AKAMAI CUSTOMER STORY

SMU Offers Safe, Fast, and Reliable Egrocery

Chilean supermarket giant SMU turns to Akamai for an exceptional online shopping experience

<60s

New domain enablement



Local language support



Website downtime

SMU

Santiago, Chile

www.smu.cl

Industry

Ecommerce

Solutions

- Web Application Protector
- · Dynamic Site Accelerator
- · Edge DNS

SMU is one of the main companies in the supermarket retail industry in Chile. The company is made up of the subsidiaries Unimarc, Mayorista 10, Alvi, and Super10, serving the needs of end customers and merchants. It has approximately 400 stores and 24,000 employees in the country, achieving coverage in all regions of Chile through a multi-format strategy that allows it to satisfy the various purchasing needs of its customers.

It also has operations in Peru through 22 stores of the MaxiAhorro chain (soft discount format) and 6 Mayorsa stores (cash-and-carry format), between the regions of Piura, Lima, and Ica. In 2021, SMU launched the Unimac.cl ecommerce channels and the Unimarc app, in which customers make their purchases digitally, completing coverage in all regions of the country.

In 2022, the company launched the Club Alvi Compras ecommerce platform, which is focused on benefiting Alvi's merchant partners, allowing them to supply their stores without the need to leave their business.

SMU also maintains alliances with Mercado Libre and last-mile applications such as Cornershop, Rappi, and PedidosYa.



The retail industry: A challenge for ecommerce

The retail industry has suffered major challenges around the world in recent years, especially in the wake of the COVID-19 pandemic, during which physical purchases became a difficult task for both consumers and supermarkets. SMU was not an exception. Together with the 2019-2020 "social outburst" in Chile, a series of political protests in the streets, the operations of many retail companies in the country became even more difficult.

"That changed how supermarkets presented themselves to people. There were many establishments that began to shield themselves, covering their windows and using security doors in case it happened again. Many had to close entirely for the care and safety of their workers. After the social outburst, the pandemic started, and we didn't have a digital channel," explains Javier Vera Duran, Assistant Manager of IT Architecture and Infrastructure at SMU. "For us, closing the supermarkets would mean stopping sales, so it was imperative to create and enable these new digital sales channels."

With ecommerce emerging as a strong option to combat these challenges, SMU decided to begin implementing a new online retail channel and strategy. The implementation of the online sale of supermarket products began with Unimarc as the company's main site. However, the company did not get its desired results, due to external factors such as the limited development of electronic commerce in Latin America and the reluctance of buyers to purchase supermarket products online.

Another challenge SMU faced when it decided to start its ecommerce journey was the performance and functionality of websites. "At the beginning with the previous providers, we had interruptions, and often we did not know why they happened. And we did not have a service center that could deliver an SLA according to our needs," says Vera Duran.

Despite the fact that local ecommerce was not being highly developed at the time, delivery service apps began to arrive in Latin America, with fierce competition for the fastest product delivery times. These apps, however, remained mere intermediaries. SMU already had the stock needed to fill these purchases. An improvement in delivery times and web orders would make the difference to become the customers' choice to buy online.

With this in mind, and despite the technical difficulties, SMU decided to continue on the path of ecommerce, to offer customers new options and improve their shopping experience in online channels.



With Akamai, we have grown a lot in the online and security side of our company. And that guarantees that we have products for the customers that give them a sense of trust, and that trust is based on quality and reliability.

Javier Vera Duran Assistant Manager of IT Architecture and Infrastructure, SMU





Personalization as a digital loyalty strategy

If anything characterizes SMU in the Chilean market, it is their development of different strategies for each specific customer profile – from market segmentation through various stores oriented to each type of consumer, to the personalization of offers and promotions for their online customers.

Through brands such as Alvi, aimed at wholesalers (business-to-business model), or Unimarc and Super10 (business-to-consumer model), SMU has tried to offer each market rewards based on their specific needs. Sales channels are not the only thing SMU takes into account when customizing.

