

Groupon: In search of a scalable, customizable, economical data center

Client profile

Groupon is a global leader of local and online commerce that offers consumers a vast e-marketplace of deals all over the world. Groupon is redefining how traditional small businesses attract, retain and interact with customers by providing merchants with a suite of products and services, including customizable deal campaigns, credit card payment processing capabilities, and point-of-sale solutions that help businesses grow and operate more effectively.

Why Sacramento?

- **Low-cost power:** 40% lower cost of power in Sacramento than San Francisco.
- **Very low risk:** There have been no major earthquakes in Sacramento for more than 100 years. It's a separate seismic zone and power grid from the Bay Area.
- **Low-latency network:** Less than a three-millisecond round-trip to the Bay Area.

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Groupon was looking for a data center provider that is customer-focused, with proven capabilities around scale, security, agility and support.

Summary

Together with Groupon, we're keeping consumers connected to great deals. Groupon is a global leader of local and online commerce that offers consumers a vast e-marketplace of deals all over the world.

They needed a data center on the West Coast that offered the least amount of latency, while avoiding the high prices and earthquake risk of Silicon Valley and the Bay Area. Groupon researched Los Angeles, Las Vegas, Denver and Sacramento as potential options, taking a holistic approach to selecting the right data center partner. They went through a discovery phase, TCO analysis, recommendation phase and modeling phase, and then presented their findings and selection to their C-level executives.

Ultimately, Groupon selected NTT's 14MW CA3 Data Center in Sacramento as the best option to support their business architecture. CA3 provided the best value for Groupon, resulting in a short time from deployment to service delivery and increased availability and access to critical, revenue-building services for their customers.



Business need

When it came time to select the right data center partner, Groupon considered multiple markets. However, it all began with a data center location in Santa Clara in 2011, which they quickly outgrew. Being an e-commerce platform, they had serious concerns regarding network latency around data and sensitivities around web transactions and content delivery.

With this in mind, they needed to stay on the West Coast to ensure optimal performance, the least amount of latency and best delivery options. After extensive research, Groupon expanded its enterprise data center portfolio by contracting for 1MW of power and 5,000ft² at our CA3 Data Center in Sacramento.

Our ability to provide 100% availability, dedicated office space and flexible power ramps factored largely into the decision. In their selection process, Groupon saw that we consistently put their needs first and worked to adjust the data center environment to the needs of their ecosystem. Finally, throughout all of the other locations analyzed, they saw that the Sacramento CA3 Data Center was able to support their business architecture, had the right level of redundancy, was able to provide the proper amounts of density, and was able to deliver all of this at a great price.

Solution

To make the entire deployment a success, Groupon outlined their most critical points for a data center deployment.

Although cost of power was a part of the decision-making process, more weight was put on the cost of rent. However, even more critical was the requirement of proximity to the Bay Area, making Sacramento an ideal option.

Latency thresholds were a major issue for Groupon. They specifically wanted to minimize the round-trip time from the Bay Area to their new data center location.

Carrier-neutrality is important from the ISP availability and cost perspective. Groupon sought to avoid the inherent risk of network outage when there is a limited number of carriers on-site. For example, if the carrier had a maintenance or service outage, Groupon could not have the customer become impacted.

It was also critical for Groupon to engage with a carrier-neutral site to enable the complete availability of features and functionality.

Having access to multiple, industry-leading carriers and cloud providers is a huge asset as well. Groupon was able to minimize risk and expand global reach by being given the ability to choose between multiple carriers and cloud providers with diverse routes to the data center. From there, they're able to drive better economics and value granted by competition, and have access to the newest and richest set of service offerings and availability. Ultimately, this results in optimal uptime, enabling the business to stay connected to its customers.

Operational best practices and efficiency were also a priority for Groupon. The right data center operator would offer temperature SLAs and containment in order to make sure that cold supply airflow is separated from hot air coming out of equipment exhaust. This containment saves money by reducing energy consumption.

Outcomes

Uptime and business resiliency are absolutely critical for Groupon, but so is availability and flexibility of the infrastructure. After their deployment at CA3, Groupon has recognized several business and technology benefits.

Building services

The resiliency of our data center allowed Groupon to grow and deliver more diverse services, and afforded their customers more availability and access to critical, revenue- building services.

Infrastructure services

Groupon went from deployment to service delivery in an incredibly short amount of time. We were able to provide the right service and infrastructure that allowed Groupon to set up their entire ecosystem in 41 days, including serving users and delivering applications.

Operational services

Operating at 1MW of power and more, Groupon's buildup time was substantially reduced because of the location and the new infrastructure.

Delivery services

Finally, Groupon was able to deliver key components for operation very quickly because of the Sacramento location.