



AHOLD
NETEZZA IN ACTION

Ahold Enhances Customer Experience and Improves Retention Using the Netezza Data Warehouse Appliance

Ahold Replaces its Legacy Data Warehouse with a Data Warehouse Appliance

Ahold operates 800 supermarkets in the U.S. under brands such as Stop & Shop, Giant Food and Tops Markets, and is a division of Netherlands-based Royal Ahold, the world's thirdlargest food retailer. An early adopter of data warehousing technology, Ahold understands the value of fast, comprehensive analysis of sales and operational data. Ahold has been performing advanced analytics, such as market basket analysis, for many years, and views its data warehouse as central to the way it manages product availability and ensures the satisfaction of its customers.

However, Ahold's legacy data warehouse couldn't keep pace with growing data volumes and complexity of analyses. Essential reports took too long to execute, making drill-down analysis impractical, and many ad hoc requests were impossible to fulfill. Despite hardware upgrades, data would often be several days old by the time reports were created. For example, one particularly valuable CRM report took 72 hours to run and could only be completed if it was broken up into nine eight-hour fragments that had to be manually administered.

With data volumes growing exponentially, the company decided to look for a new approach to its data warehousing rather than band-aid solutions. Ahold turned to the Netezza data warehouse appliance because of its ability to analyze millions of customer purchases faster and with greater flexibility than any other options in the market.

Netezza Architecture Breaks Down Previous Barriers

Today Ahold is using the Netezza system as its Customer Data Warehouse (CDW) to fully leverage the detailed data it collects to perform faster and more sophisticated market basket analyses to improve customer retention across nearly 650 stores. The Netezza system architecturally integrates database, server and storage into one system and is designed specifically for high-volume, complex analytics, eliminating the need for tuning, indexing, data partitioning or aggregation required by other systems. Ahold's new CDW draws from nine different source applications, using the same ETL processes as the previous system.

The Netezza architecture boosts performance by several orders of magnitude, allowing Ahold's merchandising and marketing teams to perform much faster and more sophisticated analyses of customer buying patterns. For example, the complex CRM query that required 72 hours to run on the previous system was completed in four hours using the Netezza appliance.

Operational Simplicity and Low TCO

In addition to much greater processing power, Ahold was also looking for simplicity and low cost – both initially and during daily operation. Ahold was able to take advantage of Netezza performance without the need to re-engineer its CDW – usually a costly, time-consuming project when migrating to other data warehouse systems. The low purchase price of Netezza's self-managed appliance is complemented by minimal ongoing maintenance, enabling Ahold to reduce its DBA commitment from more than two full-time staff to less than half of one person's time.



Challenge:

Ahold's legacy data warehouse system was unable to keep pace with growing data volumes and analytic complexity. To meet the constantly evolving needs of its customers, Ahold needed a system able to query terabytes of sales and operational data, and deliver fast, comprehensive results.

Solution:

Ahold chose the Netezza appliance as its Customer Data Warehouse (CDW) to fully leverage the detailed data it collects and improve customer retention across nearly 650 stores.

Benefit:

With the Netezza system, Ahold is enhancing the customer experience and increasing retention, with optimized store layouts, closely targeted sales promotions and streamlined inventory management. Additionally, Ahold is now running 133% as many analyst reports by nearly 20% more users, has significantly increased overall productivity and has reduced the overall cost of its data warehouse.

“We chose the Netezza data warehouse appliance because it delivers the increase in performance we wanted without causing us to re-engineer our entire CDW. Now we can achieve results in minutes instead of hours, eliminating stale data and enabling us to be even more flexible and targeted with our decision. . . . On top of that, the system was two-thirds the cost of the Oracle-based data warehouse, including ongoing support and maintenance.”

Al Clevenger
Director of Data Management
and Data Warehouse Services,
Ahold

The simplicity of the Netezza system also made it easy to install and deploy, integrating seamlessly with existing business intelligence applications and Ahold's ETL infrastructure. Less than two days after its delivery to the data center, the Netezza system was fully loaded and ready for testing. Nearly all reports were able to run immediately, with a small subset requiring modifications of the RDBMS-specific SQL syntax. Just three and a half months later, with only minor conversion activities and comprehensive testing, the system was released to end users in production.

The Netezza System Performs Fast, Detailed Customer Analysis for Ahold's Supermarket Chains

Although data volumes have been steadily increasing by the terabyte, the Netezza appliance allows Ahold to process, store and manage this data many times faster than before:

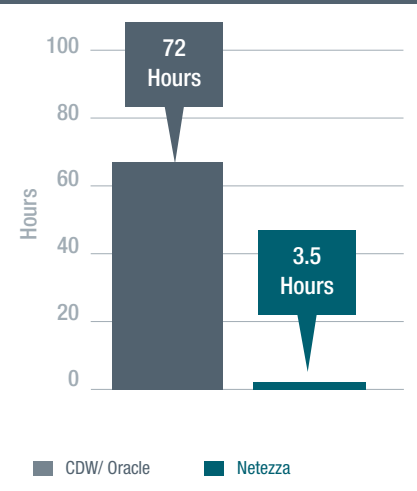
- A CRM query that required 72 hours on the previous system was completed in less than four hours
- Analyst productivity has increased by 25% to date
- Number of reports executed increased by 33%
- Number of users increased by 18%

Lower Cost of Ownership


The Netezza system has allowed Ahold to substantially reduce the initial and ongoing costs of its data warehouse:

- Low purchase price: The Netezza appliance provides price/performance that other systems cannot match
- Seamless deployment: Fast installation and loading, supports existing database structures and ETL processes
- No traditional tuning: DBA commitment reduced from 2.5 FTEs to 0.5

Market Basket Analysis



With Netezza, Ahold Now Understands Its Customers in a Much More Comprehensive Way

Supermarkets are under growing pressure from low-priced alternative providers, magnifying the role of the data warehouse as a driver of revenues, margins and customer retention. With the performance of the Netezza system, Ahold users are no longer constrained by system limitations, and are realizing what they can gain from their data when results are returned in seconds or minutes rather than hours, days or possibly never. Ahold is now able to continually innovate and fine-tune its analyses by asking complex questions that were previously out of reach. As a result, Ahold has been able to use in-depth analyses of purchasing trends to continually enhance the customer experience, with optimized store layouts, closely targeted sales promotions and streamlined inventory management. 



Netezza Corporation 26 Forest Street, Marlborough, MA 01752 +1 508 382 8200 TEL +1 508 382 8300 FAX www.netezza.com

About Netezza

Netezza (NYSE: NZ) is the global leader in data warehouse and analytic appliances that dramatically simplify high-performance analytics across an extended enterprise. Netezza's technology enables organizations to process enormous amounts of captured data at exceptional speed, providing a significant competitive and operational advantage in today's data-intensive industries including digital media, energy, financial services, government, health and life sciences, retail and telecommunications. Netezza is headquartered in Marlborough, Massachusetts and has offices in North America, Europe and the Asia Pacific region.

For more information about Netezza, please visit www.netezza.com.