

# European consumer electronics giant drives up cost savings, efficiency and revenue growth opportunities with next generation data center

EXECUTIVE SUMMARY
<b>CUSTOMER NAME</b> · Mediamarket
<b>LOCATION</b> · Curno, Northern Italy
<b>INDUSTRY</b> · Retail
<b>COMPANY SIZE</b> · 7000 employees
<b>BUSINESS CHALLENGE</b> · Business expanding at 15 percent every year · Retail outlets, needing IT support, increasing by 15 percent a year · Avoid expensive network investment to support business growth
<b>NETWORK SOLUTION</b> · Cisco Data Center 3.0 strategy · Cisco Data Center Networking · Cisco Wide Area Application Services (WAAS)
<b>BUSINESS VALUE</b> · Delivers a return on investment in just six months · Increases customer service and revenue generating opportunities · Point of sale applications and information faster and easier to access · Reduces costs by enabling applications and resources to be centralized · Reduces carbon footprint for data center and IT operations



Mediamarket, the largest consumer electronics retailer in Italy and the fourth largest in Europe, has deployed a Cisco Data Center Networking solution to help reduce data center costs, deliver greater efficiency and increase customer service, resulting in a return on investment of less than six months.

## Business Challenge

Mediamarket is the largest consumer electronic goods retailer in Italy and fourth in Europe. It is part of Mediamarkt Saturn Holding GmbH in Germany. Mediamarket has 92 retail outlets in Italy with other channels to market including telephone and a growing online retail operation. Mediamarket's annual revenues are around €2 billion and its market share is 20 percent.

Mediamarket's business is undergoing rapid growth. Customer numbers are increasing and the company is opening new retail stores at a rate of 10 to 15 a year.

Maurizio Besurga, chief information officer at Mediamarket, expects the business to grow by 15 percent every year. Business expansion was putting pressure on the company to continue to deliver high performance, high availability for point of sale applications to its retail outlets.

Every year Mediamarket makes 80 million contacts with customers either face-to-face, over the phone or online. Millions regular customers have some kind of loyalty card which Mediamarket uses to manage customer needs and customer buying habits. Each time a customer makes a purchase and a loyalty card is used – on average 17,000 a day - transaction data is recorded and sent in real time from the point of sale back to the data center. This is then used to analyze customer buying trends and plan product distribution and special promotions for each location. Mediamarket frequently provides a range of in-store marketing and promotional activities based upon customer demand and purchasing information gathered from stores and hosted in the data center. These initiatives need to be available to the point of sale inside retail stores quickly.

Exchanging and managing this data puts pressure on data communications and networking. In addition to this demand on data communications, Mediamarket's stock control systems have to manage data on around three billion separate product items.



Mediamarket's strategy is to have a centralized IT infrastructure with business applications – retail, customer relationship management, finance and administration – run out of its data center at its headquarters in Curno near Bergamo, in Northern Italy.

Mediamarket's choice was to increase the bandwidth which would be expensive or improve performance from the existing bandwidth to support increased demand. Mediamarket chose the latter and looked at various solutions on the market, reducing the choice to two vendors. One of those was the Cisco Wide Area Application Services (WAAS). Besurga says, "We compared the Cisco solution with another on the market in terms of performance for the retail networking environment. Cisco out performed the competition, winning 98 percent across of all the key performance indicators."

### Network Solution

Mediamarket is developing a next generation data center based around the Cisco Data Center 3.0 vision to transform the data center infrastructure so that resources are dynamically aligned to meet business needs and be more responsive, efficient and resilient.

Mediamarket has deployed a Cisco Wide Area Network (WAN) connecting 92 retail outlets to its data center in Curno. At each location there are Cisco Local Area Networks (LANs). Mediamarket has utilized the WAN to deploy Cisco Wide Area Application Services (WAAS), a comprehensive WAN optimization solution that accelerates applications over the WAN. Cisco WAAS has helped Mediamarket centralize applications and storage in the data center. Cisco WAAS maintains LAN-like application performance for retail store IT services while reducing the device footprint in the stores. Cisco technology has also rationalized data center resources by helping to consolidate servers centrally, enabling Mediamarket to virtualize 90 percent of its 150 servers. Using Cisco WAAS to help centralizing resources such as servers also removes the need for onsite maintenance and service at retail outlets.

The Cisco WAAS solution, which was implemented by Telecom Italia and Lutech, a Cisco Gold Certified Partner, was deployed quickly and efficiently. It took just seven months to roll out to MediaWorld's 92 retail outlets.

### Business Results

The introduction of Cisco WAAS helped Mediamarket to realize its strategy of centralizing all computing resources, enabling the business to rationalize resources, make data center operations more efficient and reduce costs. Applications like print and file services that used to reside inside retail stores have been brought back to the data center allowing Mediamarket to consolidate resources but also to gain greater control over IT, save money and reduced power consumption without compromising speed and level of service to customers.

**"It is important to have the right solution to provide the right level of service to business. In this respect, Cisco WAAS has helped us to build and deliver a network infrastructure that helps the business to be faster, more proactive and more flexibility and that is one of the most important things for a retail operation like ours."**

**Maurizio Besurga, Chief Information Officer, Mediamarket**

One of the key savings has been removing the need to increase network bandwidth. Because Cisco WAAS helps to maximize existing network capacity, performance for applications hosted in the data center but accessed by region stores increases. An example of the impact of Cisco WAAS is reducing the average time it takes a spreadsheet file to open from six minutes to less than 20 seconds. Mediamarket staff are experiencing the same level of application performance across a whole range of the applications and information sharing operations.

Because of the improvements to application performance and the ability to rationalize computing resources, Mediamarket's investment in Cisco WAAS will have been repaid in six months. Besurga says, "As well as the economics of using Cisco WAAS to maximize network performance, it's also a question of making network application management more efficient and all the time and cost savings that involves."

In customer facing situations, such as handling a customer in a retail store, Cisco WAAS is helping Mediamarket increase customer service and revenue generating opportunities. Point of sale staff are able to access more information faster so that they can deal with an enquiry efficiently. They can



also access information on complementary products and services such as an extended warranty faster, increasing the opportunity to grow revenue.

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PRODUCT LIST
<p><b>Application Networking Services</b></p> <ul style="list-style-type: none"> <li>• Cisco Wide Area Application Services (WAAS)</li> </ul>



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