

Building a Retail Media Business



A connected, data-driven approach to Retail Media can create better shopping experiences, drive sales, and open up access to profitable new revenue streams.

Overview

At Éxito – Colombia’s largest grocery Retailer – the marketing team was already well aware of the potential of a cohesive Retail Media model. With loyalty scheme membership numbering well into the millions and strong advertising and marketing relationships already in place with a wide range of consumer packaged goods (CPG) Brands, the only thing preventing Éxito from taking their Retail Media business to the next level was the time and expertise needed to unify their data, media, and CPG partnerships under a single proposition.

Challenge

Éxito already had experience with Retail Media prior to working with dunnhumby. The issue, however, was that much of the company’s media was being handled on a channel-by-channel basis. Different teams and external partners were responsible for individual parts of Éxito’s overall media inventory, meaning that activity was fragmented, effort was duplicated, and there was no cohesive, Customer-centric view of the company’s Retail Media proposition as a whole.

Not only was this fragmentation preventing Éxito from realising the full value of its media inventory, it also meant that there was no centralised way to manage the Customer experience from a marketing standpoint. Determined to move to a model in which its entire Retail Media business could be managed as effectively and efficiently as possible, Éxito’s primary challenge was in dedicating the time and resource to build a data-driven advertising platform without detracting from its primary strategic focus of running one of South America’s largest Retail chains.

About Éxito

- Founded in 1905.
- Colombia’s largest supermarket chain, offering groceries alongside electronics, clothing, home furnishings and more.
- Part of Grupo Éxito, a multinational Retailer that operates more than 2,000 stores with over 40,000 employees across South America.
- Consolidated net revenue growth of 2.8% in 2019, totalling COP\$ 15.3bn (Grupo Éxito).

Objectives

- Create a unified and connected Retail Media programme.
- Unify Éxito’s media inventory under a single platform.
- Improve the Éxito experience through coherent and tailored Customer interactions.
- Develop a compelling value proposition for Brand advertisers.

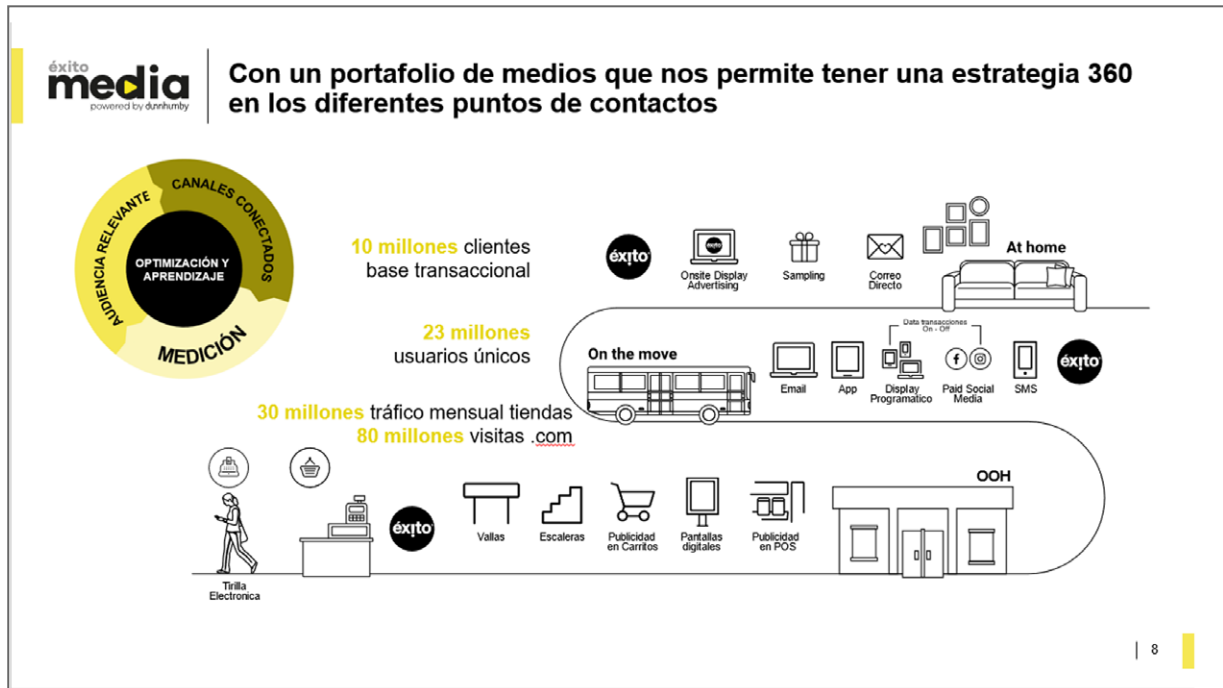
Achievements

- Successful development of the Éxito Media Retail Media platform.
- Initial deployment delivered in six months.
- 4x reduction in time to value.
- Elimination of associated CapEx and OpEx costs.
- Self-service booking portal allows CPG advertisers to manage their own campaigns.
- Maximisation of media inventory value through closed-loop approach to measurement.

