combination of both (data evidence and own intuition).

A number of declarations (reasons for choosing such factor of influence when deciding about marketing budget allocation) are attached to each of these categories. These declarations have been analysed and key themes have been identified in order to determine the main factors that drive marketing decision-makers’ behaviors in their budget allocation decision-making processes.

**Figure 46: Three Categories of factors influencing budget allocation decisions**

- **Combination of both**
  - Belief that combination of experience and data evidence works best
  - Decisions driven by experience and strategies
  - Strong belief in data evidence
  - “That’s how we operate our business”
  - To satisfy customers needs
  - Lack of sufficient data available

- **Data - evidence**
  - Strong belief in data

- **Own intuition**
  - Belief that this factor is frequently used in budget allocation decisions
According to Patton (2002), the goal of qualitative data analysis is to uncover emerging themes, patterns, concepts, insights and understandings; therefore, this analysis intends to reveal key themes and patterns of this research.

Factors that drive marketing budget allocation decisions

**Combination of data evidence and own intuition**

Some 25 respondents selected this category, with 15 from the Food & Beverage industry and 10 from Financial Services. Only 16 respondents (12 from Food & Beverage, 4 from Financial Services) gave their rationale for selecting this category.

Six key themes have been identified within this category:

- **Belief that combination of experience and data – evidence works best**

  Respondents in this group believe that relying on data alone is not a good approach. One respondent said that “data evidence on its own can be misleading. It needs to be accompanied by intuition (most often based on industry experience)” and that the “best approach [is] the combination of evidence and market experience”.

  All respondents in this group came from the Food & Beverage industry.

- **Decisions driven by experience and strategies**

  Marketing decision-makers in this category base their budget decisions on industry experience gained over a number of years and on marketing strategies developed for their companies. As one respondent recounted, “I have worked in the food and drink industry for a number of years and have gathered a wealth of experiences. I have developed campaigns and learnt first-hand what works/does not work given budgets, consumers and environment.” Another said: “You have to be willing to take risks that your competitor isn’t in order to grow a business. I’d base most of the decisions on proven strategies, but there are always elements I run as ‘tests’, which could be a success or failure.”

  Respondents in this category also believe that budget decisions should not be based on data such as previous spend, but should be based on the objectives of a campaign. “Money/budget percentage shouldn’t drive the decisions,” said one. “The percentage weighting depends on the programmes in place and the content being developed. If the content better lends itself to digital, or can connect with audiences on this media, then the focus there will follow.” Another said: “I go with a combination, based on the objectives of the campaign and understanding what will work best for what we are trying to achieve.”

  All four responses came from the Food & Beverage industry.
• **Strong belief in data evidence**

This group includes respondents who believe that budget decisions should be based on data that supports marketing spending. “The facts need to justify the spending,” said one, while another said that “it seems to work when we have the data to back up our decisions”. The third respondent stated that data should play a major part in decisions about budget allocation because data is more reliable and this approach is more logical: “I have said a combination of both above, but I would weigh my decision more on data evidence and this is the most logical approach.”

All three respondents came from the Financial Services industry.

• **‘That’s how we operate our business’**

In this group, respondents claimed that including both data evidence and intuition while deciding on marketing-budget allocation was always a part of their marketing strategy and has always worked well for them. “It was our approach all along,” said one. “Brand performance has shown that this approach works best for us. We also have a small budget and limited data available, so a combination of intuition and available data just works the best.” Another said: “That’s generally how we develop our gameplans and decide any budget allocation.”

Again, both responses came from the Food & Beverage industry.

• **To satisfy needs of our customers**

Marketers in this category stated that every brand should have a good relationship with their target audience and that a combination of both factors (data and own intuition) allows them to satisfy the needs and requirements of their customers: “The combination of both allows us to satisfy the needs of both our business-to-business customers and business-to-consumer customers,” said one respondent. “As we are a major producer of own-label products and, to a lesser extent, consumer-branded products, we need to take many factors into account when deciding marketing spend.” Another said: “You know your brand best and you should have strong insight into your target audience’s media habits.”

All respondents represent the Food & Beverage industry.

• **Lack of sufficient data available**

This group represents respondents that use a combination of data and intuition because, in many cases, there is no sufficient data in place and therefore, decisions have to be carefully weighted between own intuition, experience and available data. “We are operating in many emerging markets where data is either not available or unreliable; therefore, we need to stay close to our consumers and customers through dialogue, market visits etc.,” said one. Another said: “I think a combination of both is best, particularly in cases where the data is not sufficient. Sometimes you
just have a gut feeling about something or you have the experience to know when something will work or won’t work.”

These opinions were expressed by marketers working in the Food & Beverage industry.

- **Other**

One declaration did not fit into any of the above-stated categories because it did not relate to the factors influencing marketing-budget allocation, but to the actual budget-allocation decision itself. The respondent (from the Financial Services industry) gave a rationale for his decision not to increase the digital-marketing budget in 2014: “Our product is not currently suited towards online processing as a whole. However, this is changing and as it does, our exposure and budget allocation will increase accordingly.”

This statement does not answer the question asked in this research. However, it was included in this dissertation as a good example of how the follow-up question could be used when conducting further, more in-depth research on this topic. (This will be elaborated upon in the Suggestions for Further Research chapter.)

**Data evidence**

- **Strong belief in data evidence**

Three respondents have been included in this category, all coming from the Financial Services industry. They claimed that “data should drive all decisions” because this approach is “practical, real, fact based”.

**Own intuition**

Only two respondents (both coming from the Food & Beverage industry) chose this factor as their main influence during the marketing-budget allocation process. Because there were no similarities between the two declarations and no key theme in the second statement, only one of them can be categorised.

