



Xignite Leverages Savvis Proximity Hosting for Improved Customer Service

Overview

Xignite is a leading provider of on-demand market data — a new way of delivering business-critical financial market information to corporate applications. Privately held, Xignite released its first product in 2003, and now offers more than 50 solutions ranging from market quotes, to news, to corporate data, to analytics, and statistics. A pioneer in the \$7 billion financial market data industry, Xignite offers its financial Web services as subscriptions via an on-demand platform that gives customers the data they need in near-real-time without the capital and operational costs they would incur if using traditional technologies. Through its own technological innovation, Xignite is able to aggregate up-to-the-minute financial information from a broad range of sources and deliver it at price points that allow businesses of all sizes — from startups to the largest enterprises — to power mission-critical applications.

Business Opportunity

Xignite's customers fall into three categories. The first is traditional financial services firms, which require timely access to financial data of all kinds. But because of Xignite's innovative Web services technologies — which make market data easy to access and integrate with business applications over the internet — Xignite can also serve a second category of customer web and mobile businesses that don't want to manage traditional data feeds to access real-time data. Web publishing firms such as Forbes.com fall into this category. Xignite enables them to deliver up-to-the-minute financial data to visitors to their Web sites. And finally, Xignite serves businesses with in-house financial applications that require the most current financial data. For example, Xignite provides Web services that feed data into dashboards that allow businesses to keep on top of stock prices — both their own and those of competitors — as well as transaction-processing applications that require real-time currency exchange data.

Key to Xignite's success is its ability to serve such a wide range of customers. "Because we're a SaaS (software-as-a-service) or cloud service company, we can profitably serve the low end of the market and the high end of the market simultaneously," said Joel York, chief marketing officer and vice president of direct sales.

Company:

Xignite

Industry:

Technology
(financial services sector)

Line of Business:

Providing web-based financial market data to mission-critical applications using an on-demand, pay-as-you-go model

Target Market:

Companies ranging from small- and medium-sized businesses (SMBs) to the largest enterprises

Location:

San Mateo, California

Business Challenge:

Deliver financial market data from the BATS Exchange to customers as quickly and cost effectively as possible

Solution:

Colocation; Savvis' Hosted Area Network (HAN); Savvis Markets Infrastructure Connectivity

Summary:

By collocating its servers that process financial information in the same Savvis data center as the BATS Exchange, Xignite was able to deliver market data to customers much more rapidly than previously, opening up new markets for its BATS products.

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On-Demand Financial Market Data

One of Xignite's important sources of data is the BATS Exchange. Two of its most popular products deliver BATS information to the market: BATSLastSale provides stock prices for U.S. — listed stocks traded on BATS; Xignite BATSRealTime delivers real-time BATS Exchange stock prices and related trade data.

When Xignite first began offering these products, it performed all real-time feed processing in its San Jose, California data center. At the time it was using a dedicated line to transport the data between the East and West coasts. But the sheer volume of data coupled with the inherent latency of the TCP/IP protocol meant the process “was too slow for us,” said Leo Chan, chief technology officer at Xignite. “And as volumes went up on the BATS Exchange, we knew we needed a better solution.”

When the global financial crisis hit, there was an even greater sense of urgency to find a better way to get data more quickly to Xignite's servers in San Jose. “Investors reacted to the constant stream of news about market movement by placing — and changing — large numbers of orders, and the volume of trades spiked so high that there were delays transmitting it to our data center,” said Chan. That essentially degraded performance to five or ten minute delays instead of the real-time data our customers required. “This was clearly unacceptable,” said Chan. “There had to be a better way.”

Solution

The solution turned out to be a simple one: Colocating servers at the same Savvis data center where the BATS Exchange is hosted. And the decision was easy, said Chan. “Savvis was the only one offering this service.” Today, Xignite's servers that process BATS data are located in Savvis' New Jersey data center, where Savvis also offers all the network services Xignite needs to achieve the low latency it requires. Such services include a Hosted Area Network (HAN), which offers high bandwidth Internet connectivity connecting Xignite servers to the BATS exchange within the data center. And by subscribing to Savvis Markets Infrastructure Connectivity, Xignite gets access to Savvis' financial connectivity options designed to produce the lowest latency. By placing Xignite within the same Savvis facility, Savvis Markets Infrastructure Connectivity directly connects it to the BATS Exchange, which lets it measure connectivity in feet, not thousands of miles.

“Today we have a full rack of servers at the Savvis New Jersey data center, where we connect via the HAN to the BATS Exchange, and that's working out very well for us,” said Chan.

Benefits

Upon signing up with Savvis, Xignite realized immediate benefits. “Previously, only the biggest web publishers like Google and Yahoo could afford to provide real-time quotes. Xignite's BATSLastSale web service levels the playing field, allowing sites like Forbes.com to focus on news editorial instead of market data,” said Chan.

“Going with Savvis has made a night-and-day difference to our business, said Leo. “ We went from messages being backed up due to network latency to processing all messages as quickly as they come through,” said Chan. “This made our customers very happy. “

The continuing volatility of financial markets has only intensified demand for Xignite solutions. With financial markets going up and down by hundreds of points every day, investors — individuals as well as institutional — need real-time data to make sound decisions. One Xignite customer that benefited from this was Forbes.com. “Forbes.com obviously wants visitors to its site to get the latest stock prices as soon as possible,” said Leo. “People don't want to go to the Forbes.com financial Web pages and wait even one second for them to load,” said Chan. “They expect very timely price quotes. And we are able to provide that through optimizing every link in our delivery chain.”

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Chief Technology Officer
Xignite**

Indeed, because of Savvis, Xignite was able to create a new market: Introduce BATS to businesses that previously couldn't afford it at a reasonable cost. "That service just didn't exist before," said Chan. "You'd have to buy Level 1 data directly from the exchanges, or pay exorbitant fees to the large financial data providers and then pay for a lot of programmers to convert a data feed to a web widget. "BATS data is free, so all they pay for with our BATS products is the cost of Xignite's infrastructure and delivery. "And because of our economies of scale and relationship with Savvis, we are able to do this very economically," he said.

"And the Savvis service is so reliable that we haven't opened a single trouble ticket," said Chan.

Future

Looking ahead, Xignite is analyzing the potential advantages of cloud services, such as Savvis Symphony. According to Chan, they are also considering the possibility of expanding proximity hosting service because of the value of low latency, faster messaging and improved cost efficiency, additional benefits not only to Xignite, but to their customers.

"The fact that Savvis specializes in delivering services to the financial industry — and possesses significant domain expertise in this area — means it is perfectly aligned with our business model, which is to gain as close a proximity to the data and to our customers as possible. That's something that's completely unique to Savvis."

**- Leo Chan
Chief Technology Officer
Xignite**

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