Through loyalty programs such as Club Ahorro, the company compensates its customers with customized benefits. "We focus on personalization. These personalized offers are based on buying behavior, and we offer coupons so you can save money on your purchases," explains Vera Duran. "At SMU, we encourage customers to take advantage of these personalized offers customized to their specific shopping patterns. For example, if a customer typically buys certain items on a recurring basis, next month they will likely get coupons for those items, maximizing their savings."

The added value in ecommerce retail

With a continuous improvement approach, SMU seeks to stand out from the competition through two KPIs: the first is the completeness and the effectiveness of delivering an order. The second is the speed of delivery. These two factors, in addition to the personalized experience for each customer, have made it possible for SMU to successfully make its way into online shopping channels.

Akamai was a strategic partner for SMU in this endeavor. Motivated by quality and previous experiences, Vera Duran decided to use the solutions and tools offered by Akamai to help SMU reach its full potential. One of the immediate benefits SMU saw was the speed of Akamai's solutions. According to Vera Duran, in the retail business, having digital purchase channels enabled is key, and makes the user experience much faster and safer.

Constant innovation in digital retail channels has also been a crucial element in SMU's performance, thanks to Akamai solutions. Pre-production environments, which enable changes and improvements to be implemented faster without impacting the customer experience, have been vital for the continuity of good customer service.

Akamai has worked with SMU on transfer skill projects as well as testing in individual cases. Nowadays, any development within SMU has a pre-production environment. "In other companies, these processes are much slower, and sometimes it takes days for them to work," says Vera Duran.

Finally, the security and support offered by Akamai in Spanish, as well as the ability to engage the customer, were important to the company. "We needed to take care of security issues, and my team likes to actively develop and be part of the process, so anything that is in English or has a higher service-level agreement complicates it for me. That's why Akamai is very strong versus other competitors, for their positioning in Spanish-speaking countries."



Akamai offers tailored solutions to SMU

Edge DNS has been one of the leading solutions to power SMU ecommerce services: The company went from having a 48-hour period to enable a new domain, to less than 60 seconds, thanks to Akamai.

"Today we perform an automatic DNS record: A new point is created and we immediately have the DNS record published. That happens after a few seconds. This tool is bringing great value to the company," says Vera Duran.

The Certificate Provisioning System (CPS) has helped SMU simplify and protect domain certificates. Before Akamai, SMU certificates were centralized and automatically renewed. "Certificates expired, but nobody knew when they expired. They had to be constantly renewed, and we couldn't make a single certificate for all domains. In the end, Akamai's simplicity and security helped us see significant improvements."

Similarly, protecting customers from possible denial-of-service (DoS) attacks, crypto hacking, or intermediaries between the customer's browser and the supermarket became a competitive advantage for the company, and an improvement in the customer experience.

Finally, with Akamai's Global Traffic Management, SMU was able to contain its infrastructure in different environments simultaneously, reinforced with intelligent rules. In the event of failure in one of the environments, it would automatically redirect the user to the nearest environment to optimize the timeout. Since this implementation, SMU has experienced zero website downtime. Even when intermediaries fall, successful redirection happens automatically.

"Having an ecommerce site that is always available is like having a brick-and-mortar store that is always open. Consumers are able to buy around the clock, which is critical as a business, as we no longer have an interruption in sales," emphasizes Vera Duran.

Future Plans

In an effort to continuously improve the customer experience and increase efficiency, SMU looks to double the number of domains under Akamai's umbrella. Speed of domain creation is an important part of this decision: "Nowadays, it's hard to believe that something can take two days to be available. That's almost worthless, since Akamai can do it in less than 60 seconds," notes Vera Duran.

Today, with Akamai solutions implemented, SMU has gone from facing a crisis in the retail industry, financial crises, and constant changes within and outside the organization, to being one of the safest, fastest, and most reliable ecommerce options in its field.



Having an ecommerce site that is always available is like having a brick-and-mortar store that is always open. Consumers are able to buy around the clock, which is critical as a business, as we no longer have an interruption in sales.

Javier Vera Duran Assistant Manager of IT Architecture and Infrastructure, SMU



