What is a data warehouse and why is rei building one

ASSIGN
BUSTER

REI Case Study Questions

1. What is a data warehouse and why is REI building one?

A data warehouse is a sophisticated system that gives different types of information about customers in a particular company. REI is building a data warehouse since it hopes that this will allow the company in identifying and organizing various ways of interacting with each customer involved in the company. It will also show what customers bought online and from retail outlets. It will also be able to show whether the customers attended special training sessions for activities such as, outdoor or equipment use. It also shows the number of items returned by customers to the company.

2. What are some of the disadvantages of consumer cooperatives compared to ' traditional' firms?

One of the disadvantages of the consumer cooperative is that it sells goods at a lower cost as compared to the traditional model where goods and services were sold at a higher cost that customers are willing to pay. The other disadvantage about consumer cooperatives is that there is mutual benefit between the customers and the company. The company therefore benefits less from the sale of its goods and services.

3. Describe some of the marketing strategies that REI's data warehouse will allow them to use. Would these have been possible before the data warehouse was built?

The marketing strategies that REI's data warehouse allows the company to use different types of information to better serve its customers. This is also through the help of IBM which will help in identification of outdoors activities that their customers are involved in. there is also the use of IBM's DB2 9

Viper technology which will help in running REI's marketing campaigns.

4. What are some of the risks or concerns surrounding the creation of a data warehouse?

Some of the risks surrounding the creation of a data warehouse include the reduction of cost to customers and the payment of a lifetime membership. REI is committed to getting people outside and enjoying recreational activities. It also helps in getting people off the couch into outdoors with the help of data warehouse technology. Jones (2007) describes that the risks involved with the creation of a data will be that some of the customers may not be willing to disclose their daily activities or their outdoor activities. The creation of data warehouse is effective to the customers as there is privacy and every customer is able to view their profile and the activities they have been involved in outdoor recreation.

5. Why do you think REI chose to work with IBM's data warehouse technology?

I think REI chose to work with IBM's data warehousing technology because it is more sophisticated and this will enable the company achieve it vision which include educating, inspiring and enabling members in enriching their lives through outdoor recreation. IBM's technology is also effective in a way that it allows each customer to log in and serve up contents customized to them only. The Viper technology will also run in the marketing campaigns which will help REI to improve their customer base and increase their stores. IBM technology as it enables REI in getting to know its members better and the activities they perform such as the training they attend or other outdoors activities. IBM technology was also chosen as it gives the ability to reach

further, look deeper into the market and act faster according to the customers' needs and expectations. IBM technology also is capable of keeping accurate track of customers' records and understands their relations. It helps in implementing marketing strategies and has the ability to recognize every member involved in the outdoor adventure with REI (Jones 2007).

Works Cited

Dow, Jones. " IBM DB2 Data Warehousing." Demand (IOD) Conference. Las Vegas, 2008,

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