



IMPROVED CUSTOMER SATISFACTION IN STORE FOR COOP DENMARK



INDUSTRY

RETAIL

LOCATION

DENMARK

KEY CHALLENGES

- Cut costs to compete in a low margin market
- Increase stability of customer-facing systems
- Improve performance of storage solution

SOLUTION

Coop deployed VMware vSAN to streamline costs, improve the performance and reliability of its solutions and act as a base for it to strategically innovate going forward

BUSINESS BENEFITS

- Improved customer satisfaction through high-performance estate
- Increased reliability – no longer goes offline. Underpins all business processes.
- Reduced costs as no separate storage solutions are needed to cope with demand

Executive Summary

Denmark's leading supermarket chain, Coop, constantly strives to offer top customer service both through reasonable prices and transactional experiences. Given the low-margin, competitive market it operates in, the retailer therefore needed to consider costs while looking at the performance of its infrastructure. Taking the budget set aside for the maintenance of its old server platform, Coop was instead able to implement VMware vSAN, without needing to ask for further investment from the board. The virtual storage solution underpins everything the retailer does – and has eliminated system downtime for a more seamless customer experience, all while streamlining costs.

Customer Profile

Coop Denmark is the largest company in the Danish grocery sector with a market share of 42 percent. The retailer operates the chains Kvickly, Super, Dagli'Brugsen and coop.dk as well as subsidiaries Irma and Fakta. It has more than 1,200 stores across Denmark.

The Challenge

As one of the leading supermarkets in Denmark, Coop faces a big challenge to be the number one choice for consumers in an over-saturated market. Its razor-thin margins mean it has to find ways to ensure it is as operationally efficient as possible.

"We put a lot of effort into making our IT systems cost-effective. But we also focus on giving room for the individual supermarket to optimise its relationships with local customers," says Søren Vender, IT enterprise architect at Coop.

"So we have a double trend of both centralising and standardising IT and yet, also decentralising and empowering the individual," he adds.

The efforts to standardise led to Coop moving all of its 1,500 servers onto one single server platform – but this created some issues.

"At one point, every Thursday at 12pm for two minutes all of the systems would shut down – nothing would happen. Then, everything would run again, and we couldn't figure out why," says Vender.

"We searched everywhere. Several weeks later we found the anti-virus system of all 1,500 servers would download a new pattern definition file at the same time, effectively shutting down the whole infrastructure," he says.

Coop realised it couldn't operate all of its servers on one storage system, so had to move some of its servers onto separate environments. For example, its customer loyalty programme became so highly loaded that customers were sometimes delayed excessively by the till, waiting for their personal membership transactions to complete.

“vSAN underpins every business process in Coop – all the way from the tills in the stores, through to the provisioning of goods from the warehouses onto the stores and back to all the headquarter processes.”

SØREN VENDLER
IT ENTERPRISE ARCHITECT
COOP DENMARK.

VMWARE FOOTPRINT

- VMware vSAN

PARTNER

- Atea

“We had to move the loyalty programme out of our central storage system and put it on a dedicated storage system, causing an extra cost of around 1 million EURO,” says Vender.

The Solution

In order to streamline costs and rectify issues with the server, Coop decided to look at the market for new solutions, but it struggled to find an appliance that matched its specific needs.

Having worked with other VMware solutions for a number of years, the retailer decided to explore its storage product, vSAN, to see if it would fit the bill.

“We trusted VMware to provide the detailed design of a solution so we could be absolutely certain there were no inherent defects in it,” Vender explains.

“VMware has certified a very broad range of individual hardware components, meaning we were able to put together a solution that fit exactly to Coop’s needs,” he adds.

A big reason VMware’s vSAN server platform was chosen was because the Coop team was able to finance its design and implementation simply by using the maintenance costs it had put aside for running its old physical infrastructure. “We didn’t have to go to the board for the investment – instead we were able to make use of the existing budget we’d put aside for the maintenance and upkeep of the physical system but use it to invest in a system that would ultimately help us reduce costs instead.”

Vender notes that IT infrastructure projects of this size are normally very complex and time consuming but that this wasn’t the case with vSAN. “The vSAN project only took about three months and it went completely according to plan – that normally never happens,” he says.

Business Results & Benefits

The VMware vSAN server platform’s performance means the Coop infrastructure isn’t disrupted in any way like it used to be.

“Our new vSAN server platform is far more effective; it performs so much better now. It has helped to guarantee business continuity and we no longer need to have dedicated storage solutions for specific purposes,” he says.

vSAN will also help Coop continue to standardise and keep all of its servers running on a shared platform. In turn, this will mean it can cut costs.

But the use of vSAN extends beyond providing solutions for the problems Coop had in the past; it is now at the heart of everything the retailer does.

“VMware vSAN underpins every business process in Coop – all the way from the tills in the stores, through to the provisioning of goods from the warehouses into the stores and then back to all the headquarter processes,” says Vender. “If vSAN doesn’t run, Coop doesn’t run.”

Looking Ahead

Coop Denmark isn’t looking to stand still in the years to come – it will continue to innovate and it will rely on vSAN to ensure it can do this without any issues.

“The retail sector is due for a lot of change in the near future. But one thing that we’re certain of is vSAN supporting us for many years to come,” Vender says.

“By using existing maintenance budget for the implementation, vSAN paid for itself immediately. We now have a very high-performance infrastructure but with a very low cost of ownership”

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Moving forward, the new vSAN platform will enable some of its other business-critical systems to perform better, which is vital as it aims to better personalise its customers' shopping experiences in the years to come.

“It's a critical platform for us. As we move further into making customer loyalty programmes and having individual solutions tailored to individual customers, the strain on our central systems will become more and more intense,” he says.

“vSAN is a solution to our challenges because it is able to provide both a very high-performance, in terms of IOs per second, and a very low cost of ownership,” he adds.