- **Belief that this factor is frequently used in budget allocation**

The respondent stated that although using one’s so-called ‘gut feeling’ was not the best approach, s/he believed that most marketing professionals were driven by this factor when deciding on budget allocation: “Personally, I don’t think that intuition is the best approach for decision making; however, it is often what is used.”

- **Other**

The remaining respondent did not answer the question about the rationale for choosing one’s own intuition as the main influencer. Instead, s/he explained that no budget allocation was
performed because there were no financial costs involved in his/her company’s business operations: “I do my own online marketing, so there are time costs, but no direct financial costs.”

This response does not add anything significant to the research findings. However, this response has been noted because only two people chose the ‘own intuition’ category and, therefore, the researcher felt that both should be mentioned.

**Chapter 5. Discussion, Limitations and Suggestions for Future Research**

**5.1 Introduction**

This chapter aims to identify what factors influence marketing decision-makers in their budget-allocation process, as well as to examine their rationale for choosing a specific factor in making this decision. The hypotheses drawn at the beginning of this dissertation will also be tested in this chapter. Moreover, the attempt will be made to identify and discuss the key trends and pattern that have emerged from both qualitative and quantitative analysis. Furthermore, limitations of this study will be discussed and suggestions for future research will be presented.

**5.2 Research Question – Part One: ‘What Factors Influence Marketing Decision-Makers in their Budget-Allocation Process and Why did they Choose the Specific Factor?’**

For a purpose of this research, based on the available literature (see Literature Review chapter), three main factors that may influence marketing decision-makers in their budget allocation decision making process have been identified, namely: own intuition, data evidence and combination of both.

*“Combination of both”*

Finding of this research show that the majority of marketing decision-makers (78.1%) chose the combination of one’s own intuition and data evidence as the main influencing factor, and 64% of them gave a rationale for their choice. It is notable that 40% of respondents who chose this factor came from the Financial Services industry. However, less than a half of them provided a rationale for their choice. Most declared that they strongly based their decisions on the data deemed necessary to justify the spending and back up the budget decisions. The remaining respondent gave the rationale for his/her budget allocation between digital and traditional. Although this answer did not contribute to this part of the study, it may provide an example of a question that could be asked in future research.

In contrast to companies from the Financial Services industry, most respondents from the Food & Beverage sector (80%) gave their rationale for selecting the combination-of-both factor. Although, of course, their answers differed, there were some similarities that allowed for grouping them in categories to identify key patterns in their opinions. Some respondents believed
that a combination of industry experience and data evidence worked best, because data on its own could be misleading. Another group declared that their decisions were mainly based on their own extensive experience, accompanied by well-chosen marketing objectives and strategies. Moreover, they believed that an understanding of what would – or would not – work is an important part in deciding about budget allocation.

A different group of marketers claimed that they have always operated their businesses via a combination of their own intuition and data evidence and that this approach has always worked well for them. Therefore, they develop their strategies and decide about their budget allocation in the same manner. The next group declared that a combination of both factors enabled them to not only gain a better understanding of their target audience, but also satisfy the needs and requirements of their customers. The last group of respondents claimed that they work with both factors because, in many cases, they cannot gain sufficient data about the market, or the available data may not be reliable. Therefore, they have to carefully balance their budget decisions between their own intuition and the available data.

Berend Wierenga (2010) states that many marketing phenomena can be expressed in numbers, for example sales, price and advertising expenditure. However, there are also many qualitative problems in marketing, especially the more strategic ones. Therefore, besides computation, marketing decision-making also involves a large degree of judgment and intuition, in which knowledge, expertise and experience plays an important role. The study further states that marketing decision-making is a combination of analysis and judgment. Moreover, prior research done by Blattberg and Hoch (1990) suggest that combining statistical inputs with human judgment and intuition should guide final decisions. Nevertheless, according to Business News Daily (2014), many companies boast that they are ‘data driven’ and rely heavily on customer information gathered from a variety of sources. However, they further argue that if decision makers blindly follow that data, they will miss the motivations behind it – the human emotions and factors that drive customers to make the decisions they do. This is where intuition and interpretation come into play. Mike Mothner, CEO of online marketing agency Wpromote, cited in the Business News Daily (2014): “Data can tell you that this advertisement is better than that one, but human intuition asks why. The key to a successful, data-driven marketing strategy is finding the perfect intersection between technology and human expertise.”

In his book My American Journey (1996), former U.S. Secretary of State Colin Powell says that one must “dig up” all the information that one can and then use one’s intuition in order to test all that data. Moreover, a recent report by the Economist Intelligence Unit (2014) finds that even executives that define their organisations as data driven also highly value intuition when it comes to making important decisions. According to Forbes (2014), data and intuition are not necessarily incompatible or mutually exclusive. In fact, they create a wonderful synergy. Data improves intuition, and intuition improves data. Intuition, like theory, is needed to explain what data describe, and good data can only enhance intuition, whether by rectifying or reinforcing it.
As can be seen in the literature and in the findings of this research, a combination of factors such as own intuition and experience, as well as data evidence, are very important in the budget decision-making process. Neither data on its own nor intuition can be sufficient to make decisions on such a complex process as budget allocation.

“Own intuition”

The findings of this research reveal that the own-intuition category was only chosen by two respondents, both from the Food & Beverage industry. However, only one response qualified as a valuable answer (please refer to the Data Analysis chapter). The respondent declared his/her disapproval for choosing such a factor as the main influence in budget allocation, but s/he also believed that this factor was quite widely used in budget-allocation decisions.

There are many examples in literature stating that one’s own intuition, or so-called ‘gut feeling’, is a widely used approach in marketing-budget allocation decisions. Research conducted by Patterson, Quinn and Baron (2012) shows that intuition is widely practised by marketing managers striving to make better decisions. Additionally, an Accenture Customer Analytics Survey found that creative people, such as marketers, rely more on intuition than on data analysis when making decisions. Nevertheless, J. Edward Russo and Paul Schoemaker, in their best-seller book Decision Traps (1990), state: “The disadvantages of intuitive decision-making are more profound than most people realise.” They add: “People making decisions by intuition alone usually suffer from ‘information overload’ and have a hard time applying simple rules consistently even when they try.”

