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 Wu Rongzhao intervened to remind shoppers to remain 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 as the solution to Hongxing Erke’s data analytics challenges. The CTO decided to give Vertica a try, and he found that the platform was well-suited to the company’s needs. Vertica’s high-performance analytics and real-time query capabilities allowed the company to quickly and easily analyze sales data at the SKU level, which helped decision-makers to make informed decisions and optimize performance.

At a Glance

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<td>How can retailers stay ahead of rapidly changing consumer trends to achieve long-term success?</td>
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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

“With Vertica, it was trivial for our system to manage this enormous jump in demand—just like responding to Singles’ Day!”

CTO Hongxing Erke
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 applica-
tion, 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 simplic-
ity of operation and management supports
full autonomy for business users with some
data 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 prob-
lem; Vertica is very stable.”

Faster insight drives better understanding of customer
preferences
Vertica enables Hongxing Erke to run com-
plex reporting that was simply not feasible
before, delivering sales, distribution and re-
plenishment data accurate to the one-minute
level. With faster data tools and greater ca-
pacity, business decision-makers can try out
new ideas faster and iterate their optimization
strategies at higher speed. The Vertica solu-
tion delivers business insight almost in real
time: as soon as a sale is completed, execu-
tives 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 of-
ferings accordingly. This marketing strategy
stays as close as possible to market senti-
ment, 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 continu-
ous 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.