

Marketing research on heineken research paper

[Business](#), [Company](#)



Return on investments

This metric measures the amount of revenue that a particular marketing campaign adopted by Heineken in different market regions and segment generates (Heineken, 2014). Venturing in to emerging markets has far higher implications. In 2011, the Middle East, Asia pacific Latin America and Africa accounted for 43% of the total volumes of the company compared to the 2006 21% volumes. This clearly implies that there is greater potential for excellence in these new markets. As such, the return on investment is high. This should be compared to the cost of running the campaign in order to determine if the campaign is paying back as intended to the business. This metric is necessary for Heineken since the company operates in different market segments and as such, it is important to identify the rate of return on investment for every marketing investment . The possible challenges for this metric are the different responses that marketing investment in different areas whereby, at times the investment may make a loss in certain market segments.

$ROI = (\text{gain from investment} - \text{cost of investment}) / \text{cost of investment}$

$(£157M - £138M) / £138M = 0.13$ in 2011

Purchase funnel

This metric measures and analyses Heineken's audience movement through a campaign from a certain step to another. Every campaign is intended to changes the consuming patters of the audience. In some key markets like North America and Western Europe, customer responsiveness has not been good. For instance, there has been a consumption decline by 235 m and 1,

003m liters respectively. This implies that customers are not responding appropriately and therefore, the decline in sales. The company should seek to establish in emerging markets rather than remain in the mature markets, which do not yield expected results. Using this parameter will enable the company to note the effectiveness of the marketing campaigns on the consumptions patterns and behaviors. I have chosen this metric because it will enable Heineken to determine the level of influence of campaigns on the consumers. It will enable the company to determine the shift in consumption patterns of the product it offers . The challenges for this metric revolve around the determination of facts since data and information may not reflect actual conditions. The manner in which consumers change consumption patterns is not clear and it is necessary to identify the gap and fill it.

Purchase funnel= Total customer base-existing customers
= 30, 200, 100-29, 076, 890= 1, 123, 210 in 2011

Goal completion rate

This metric will enable Heineken to measure the success of marketing campaigns or the efficiency of websites in reaching the intended audience. Heineken's total cost management (TCM) program is expected to deliver £500 million over 2012-2014. This means that it has to reduce its reliance on mature markets and focus on fresh emerging markets. This will enable the company to identify how the campaigns prompt the target audience to respond positively to the campaign influence. I have chosen this metric because it appears that the rate of completion of the company goals as per the marketing investment in different segments is slow. This will help the company to determine new approaches for the campaigns and websites in

order to influence the target clients to complete positive actions. The company is not experiencing a matching goals completion rate for its campaigns . As a result, it is not possible to measure the rate of completion of the company goals with regard to specific campaigns.

Goal conversion rate = total goal completions/visits from the whole world
= 1, 123, 210/30, 200, 100= 0. 037*100= 3. 7% in 2011

Social interactions

This metric is will measure the effectiveness of Heineken's social media and other forms of marketing in engaging the targets audience on the key platforms. Heineken has experienced difficulties in Europe and north America. Heineken experienced 9% organic growth in Asia pacific in 2011. This implies potential for the company in it marketing activities to achieve goals effectively. As such, it should continue taking advantage of its joint ventures to realize more success. As such, it will measure efficiency of the social media marketing of the company. I have chosen this metric because there appears to be some form of inefficiency of the social media marketing employed by the customer in creating a fair platform for proper interaction . The challenges in this case are complexity in the social media instruments so that clients find it difficult interacting with the social media marketing channels of the company. As a result, it is not easy to measure how effective the social media marketing would be if simplified to accommodate all clients.

Social interactions= Level of Current total client interaction-Level of existing client interaction

65%-55%= 10%

10% increment in the level of interactions in 2011

Incremental sales

This metric measures the effectiveness of the company's marketing campaigns generate increased income and sales. In December 2011, Heineken reported 4% organic revenue growth this was driven by volume and revenue per hectoliter increases. The consolidated beer volumes during this year grew by 3% as the company benefited from greater scale in Latin America. This will enhance the ability of the company to measure how their marketing strategies effectively contribute to increase in income and the volume of sales. I have chosen this metric because there is an indication of decreased revenues and sales, which is attributable to the ineffectiveness of the market campaigns (Heineken, 2014). The challenge with this metric is that there is low increment in sales, which needs to be boosted in order to realize the goals and objectives. This is because the rate of sales increment is low.

Margin Contribution = ((New Customer Revenue-COGS)*Incremental Percentage)+ ((Existing Customer Revenue-COGS)*Incremental Percentage)- Affiliate Channel Costs

References

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