To conclude, as this study shows, only a fraction of respondents (6.25%) chose this factor. Therefore, we can see that this approach is not very popular among marketing decision-makers operating in the Financial Services and Food & Beverage industries in Ireland.

“Data – evidence”

Decisions based on data seem to be rational when it comes to a complex process of marketing budget allocation. According to a latest Adobe Systems survey (2014), “those respondents from companies with high digital spend (>25% of their budgets) are more likely than those from companies with low digital spend (<10% of budgets) to rely on data, being 31% more likely to say that marketers need to be more data-focused to succeed (80% vs. 61%) and 52% more likely to say that data is informative in evolving their marketing creative (73% vs. 48%).”

The findings of this research confirm these trends. Over 15% of total respondents chose the data-evidence factor, with the vast majority of them (80%) intending to invest between 10-50% in digital marketing. However, only 60% of them gave a rationale for their choice. Answers were short and factual, illustrating that data should drive all marketing decisions because this is practical and reliable. All the decision makers that chose data as the main influencing factor came from the Financial Services industry, which may suggest that relying on data in the
decision-making process is a common approach among enterprises operating in the financial environment. Survey conducted by Capgemini, (2012) seems to confirm this finding. According to the survey conducted by this global consulting company, 73% of financial services executives declare that their companies are data driven.

In contrast, only 45% of retail companies agreed that data access and usage was important for them (survey by 33Across, 2012).

According to the Economist Intelligence Unit, (2014), data drives better decision-making. Rupert Taylor, vice president of APT, adds: “When it comes to a decision that is more complex, it is increasingly clear that companies want that decision to be underpinned by business data, by some sort of data-based fact.”

5.3 Main patterns and trends that have been observed in this part of the research

Main factor of influence during marketing budget allocation process

A combination of both own intuition and data evidence has been selected as the main factor that influences marketing-budget allocation. However, the rationale for choosing such an approach varied greatly between the two industries.

The results of this research suggest that, despite choosing the combination of both, marketing decision-makers operating in the Financial Services industry weigh their decisions more on data than on intuition. This may come from the nature of the environment in which they work. The financial sector is strongly based on numerical data and is data focused; therefore, such behaviour may be dictated by the way the Financial Services industry operates. According to Oracle (2012), the Financial Services industry is amongst the most data driven of industries.

On the contrary, marketers working in the Food & Beverage industry base their budget decisions more on their own experiences gained over the years, on marketing strategies in place and on their own judgment as to what may work and what may not.

Despite the fact that majority of respondents have chosen the combination of their own intuition and data-evidence factors, Financial Services respondents are more numerical and fact focused. In contrast, these working in Food & Beverage seem to base their decisions mainly on feelings and experience.

Marketers operating in Financial Services are not willing to answer open ended questions

What also can be observed is the limited number of opinions that came from the Financial Services industry. Only 43.7% of all surveyed marketers from the Financial Services industry answered the open-ended question, in contrast to 82.3% of respondents from the Food & Beverage industry. Moreover, the short and factual answers to the qualitative question by the
Financial Services group of respondents must also be noted. This may indicate that this group of marketers, for some reason, is less willing to answer narrative, open-ended questions.

5.4 Research Question – Part Two: ‘Are Factors such as Own Intuition, Data Evidence or Combination of Both Related to a Specific Budget Allocation Decision?’

The theoretical framework for this research was based on two main assumptions related to specific budget-allocation decisions:

**Figure 47: Two main assumptions that provide a base for a theory: “Increase in digital marketing spending will result in decrease in traditional marketing spending”**

![Diagram showing the relationship between increase in digital marketing spending and decrease in traditional marketing spending.]

This research demonstrates that 25.8% (eight cases out of 31) fit into the two main assumptions on which the theory was drawn. What is interesting to note is that three quarters of respondents from this category came from the Food & Beverage industry and only one quarter came from Financial Services. We can assume that increasing digital marketing while also reducing the traditional marketing spend is more common in the Food & Beverage industry than in the Financial Services sector.

The main group of respondents (62.5% out of those 25.8%) indicated that their budget allocation decisions were influenced by the combination of data evidence and their own intuition. Therefore, Hypothesis 2 was chosen by the most of respondents from this group.

**Figure 48: Theoretical Framework for Hypothesis 2: ‘Increase in digital marketing spending and decrease in the traditional marketing spending will be positively related to a combination of a marketing manager’s decision based on data evidence as well as his/her own intuition’**

![Diagram showing the relationship between increase in digital marketing spending, marketing manager’s decision based partially on the intuition and partially “data-evidence”, and decrease in the traditional marketing spending.]

Another group of respondents (25% out of this 25.8%) represent Hypothesis 1: ‘Increase in the digital marketing spending and decrease in the traditional marketing spending will be positively
related to marketing manager’s decision based on data evidence’ and the remaining 12.5% represents Hypothesis 3: ‘Increase in digital marketing spending and decrease in the traditional marketing spending will be positively related to marketing manager’s decision based on his/her own intuition’.

Key findings from the U.S. Digital Marketing Spending Survey (2013) reveal that nearly one-third of marketers have reduced their traditional advertising budget to fund more digital marketing. Moreover, the latest research conducted by The CMO Survey, (2014) finds that while marketers were planning to increase their digital-marketing spending in 2014, they also expected traditional marketing to plummet the same year. Nevertheless, when we look at this dissertation finding, it has to be noted that only one quarter of all respondents fit into this trend. Therefore, it can be assumed that an increase in digital-marketing spending may not necessarily lead to a decrease in the traditional marketing budget. It may also lead to increased or sustained traditional marketing spending. This research shows that more marketers who have been influenced by both their own intuition and data evidence (around 85%) decided to increase or sustain traditional marketing while increasing digital, versus the 62% that declared a decrease in traditional marketing. Therefore, we can assume that a combination of intuition and data can lead to various decisions about traditional budget allocation while increasing digital marketing.

