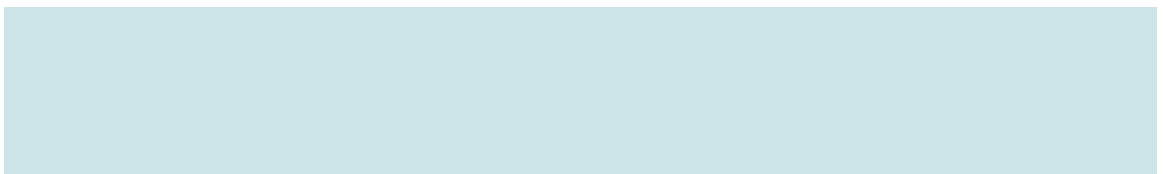




## Netezza (vendor snapshot)

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## Netezza (vendor snapshot)

**Area of focus:** Supplier of data warehousing appliances.

**Founded:** 2000.

**Headquarters:** Framlingham, Massachusetts, USA.

**Financial status:** Venture-funded, private company.

### Verdict

<b>Company viability</b>	★	★	★	★	★
<b>Innovation</b>	★	★	★	★	★
<b>Market opportunity</b>	★	★	★	★	★

The Netezza data warehouse appliance fits into existing architectures to solve a problem that standard RDBMSs struggle with – that of running queries on large multi-terabyte datasets. It competes with Oracle, IBM and Teradata in this market.

The key elements to the product's positioning are price (cheap) and performance (good). The sales focus is IT departments, and depends on technical understanding of how the product works and its benefits.

Another key element is openness. An obvious argument against the product is that it can be described as proprietary, and goes against the trend to standardise on an RDBMS across the enterprise, using commodity hardware. Netezza addresses this by its internal use of Linux, and only ANSI SQL (SQL-92 with some elements of SQL-99) and other industry standards such as ODBC and JDBC; this shows the product is open in the real sense. Any ODBC or JDBC data source can be accepted, and all the usual BI tools (such as Cognos and Business Objects) can work over the resulting data.

Netezza invented the appliance market and has been a lone vendor for a while. The company will now need to maintain its positioning in a more mature and competitive market as other vendors (such as Datallegro) enter the data warehousing appliance market. The giants of high-end databases – Oracle and Teradata – should also not be overlooked.

### Products and services

The Netezza Performance Server (NPS) system is an appliance that combines DBMS software, storage and hardware. The closeness between the three elements allows the product to reduce I/O, with the use of processors and programmable logic at the disk level.



There are various versions of the product with various costs. The entry-level price is below \$300,000 for up to 1TB of usable data.

The tool works well on large data sets such as customer and clickstream data.

### **Market strategy**

The sales focus is extremely technical, and the marketing material consists, not only of architecture diagrams, but also actual photographs of disk drives. A user contact tells me that 'techies' are thrilled by the beautiful sleek black servers on which streams of coloured LEDs flash as more data is loaded.

Sales are usually driven by proof of concept, which is needed to assure the client of the truth of the performance claims.

The company is product-focused, although it uses its own customer support staff for implementations. The sales teams work in pairs, with one technical specialist and one account manager in each; 25 such teams are currently employed.

The vertical markets served are the telco and retail/online markets. The company also sells to data analytic service providers (DASPs), such as Clarity Blue and Acxiom, who themselves service telcos, retailers and financial services providers. Netezza has over 30 customers and has sold over 65 appliances since shipping product in 2003.

Netezza's typical deal size is \$1 million, which would be the envy of most BI vendors. When compared to Oracle and Teradata high-end data warehouse solutions, this is the low-cost option.



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