

Quelle GmbH Optimizes Analytical and Operative Customer Relationship Management Strategies



Quelle GmbH
Fürth, Germany
www.quelle.de

Industry:

Retail

Annual Revenue:

US\$4.57 billion

Employees:

7,700

Oracle Products & Services:

Oracle Database
Oracle Data Warehouse
Oracle Application Server
Oracle Discoverer
Oracle Business Intelligence
Oracle Real Application Clusters

Oracle Partner:



ISE Gräfenberg
www.ise-informatik.de

“With Oracle Data Warehouse, we can store and analyze very detailed up-to-date information, allowing us the flexibility we need to meet customer requirements.” – Dr. Michael Semmler, Executive Database Management, Quelle GmbH

Quelle GmbH, a European retailer, realized long ago that effective customer relationship management (CRM) involves far more than data collection. It also requires the ability to analyze the data and align it with customer preferences.

Quelle GmbH, a Primondo group company, is part of the mail order business segment of Arcandor AG, a large German retail and mail order company formerly known as KarstadtQuelle AG. Quelle operates mail order centers in 15 countries throughout Europe as well as 4,000 retail stores, offers teleshopping options, and hosts an internet presence. Quelle is a true multi-channel supplier.

Quelle’s primary strategic objectives include international expansion, particularly in central and Eastern Europe and Russia; accelerated growth of e-commerce; and orientation of the specialized mail order business toward three growth segments—“Golden Ager,” “Premium,” and “Communities.”

As the company continued to grow, the challenge for Quelle’s database management team was to integrate various data sources and develop an efficient, high-availability platform for the company’s data warehouse application.

Quelle replaced its Symmetric Multiprocessing (SMP) architecture with Oracle Real Application Clusters, achieving higher performance and significant cost savings. Data warehousing is now a central control instrument for all CRM measures for Quelle and its sister mail order firms. Quelle implemented Oracle Business Intelligence to integrate all dimensions and key indicators into the enterprise data warehouse.

The new data infrastructure not only improves reporting but also provides the foundation for analytical and operative CRM.

Key Benefits:

- Achieved a 30% cost reduction through grid infrastructure
- Integrated varied data sources
- Created a management information system with nearly 300 key indicators for 10 dimensions
- Improved analysis of customer relationship management data
- Improved effectiveness of marketing campaigns

Performance Doubled; Costs Halved

In addition to sociodemographic customer data or market data on purchasing power, the data basis for CRM in mail order commerce encompasses the full spectrum of customer behavior data (ordering, returns, and payments) in the channel, range of products, and advertising medium dimensions. For historical reasons, Quelle stored this information in different databases, all generated at different times and for different purposes. The challenge was to make all of these data types available in cumulative form.

To create its new data infrastructure, Quelle integrated 12 servers, achieving a 17 terabyte capacity. With Oracle Real Application Clusters, the data warehouse platform is efficient, highly available, and scalable with regard to performance and memory capacity.

To reduce costs, Quelle decided to switch from the existing SMP architecture to a more economical grid infrastructure. It replaced a HP Superdome with 12 HP-DL 580 computers running on Oracle Real Application Clusters. The new environment doubled performance while halving costs.

Expanding Reporting and Enabling Analytical CRM

Quelle significantly improved the collection, consolidation, and storage of all customer-related transactions with its new IT architecture. The data warehouse, previously focused on marketing applications, has been converted into an enterprise data warehouse. Using the new technology, the data in the service, logistics, goods management, and Web behavior dimensions could be completed without additional costs. This made it possible to improve the quality of the management information systems (MIS) data. Standardized reporting today provides more than 200 users with nearly 300 key indicators for 10 dimensions. Quelle is using Oracle Discoverer to create individualized reports for specific user requirements. Users can vary report layouts and parameters without assistance from the IT team. To drive more informed decisions, Quelle is deploying Oracle Business Intelligence.

Analytical CRM is used to generate knowledge. With its Oracle-based infrastructure, Quelle can create reports on the effectiveness of advertising media used at the target group level. The system

“The rapid, flexible Oracle-based system facilitates consolidation and access to customer information as a basis for solid management decisions. This allows us to maintain our competitive advantage and save on costs. The quality of the data for planning and developing new marketing strategies has improved considerably.”

Dr. Michael Semmler
Executive Database
Management
Quelle GmbH

also enables analysis of fast-sellers and combined purchases, which are relevant to product range decisions.

In addition, the creation of customer profiles helps in the allocation of target group, advertising medium, range, and service. Credit-risk analyses by customer, product range, or payment method assist in determining the optimal risk strategy. The Oracle-based infrastructure’s high performance, availability, and scalability enable Quelle to conduct these and other complex analysis processes quickly and effectively.

Customer Behavior Forecast Using Operative CRM

The greatest benefit Quelle GmbH obtains from the data warehouse results from applying scoring procedures in operative CRM. Using a scoring method—an analytical forecast and point-scoring procedure—the system calculates the probability of each individual exhibiting a particular future behavior, such as buying products, using services, meeting payment obligations, not returning ordered goods, and others.

Customer data is converted to the customer behavior forecast, thereby creating an optimal decision-making basis for all management divisions. CRM campaign management permits the mapping of decision-making rules without IT expenditure, rapid reaction times, the simulation of new strategies, and testing of alternatives. The system also ensures consistent decisions at all customer touch points and in all processes.

Why Oracle?

To implement the data warehouse platform, Quelle sought a strategic partner that could provide end-to-end infrastructure technology. This approach simplifies vendor and IT management. Quelle chose Oracle based on the company’s experience and proven competence in both the product and service fields.

Frank Stoll, Manager of DWH Development & Projects at Quelle GmbH, describes the requirements as follows: “We were looking for a solution that allows us to store all daily-generated customer data in detail, without any loss of information. Oracle offers rapid, flexible systems that allow us to prepare and access customer data without restrictions.”

The KarstadtQuelle mail order group has been trading under the name Primondo since March 1, 2007. As parent company, Primondo combines the leading European mail order brand Quelle with numerous renowned specialist mail order brands.