To conclude, despite the fact that this research’s findings illustrate that over one quarter of the surveyed companies fit into the theoretical framework designed for this study, it is crucial to note that the sample gathered is relatively small for quantitative research (31 responses qualified for this part of the study). Therefore, findings of this research are limited and can only provide a general assumption as to the trends in marketing-budget allocation in Financial Services and Food & Beverage industries in Ireland.

5.5 Other findings

During the research process, I was also interested in identifying possible key trends and patterns in the Financial Services and Food & Beverage industries in Ireland, as well as identifying possible differences between these industries.

As already mentioned in this chapter, some 52% of responses came from the Food & Beverage industry and the remaining 48% from Financial Services. The study pointed out some interesting differences between budget-allocation trends between the above-mentioned industries.

**Decision about budget allocation to traditional marketing while increasing digital marketing.**

According to *eMarketer* (2013), digital marketing investment will expand at the expense of traditional spend. The STRATA survey (2013) states that just one in four media buyers believe
that traditional media will maintain a greater share of the marketing budget than digital in the years to come. Moreover, the Gartner report (2013) states that brands have moved budgets from traditional toward online marketing.

Nevertheless, the results of this research show that there are relatively small differences between companies that decided to increase (22.5%), decrease (25.8%) and sustain (29%) traditional marketing spending while increasing digital marketing in 2014. We can see that there is no significant leading trend in this category and an increase in digital marketing can lead to different decisions about traditional marketing allocation.

**Budget allocation between digital and traditional marketing spending**

The findings of this research demonstrate that both the Financial Services and Food & Beverage industries in Ireland seem to invest the vast majority of their budgets into traditional marketing activities. The investment range spreads from between 25-50% to as much as 75-100%. When it comes to digital-marketing spending, again we can see a similar allocation trend across both industries: the budget allocation for digital ranges from less than 1% up to 25-50% (in the Food & Beverage industry, in two cases this was as high as 50-75%). Nevertheless, non-surveyed companies declared 75-100% investment in digital.

According to Marketing Outlook (2014), despite the fact that digital marketing is the on-trend marketing discipline of the moment, it is also clear from the respondents surveyed that other, more traditional tactics continue to deliver strongly. Many marketers are still struggling with how best to use and integrate digital marketing and, more importantly, how to adequately assess the contribution to the bottom line. Furthermore, according to the latest Pew Research Center analysis of Nielsen data (2013), even at a time of fragmenting media use, television remains the dominant way that Americans get news at home. Perhaps this may explain why big brands still invest more of their budgets in traditional channels, mostly TV. According to Forbes (2013), traditional marketing is still alive and well, with local radio, cable TV and billboards being well viable options for business owners that have larger marketing budgets. It looks like big brands can simply afford large investments associated with traditional marketing. While Procter & Gamble plans to increase investment in online, the company still invests more than 70% of its marketing budget into traditional media. Moreover, its rival Unilever, which owns brands such as Dove, Vaseline and Marmite, admitted that it only invested 17% of its media spend in digital in 2013 (Marketing Week, 2014). Furthermore, other food marketers are also investing most of their marketing budgets into traditional. For example, while General Mills has increased its digital advertising budget from 8% of spending in 2008 to 17% in fiscal 2013, it still spends 79% of its budget on TV (AdAge, 2014).

Above findings of this research along with examples from the literature may suggest that traditional marketing is still very much alive in Financial Services and Food & Beverage industries in Ireland and that, despite the fact that more and more companies express willingness
in increasing investment in digital, most of them still invest heavily in traditional marketing activities

Factors such as “data-evidence”, “own intuition” or “combination of both” and specific budget allocation decision

This study revealed that factors such as data evidence, own intuition or combination of both do not determine any specific budget allocation between digital and traditional. Companies from both industries (as stated in the previous finding) allocate more money to traditional marketing, whether they are influenced by own intuition, data or a combination of both. This shows that the above-mentioned factors do not tie marketers to any specific budget-allocation practices, but act as a guide, giving direction on where to look for information regarding budget allocation decisions. For some of marketers, such information is provided by their own intuition and experience, which is very personal and different in every case. Data evidence may also be different in every company and industry and, therefore, cannot be unified. The same applies to the combination of both of these factors.

Increase in digital spending in 2014

The UPC report conducted by Amárach in 2012 revealed that online consumer spending in 2012 was established at €3.7 billion. The report also forecasted that online consumer spend was to rise to €5.7 billion, an increase of more than 40%, by 2016.

With such optimistic predictions, it is no surprise that more and more Irish businesses are continuing to increase their digital marketing budgets, as has been confirmed in this study. The findings of this research demonstrate that almost 70% of surveyed companies increased digital marketing spending in 2014. Some 54.5% of them came from Financial Services and the remaining 45.5% from Food & Beverage. Furthermore, some 18% of them increased digital by more than 25%, while 22.7% increased digital by over than 75%.

The Econsultancy/Responsys Marketing Budget 2014 report revealed that 71% of businesses planned to increase their digital marketing budget in 2014. Research further reveals that companies will be increasing their overall marketing budgets by an average of 26%. According to the Marketing Outlook research (2014), conducted by Amárach, the Marketing Institute and MC2, some 60% of surveyed companies in Ireland planned to increase their digital marketing budget in 2014. Moreover, digital currently accounts for almost one quarter (24%) of marketing spend in Ireland. In the internet era, more and more people spend a vast amount of their time online. Consumers check out products online before purchasing, with many of them making actual purchases online.