Solution

Having worked with Éxito for a decade on Customer Insight programmes – as well as launching its Digital Media offering in 2017 – dunnhumby was already uniquely familiar with the needs of both the Retailer and its Customers.

At the beginning of 2020, Éxito and dunnhumby worked in tandem to design a fully-branded Retail Media proposition that would combine Customer data, cross-channel media inventory and dunnhumby's deep experience of connecting CPG advertisers with grocery Retailers. This proposition would go on to become known as "Éxito Media – Powered by dunnhumby", Latin America's first fully-connected Retail Media platform.



Utilising the full breadth of the Retailer's media inventory, Éxito Media provides CPGs with a range of opportunities to reach Customers wherever they are.

Offering advertisers a wide selection of digital, physical and in-store opportunities, the "sofa to store" offering also allows them to tap into the power of Éxito's loyalty data to develop relevant and personalised campaigns that create better Customer experiences while also helping Brands communicate with specific, high-intent audiences.

"The Éxito brand is incredibly well regarded in Colombia, and we wanted to ensure that the media platform we were building took advantage of that. Part of our role is in helping Éxito, CPGs and Customers to become more connected, and we agreed the Éxito Media name because it provides advertisers with an instant appreciation of what they are going to get; a trusted brand, enormous market share, and a way to reach Customers across every aspect of their daily lives."

– Andrés Hernández
Country Manager Colombia
dunnhumby

Results

While Éxito Media is still at a relatively early stage in terms of the ultimate ambitions for the platform, even the initial deployment has helped to fundamentally improve the Retailer's media operations.

One of the major changes to the experience for CPGs revolves around the clarity and simplicity of a single point of contact with the flexibility and ability to operate and make the best the whole Data and Media assets possibilities that the retailer has. Éxito Media also makes use of dunnhumby's closed-loop approach to measurement and reporting, allowing advertisers to track the direct link between their advertising spend and product sales uplift.

For Éxito, who had initially considered developing a Retail Media platform internally, the rapid deployment of Éxito Media has helped to reduce time to value by a considerable margin. With an initial rollout delivered in a little under six months, the business estimates that it has begun to see returns on its unified Retail Media approach which could be around 4 times faster than it would have by building out its own operations. That, combined with the elimination of the CapEx and OpEx costs involved with in-house development, means that Éxito Media is set to deliver greater economic results in a shorter term.

Much of the benefit will come from maximising the value of the Retailer's media inventory. With a data-driven approach to its media inventory, Éxito now has a better understanding than ever of the true power of those assets in terms of communicating with and engaging Customers. That, in turn, is helping it not only to derive the best possible returns from advertising spend, but to ensure the right messages and Brands are connected with the right Customers to ensure the best possible experience, and incremental sales from the different activities.



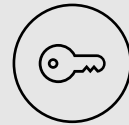
4x

reduction in time to value



6 mths

from brief to deployment



Helping to maximise the value of Éxito's media inventory

"Working with dunnhumby in the overall set-up of Éxito Media has been an enlightening and educational process I believe that dunnhumby's global expertise in the set-up and ramp up of Retail Media businesses makes it simpler and faster for everything to fit together, and enabled us to apply best-in-class practices to our local realities. Their team is wonderful to work with, always looking for solutions to the different challenges that arise."

— Lina Toledo
Head of Marketing Operation and Monetization
Grupo Exito

dunnhumby

THE WORLD'S FIRST CUSTOMER DATA SCIENCE PLATFORM

dunnhumby is the global leader in Customer Data Science, empowering businesses everywhere to compete and thrive in the modern data-driven economy. We always put the Customer First. Our mission: to enable businesses to grow and reimagine themselves by becoming advocates and champions for their customers.

With deep heritage and expertise in retail — one of the world's most competitive markets, with a deluge of multi-dimensional data — dunnhumby today enables businesses all over the world, across industries, to be Customer First.

The dunnhumby Customer Data Science Platform is our unique mix of technology, software and consulting, enabling businesses to increase revenue and profits by delivering exceptional experiences for their customers — in-store, offline and online. dunnhumby employs over 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas working for transformative, iconic brands such as Tesco, Coca-Cola, Meijer, Procter & Gamble, Raley's, L'Oréal and Monoprix

Contact us to start the conversation: dunnhumby.com