Australia's Dan Murphy's on Measuring Multichannel Success

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After winning Best Multichannel Retailer at the 2015 Online Retail Industry Awards, liquor retailer Dan Murphy's has taken the lead in the Australian online liquor market. Here, Chief Digital Officer Faye Ilhan discusses the challenges many brands face as they turn to digital.

think with Google

've spent the last five years grappling with a challenge I imagine a lot of executives do: online vs. offline. The crux of this debate has always been measurement. Do digital channels really drive the business and brand results we're hoping for?

Along the way, my digital peers and I have had to use data to prove why it is important to invest in digital. (I often wonder if traditional channels ever had to answer these questions as precisely.) We've had to justify dollars spent and the returns. The problem has been the results were always measured by e-commerce sales. Attribution is a word that is used and often scorned, but until the online vs. offline debate disappears, it's a necessary evil.

We've tried to solve the online and offline measurement question at Dan Murphy's in a number of ways. We've worked with Google to geo-map all of our stores, which helps us track store visits from customers who click on our search ads from their computer, tablet, or mobile device. Similarly, when we contact our MyDanMurphy's loyalty customers, we track those who open their email and later make an in-store purchase within the offer period. By assigning each user a unique customer reference number, we're able to track the attribution easily and build relevant campaigns to reach our customers.

Conversely, we also do things offline to promote multi-channel sales that we don't necessarily spend time measuring. These include more traditional things like in-store signage, which promotes online buying, or new technologies, like our app that encourages customers to take photos of products and buy them directly from our online store.

Do I believe we need to avoid wasted media spend? Absolutely. Should we measure online against offline and vice versa where we can? Absolutely. But I don't believe it has to be so scientific. For example, you may have a search engine marketing (SEM) category that attracts huge search volumes but doesn't convert online, even though it's a top category in your stores. If I were to put on my pure "e-commerce hat," I would say,

"Don't spend any money on SEM ads because the ROI doesn't justify it." However, when I put on my "customer hat" (or, more importantly, "business hat"), I invest in SEM ads and measure my success by clicks or other paths that I know will drive traffic to the store. Hence, my plea to every organisation out there: Please don't measure the success of digital purely on e-commerce.

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The customer's intent may be different for each channel but their expectation is that it is one brand and one experience. Their experience on any given channel, good or bad, is their perception of the overall business. An applicable quote that has resonated with us over the last few years is from Ashley Friedlein of eConsultancy: "Customers do not recognise lines and nor should we. Online, offline, above the line, below the line... We need to think and deliver experiences and marketing without delineation."

So, instead of focusing on channels, we need to focus on customers. At the end of the day, does it really matter if it's online or offline? We should focus on engaging our customers by providing a seamless experience across all channels. Can that really be achieved with silos and structures that have different key performance indicators? I think not. We need to be brave enough to accept that digital is now business as usual and re engineer how we work across streams by structuring our organisations for the new world.

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