As can be seen from the literature and from the findings of this research, most Irish companies now invest in digital marketing. According to Gráinne O’Brien, director of MC2 (2014),
marketing jobs and budgets in Ireland are expected to increase over the next two years, with digital and content marketing to benefit most from any uplift.

**Plan to increase digital marketing spending in 2015**

IAB Ireland and PwC predict 15% growth per year in Irish online advertising spending until 2016.

As demonstrated by this study, 85% of companies (an equal amount from both industries) decided to further increase digital marketing spending in 2015, up by 15% from 2014. Therefore, it can be seen that investing in digital marketing is a growing trend in the Food & Beverage and Financial Services industries in Ireland. It is interesting to note that the vast majority (70%) of the 30.3% of companies that did not increase digital in 2014 are planning to do so in 2015.

Additionally, findings revealed that almost all of the companies that have increased digital in 2014 plan to further increase digital spending in 2015. Most of them plan to increase digital by a further 5-10%.

Research by Deloitte (2013) shows that adults now spend more time each day with digital media than on watching television, which is forcing businesses to update their marketing strategies. Digital marketing plays an increasing role in marketing activities and therefore, more and more marketing decision-makers are increasing budget spending on digital.

**Budget decision about allocation to traditional marketing and willingness to further increase digital budget in 2015**

As demonstrated by the results of this research, most companies that increased, decreased or sustained traditional marketing spending allocated some of their budgets to digital-marketing activities. What is interesting to note is that companies declaring an increase in traditional marketing are planning to invest more in digital marketing in 2015 than companies that decreased or sustained traditional marketing.

It is also worth mentioning that nearly 55% of Food & Beverage companies declared a decrease in traditional marketing spending while increasing digital marketing, whereas more than half (53.8%) of the Financial Services companies prefer sustaining traditional marketing while increasing digital.

**Integrating digital and traditional marketing activities**

According to the *Business Journal* (2014), “It is not ‘traditional’ vs. ‘digital’; it’s ‘tra-digital’ that will garner the best results.” This study shows that most of the surveyed companies, 78.8%, integrate both digital and traditional activities in their marketing strategies. Only 21.2% declared a total investment in one or the other. Within them, some 15.15% invest only in digital and 6%
only in traditional marketing. As can be seen, integrating marketing channels is favoured by most of the companies in both industries; therefore, it may be assumed that this tactic brings most benefits to companies.

There are many examples in the literature illustrating the benefits to be gained from integrating digital and traditional marketing. Studies conducted by research companies such as Nielson, IRI or Dynamic Logic have proven that using multi-media channels in a campaign will increase success metrics across the board. Many well-known brands use a combination of digital and traditional activities in order to enhance their marketing campaigns. One such example is the successful promotional campaign conducted by Estée Lauder. The company used social media to drive female engagement and later raise awareness of in-store events (Advertising Today, 2010). Many other big players such as Nike, Snickers and Fosters have created powerful integrated campaigns in order to promote their brands in the most effective way. According to the Guardian (2013), for an increasing number of campaigns, integration across a large number of media is essential.

5.6 Limitations

A number of limitations encountered during this research must be mentioned. Firstly, the research has been limited in respect of the number of respondents. The non-probability sample used in this study cannot be representative of the entire population and moreover, conclusions are difficult to be drawn from a small sample used in this research. Therefore, quantitative findings of this research based on responses from purposive and snowballing samples can only provide general assumptions as to the key trends that may emerge in the population (Financial Services and Food & Beverage industries in Ireland). For this reason, the quantitative findings of this report should be treated as an introduction (starting point) to future, complementary study.

Secondly, some difficulties arose due to the sensitive nature of questions and the research audience itself. Marketing decision-makers proved to be a quite difficult group of people with which to engage. This audience was difficult to access for the following reasons:

- Marketing professionals (and especially decision marketers such as managers and directors) are extremely busy and spend a considerable amount of their time in meetings. Therefore, they are difficult to reach out to, especially via phone;
- Holiday season (many people were on their summer holidays – and when they returned, they were very busy and inaccessible);
- Company policies (it was difficult to gain contact details of some people);
- The researcher encountered problems reaching to marketing managers or directors when they discovered that the research was for an MBA student’s dissertation project (marketing decision-makers tend to only respond to important, work-related phone calls and e-mails);
Lastly, the time allocated for the research did not allow for the collection of more responses or to go more in-depth about some findings of this study.

5.7 Suggestion for future research

In order to obtain more results, as well as to explore more marketing trends, further research should be conducted, including the use of a wider sample and more specific questions in relation to marketing budget-allocation decisions. Possible questions could include the following areas of interest:

- Traditional marketing spending (‘Did your company increase traditional marketing spending in 2014?’ and ‘Does your company plan to increase traditional marketing spending in the near future?’);
- Reasons for allocating more money to digital or traditional marketing;
- Factors that influence marketing decision-makers’ decisions regarding budget allocation (in contrast to the question asked in the current research, future research can give respondents the opportunity to state a variety of possible factors that influence their decision-making process. It would be interesting to see if the answers would include factors used in this study such as their own intuition, data evidence and combination of both);
- Whether marketing decisions are influenced by other company members (e.g. HR or Finance). If yes, it would be helpful to note who had this influence, why they were influential and to what extent these other departments decided on marketing budget allocation;
- Whether the marketing professional changed their decision-making approach over the years. If yes, it would be helpful to note an explanation why (e.g. ‘In the past, I relied on my own intuition, but in recent years I changed my approach to data evidence because…’);
- Whether return on investment was important in marketing-budget allocation decisions and an explanation for this rationale.

Moreover, further in-depth research into the patterns revealed by this study (e.g. that Financial Services companies are more data driven, whereas Food & Beverage companies are more intuitive in budget-allocation decisions) could be conducted in order to gain a deeper understanding of the differences between these two industries.

