

Hongxing Erke

Chinese sports apparel retailer Hongxing Erke successfully rides the rising tide of consumer demand with Vertica.



Who Is Hongxing ?

Hongxing Erke is a Chinese sportswear and footwear company founded in 2000, with tens of thousands of employees across thousands of stores. Headquartered in Xiamen, Fujian Province, the company has sponsored major sporting events and teams around the globe.

Managing an unprecedented spike in demand

In an era of mass consumerism, retailers are under constant pressure to react faster. With digital marketing fanning the flames of commerce, rapidly changing trends create valuable—but often short-lived—opportunities for profit.

These opportunities can arise very suddenly: Hongxing Erke recently hit the headlines when it made a large donation to a disaster relief fund for victims of serious flooding in Henan Province. The company's social media post about the donation went viral, and internet users rushed to show their appreciation by placing orders during a Hongxing Erke livestream on an ecommerce site. Such was the explosion in demand that Hongxing Erke's CEO Wú Róngzhào intervened to remind shoppers to remain

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CTO
Hongxing Erke

rational. The response? Shoppers redoubled their efforts, calling for "wild consumption" and triggering exponential growth in demand as this new catchphrase trended across social media. In a single day, Hongxing Erke witnessed a staggering 52-fold increase in sales.

For any company with a large and complex supply chain, a sudden surge in demand can be both a blessing and a curse. When demand spikes, decision-makers need a clear, real-time view of sales performance so that they can respond intelligently and maximize the potential gains. With conventional database and analytics technology, that's extremely hard to achieve. But thanks to his company's decision to build its data analytics on Vertica technology, the CTO of Hongxing Erke was able to take the "wild consumption" event in his stride. He quips: "With Vertica, it was trivial for our system to manage this enormous jump in demand—just like responding to Singles' Day!" (That's the Chinese equivalent of Black Friday, but on an even bigger scale.)

Unlocking the value of retail data

Just two years earlier, Hongxing Erke had been suffering from poor performance in big data analytics. The existing system would crash when users attempted to analyze sales data down to the SKU level, due to the sheer size and complexity of the data set. Another issue was that the most comprehensive and well-structured data available to the business was effectively trapped behind complex business logic in Hongxing Erke's SAP ERP system. The company wanted to make sure that business users could fully exploit this valuable data.

The turning point was a chance encounter between the company's CTO and one of his technical peers at an industry seminar. The peer strongly recommended Vertica

At a Glance

- **Industry**
Retail
- **Location**
China
- **Challenge**
How can retailers stay ahead of rapidly changing consumer trends to achieve long-term success?
- **Products and Services**
Vertica Unified Analytics Platform
- **Success Highlights**
 - + Maintained visibility of retail performance during a 52x spike in sales
 - + Frees IT staff from data preparation and management tasks
 - + Delivers near-real-time insight to business decision-makers

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for near-real-time big data analytics, and the CTO was persuaded to undertake heavy stress-testing on the solution. Following large-scale tests, in which Vertica was used to analyze hundreds of millions of rows of data, Hongxing Erke concluded that the solution was orders of magnitude faster than anything else it had tried.

Thanks to the commitment of Hongxing Erke's IT team and the familiarity of Vertica's technical consultants with the SAP application, the joint team was able to develop a way to import SAP business data directly into the new Vertica-based analytics platform.

The Vertica solution empowers Hongxing Erke employees at all functional levels to reap the benefits of instant insight. Vertica's simplicity of operation and management supports full autonomy for business users with some database experience in more than 95% of usage scenarios, taking the burden off the IT team. The CTO reports that Vertica is simple

to maintain, resulting in low cost of operations and maintenance and enabling technical staff to focus on real business-related issues. He says, "We've never had an operational problem; Vertica is very stable."

Faster insight drives better understanding of customer preferences

Vertica enables Hongxing Erke to run complex reporting that was simply not feasible before, delivering sales, distribution and replenishment data accurate to the one-minute level. With faster data tools and greater capacity, business decision-makers can try out new ideas faster and iterate their optimization strategies at higher speed. The Vertica solution delivers business insight almost in real time: as soon as a sale is completed, executives can almost immediately see the updated status in the reporting.

In retail, you never know exactly how your

customers' preferences are going to change. To create new business opportunities, you need to keep experimenting and analyzing the results. Hongxing Erke looks at sales data by product material, color, pattern design, user profile, and more, in order to understand how demand is changing and adapt its offerings accordingly. This marketing strategy stays as close as possible to market sentiment, trying out new ideas and new products at the optimal times and fast feedback on key performance indicators from Vertica.

As the pace of change in retail continues to rise, Hongxing Erke is committed to continuous optimization based on data analytics. As the CTO explains: "There are a thousand different ways to interpret the market. With Vertica, we are ready to shift our point of view as events change." With Vertica providing the ability to see changing patterns in demand almost in real time, Hongxing Erke is looking forward to many more years of growth.