Further exploration into this interesting and exciting area of marketing-budget allocation could provide valuable insights on this complex process of marketing decision-making. Furthermore, future research may reveal more interesting industry trends that could be of a great value for marketing, advertising and communication agencies, as well as for Financial Services and Food & Beverage companies operating in these industries in Ireland.
5.8 Conclusion

Marketing-budget allocation is a complex and challenging process. While some marketing decision-makers are influenced by the available data, others tend to rely on their own intuition and experience gained over the years. The literature shows contradicting opinions as to whether data or intuition should be used in the decision-making process. Some believe that intuition, especially when used by experienced decision makers, brings more benefits than misleading data. On the other hand, data-driven marketers argue that the ‘gut feeling’ of an individual cannot be reliable during the decision-making process. However, a third group declares that only a combination of both these factors can lead to success. The results of this research show that most of the surveyed marketers are indeed using a combination of data and intuition when deciding on budget allocation. Nevertheless, when giving the rationale for their choice, some of them tend to be more influenced by data, while others are more influenced by intuition. Moreover, some patterns can be observed between the Financial Services and Food & Beverage industries, with marketers representing Financial Services companies being mostly influenced by data. In contrast, those operating in the Food & Beverage space seem to be mainly influenced by their own experience and intuition.

Many marketing decision-makers struggle when deciding on how much of their budget should be allocating to digital and how much should go to traditional marketing activities. The literature illustrates the growing trend of allocating more and more of the marketing budget to digital activities. This trend has been confirmed by the findings of this research, with almost two thirds of respondents declaring an increase in digital in 2014 and even more declaring a further increase in digital in 2015.

Global data suggest that many companies, while increasing digital spending, tend at the same time to decrease traditional marketing. The findings of this research show that only about one quarter of surveyed companies fit into this theory, with almost equal amounts sustaining and increasing traditional marketing while investing more in digital. The tendency to decrease traditional spending while increasing the digital budget is more visible among Food & Beverage companies, whereas Financial Services enterprises prefer to sustain traditional spending while at the same time increasing the digital-marketing budget. Moreover, while digital spending increases year on year, traditional marketing still accounts for most of the marketing spend across both the Financial Services and Food & Beverage industries in Ireland. Therefore, it can be seen that ‘old marketing’ tactics are still alive and are being commonly used by enterprises in Ireland.

Despite the ongoing dilemma of how much to invest in digital and traditional marketing activities, the literature suggests that integrating both can bring the most benefits to companies. Integrated, multi-channel campaigns prove to have higher performance rates and a growing number of companies have started to realise that. This study would appear to prove that: over
three quarters of surveyed companies use both digital and traditional media in their marketing strategies.

The first and main part of this research asked the following research question: ‘What factors influence marketing decision-makers in their budget-allocation process and why did they choose a specific factor?’ This has been answered satisfactorily in this dissertation, revealing that most respondents are influenced by a combination of factors such as their own intuition and data evidence. In addition, marketing decision-makers offered an interesting insight into their rationale in response to the question: ‘Why do you believe your own intuition, data evidence or a combination of both is the best approach for you [during the marketing decision-making process]?’ Nevertheless, the complex nature of this topic calls for further, more in-depth research to be conducted.

As for the second part of the research question (whether or not these factors were related to a specific budget-allocation decision), there was a relatively small number of responses (as for quantitative research) to draw any solid conclusions. Therefore, the results of the second part of the research question, and of the entire quantitative part of the questionnaire, can only be considered as very general and are best viewed as guidelines rather than solid scientific evidence.

The entire findings of this research offer direction for future research that could reveal more interesting insights into the marketing-budget allocation process. This future research could also prove or disprove some of the trends and patterns that have emerged during this study.
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Appendices

Appendix 1

Self reflection on own learning and skills developed

The learning process

The formal definition of learning describes the process as “a relatively permanent change in behavior based on individual’s interactional experience with its environment” (Ray, Belden, Eckerman, 2005). Additionally, according to Kolb (1984) learning is a process in which knowledge is created by the transformation of experience.

There are several learning styles that can be applied during the learning processes. In 1984 David Kolb has published his learning styles model. The four learning styles of his theory are: concrete experience, reflective observation, abstract conceptualization and active experimentation. Additionally, Honey and Mumford (1986) have come to similar observations. There is arguably a strong similarity between the Honey and Mumford styles/stages and the corresponding Kolb learning styles, as can be seen it the figure below:

Figure A

Kolb’s learning cycle
When it comes to my own learning style, I consider myself as both theorist and pragmatist. Working on this dissertation involved testing hypotheses, gathering background information, statistics and applying theories which are typical for a theorist style. On the other hand, during the MBA process I have used the pragmatist approach in order to seek how to put the learning into practice in the real, professional world. Moreover, as a digital marketing executive I feel the need for experiments and trying out new ideas to see what works. This was also my approach all along the entire MBA programme.

**Reflection on Dissertation writing**

As being a pragmatist I was looking for a topic for my dissertation that would be of a practical use for the company I work for as well as for my own future career development.

As being a digital marketing executive I wanted to choose a subject that would be related to my profession (and future career goals), therefore, I have chosen to investigate what factors are influencing marketing decision makers in their budget allocation process. Understanding factors that influence decision making process and a knowledge of why marketing decision makers are choosing specific factor in their budget allocation process is of a particular value to my future career as a marketing manager. Moreover, while working in a creative communications agency I have been involved in researching various Irish industries in order to look for potential clients. During the work related research I found Financial Services and Food & Beverage industries especially interesting and I thought knowledge about the marketing trends and patterns in these industries (e.g. Do the companies operating in Financial Services and Food & Beverages planning to increase digital spending?) may bring a value to my company as it could help us to better understand our potential customers and the industry they operate in. As market research has been a part of my work I have already had some knowledge about industries that I was intend to study, what made a start of a further research process a bit easier. In order to obtain recent data and statistics I have mainly based my secondary research on articles that I could find online. Obtaining secondary data was relatively easy, however, when it came to the collection of a primary data (online and phone questionnaire), I have encountered number of difficulties associated with the accessibility of the target audience. I have spent enormous amount of time trying to reach out to as many marketing decision makers as possible, nevertheless, I was not able to receive as many responses as I would like to. This part of a dissertation has proven to be the most daunting and challenging one as I have learned that some things cannot be controlled by the researcher and that the researcher has to be ready for many unexpected challenges during the research process.
Discussion of skills development

Presentation Skills

I have always had a deep fear of speaking in the front of large audience. For many years I believed that this skill cannot be learnt – that you have to be “born with it”. Therefore, in the past I always tried to avoid situations where I would have to speak to a large group of people and especially to a people that I would have not known. In considering my career narrative during the course of the MBA I have realised that presenting is an essential part of the business environment and cannot be avoided. During the MBA programme I had an opportunity to meet many influential and successful people that became a sort of inspiration for me. Quite early I have realised that in order to become a successful manager I have to finally start working on overcoming my fear of public speaking and become active in the class discussions. To my own surprise, after some time I have realised that I’m doing quite well and I am actually enjoying it as well. During the course of MBA I had an opportunity to take a part in several interesting projects that helped me to improve my presentation skills what directly benefited my professional career. Due to a nearly two years of practice I have started feeling more confident and relaxed when meeting with potential clients and presenting my company’s offer to them.

People management skills

During the course of my MBA I have come to realise that the fulfillment of my top career goal “to become a marketing manager in one of the large international companies operating in Poland” depends heavily on mastering people management skills. In the past I have never considered myself in a role of a leader, however, during my MBA programme I have experienced several situations where unexpectedly I become a group coordinator. I must confess that I have quite enjoyed organising group meetings and proposing work allocation to my group mates. I believe that these experiences will be valuable for my future career; however, I am aware that to become a marketing manager that will be responsible for a large group of people takes much more than a college experience. Therefore, on the completion of my MBA I am going to undertake further courses and trainings specific to a people management role.

Time management skills

Time management is an absolute “must have” both in academic and in professional environment. I have always considered myself as a quite well organised person, being able to handle two or three different tasks at the same time and do not exceed deadlines. Nevertheless, allocating time between studying an MBA, working long hours and taking care of a family has proved to be a quite challenging and daunting task and I found myself as not always being able to have things done on time. One day while speaking to one of my group mates about my time management problems she suggested me a book called “Time management” by K.Willson and M. Reid that she found very helpful when she was experiencing similar difficulties. I have to say that at the
beginning I was quite skeptical about it, but I have decided to go ahead and borrow this book from a DBS library. To my surprise, I found this book very interesting and useful. The book covers the fundamentals of time-management with lots of exercises that are really useful and can be applied to academic, professional as well as personal environment. Following the advices and suggestions from this book I have considerably improved my organisation and time management skills and now I am being able not only to handle multiply tasks at the same time but also to plan in advance and prepare for the future tasks. This skill has become extremely valuable in my current work place where I constantly dealing with multiple tasks that have a short deadlines.

**Critical thinking skills**

Being able to critically assess situation, resources and tasks is an essential skill in a complex business environment. During the course of my MBA I have come to realise that in order to achieve my career goals and become successful marketing manager I have to avoid ‘taking things for granted ‘and develop a critical thinking skills. Over the MBA programme I have come across many situations where critical assessment played an important role. One of such situations was a project in a second year of the MBA programme when one of my group members insisted on researching a company that she was familiar with. She proved to have an extensive knowledge about that company, nevertheless, I have insisted to make an in-depth research that revealed that due to a limited financial data available, company was not suitable for our assessment after all. Ability of critical analysis has also been an important skill that I was able to apply in my current work place. As being a digital marketing executive in a creative communications agency, one of my responsibilities is to research and process a large amount of data in order to be able to write interesting articles for company’s blog. This task involves a critical analysis of various sources of information in order to provide credible information to our audience.

**Reflection on MBA Marketing Programme and application of skills and learning for achieving future goals**

During the MBA programme I had a pleasure to meet a number of great and influential people. While working with and observing them I have come to realise that in order to move forward and fulfill my career goals I have to first face my weaknesses. Discussion with some of my MBA colleagues that have already hold a managerial positions helped me to identify a set of essential skills that I need to develop in order to become a manager. However, embracing skills such as good organisation and time management, professional presenting, critical assessment and effective people management are only the beginning of my professional development journey. I have come to understand that to become a truly successful manager involves constant development and self assessment along the way. Therefore, on the completion of my MBA I am planning to undertake further professional development courses in order to continuously improve my competences. One of the most important trainings that I am planning to complete is the people management course that I have come to realise as being essential in a managerial
position. As I develop a further list of important skill that will help me to achieve my career goals, other courses will follow. I am also aware of the importance of polishing up the existing skills as only through practice I can truly master them. I believe that the most valuable lesson that I have learned here upon conducting this developmental process is the importance of understanding your weaknesses and a need for continues development.

As undertaking an MBA in Marketing has already helped me to fulfill some of my career goals (I was promoted from a marketing assistant position to a marketing executive within a 6 months period), I have decided to re-evaluate my self-assessment analysis (Figure B below) and on this basis develop a clear career objectives (Figure C) that I would like to achieve in the future. After completion of a personal SWOT analysis of my current situation I come up with a decision that “my main career goal is to become a marketing manager for an international company operating in a Fast Moving Consumer Goods industry in Poland”.

**Figure B**

**SWOT ANALYSIS – current situation**

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
</table>
| - Professional experience as a marketing executive that I can draw  
- Experience in research and data analysis  
- Good administrative skills | - Lack of ability to maintain a balance between Work - Family – College |

<table>
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<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
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<tbody>
<tr>
<td>- I have promising career opportunities past completion of the MBA in Marketing</td>
<td>- Family and job commitments</td>
</tr>
</tbody>
</table>
Marketing Manager in one of the large international FMCG\(^1\) companies in Poland

- Write a marketing book

Promote to a Senior Marketing Executive
- Publish in Marketing Magazines

Marketing Executive
- Start writing a marketing blog
- Become more active on Social Media

Get a good MBA degree

---

\(^1\) FMCG – Fast Moving Consumer Goods
**Conclusion**

Looking back to my professional life prior the MBA I can see now that I did not have a clear understanding of a set of skills needed to fulfill my career goals. Instead of looking for opportunities to overcome my weaknesses such as presentation skills, I rather tried to avoid exposure. During this MBA Programme I have gained valuable skills that I can apply to my current professional career as well as to achieve my future goals, but moreover, I have also extensively developed my personality. During the dissertation research and writing process I had an opportunity to study a topic that is of a particular value to my future career development and despite the difficulties that I have encountered while collecting primary data, I have enjoyed this dissertation project all along.

Over the past two years in Dublin Business School I have encountered many inspirational and influential people from whom I have learnt many valuable insights that can be used in developing my future career. The past two years were very challenging, trying to balance a time between work, family and college, nevertheless, benefits coming from this that I have experienced already (and those that lay ahead) make this sacrifice worth it. I will continue my development and constantly seek for increasing knowledge in order to achieve all my career goals and become a successful marking manager.
Appendix 2

Cover Letter for survey

Dear ……,

I would like to invite you to participate in this research project because you are a marketing decision maker in large or medium enterprise in Ireland. Your participation in this research study is voluntary. You may choose not to participate. You may withdraw any time during the survey.

This is a research project being conducted by Anna Nogaj, an MBA student from Dublin Business School.

The purpose of this research is to understand what factors influence marketing decision makers in their budget allocation decisions and to examine their rationale for selecting specific factors. Moreover, the secondary aim of this research is to observe possible trends and patterns in marketing budget allocation as well as relationship between budget allocation decision and factors influencing that decision.

The procedure involves filling an online survey that will take approximately 5-7 minutes. Your responses will be confidential and I do not collect identifying information such as your name, e-mail address or your company’s name. The survey questions will be about marketing budget allocation decisions based on the two variables (marketing managers own intuition or data).

In order for you to fully understand the questions of this survey, please read the explanations to the following terms:

**Traditional marketing activities** (for the purpose of this research it will include):

- Print brochures/leaflets/catalogues,
- Direct mail (letters)
- Cinema
- Telemarketing
- PR
- Personal Selling
- TV advertisement
- Radio advertisement
- Magazine, Newspaper advertisement
- Billboards
- In-shop advertisement
- Trade shows and Events
**Digital marketing activities** (for the purpose of this research it will include):

- Social Media marketing
- Online videos
- Online display advertisement
- SEM - Search Engine Marketing (Google adwords, YouTube advertising, online display advertising, e-mail campaigns, podcasts and other forms of online marketing etc.)

**Factors influencing marketing allocation decisions:**

- **Marketing manager’s own intuition** (so called “gut feeling”).
  Marketing decision maker will base his/her budget allocation decision on his/her own past experiences or knowledge gain over the years – intuitive approach

- **Data – based**
  Marketing decision maker will base his/her budget allocation decision on the available data (e.g. past sales etc.) – rational approach

- **Combination of both**
  Marketing decision maker will base his / her decisions on own intuition as well as on data – combination of rational and intuitive approach

I will do my best to keep your information confidential. All data is stored in a password protected electronic format. To help protect your confidentiality, the surveys will not contain information that will personally identify you. The results of this study will be used for scholarly purposes only, however, if you would wish to obtain a brief report from the survey findings, please let me know and I will be happy to share the results with you.

If you have any questions about the research study, or would like to obtain a report with Survey findings, please contact me via e-mail: 24ania2010@gmail.com or connect with Me on LinkedIn.

Thank you in advance for completing this survey,

Best Regards,

Anna
## Survey

1) **What industry does your company operate in?** (please select form the options below):

- Financial Services
- Food & Beverages (including food retail)

2) **Are you responsible for your organisation’s marketing budget allocation?**

- Yes
- No

3) **Did your company increase digital marketing budget in 2014?**

   If yes, please state by how many percent (please select from the options below):

   - Less than 1%
   - 1-5%
   - 5-10%
   - 10-25%
   - 25-50%
   - 50-75%
   - 75 – 100%
   - Our company did not increase digital marketing budget in 2014

4) **While increasing digital marketing spending, did your company:**

- Increase traditional marketing spending
- Decrease traditional marketing spending
- Sustain traditional marketing spending
- Our company do not invest in traditional marketing
- N/A (if your company did not increase digital marketing spending in 2014)
5) Please state what percentage of the overall marketing budget is allocated to digital and traditional marketing activities

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<thead>
<tr>
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6) As a marketing manager, what mostly influences your marketing budget allocation decision? (please select one from below):

- [ ] My own intuition (so called “gut feeling” base on own experience and knowledge gained over the years)
- [ ] My decision was mainly based on “data – evidence” (e.g. percentage of sales, etc…)
- [ ] Combination of above stated factors

7) Why do you believe that your own intuition / “data – evidence” or combination of both is the best approach?

[Blank space for answer]
8) **Does your company plan to increase digital marketing spending in 2015?**
(if yes, please indicate by how many percent, if no, please select the last box):

- □ Less than 1%
- □ 1-5%
- □ 5-10%
- □ 10-25%
- □ 25-50%
- □ 50-75%
- □ 75 – 100%
- □ Our company do not plan to increase digital marketing budget in 2015