



Karmaloop Relies on Rackspace to Run Infrastructure

Allowing the verge culture ecommerce retailer to focus on what makes them unique in the marketplace.

Karmaloop is the leading online retailer in streetwear, cutting edge fashion, and a one-stop shop for the verge culture. The company was founded by Greg Selkoe in 2000 and is headquartered in Boston. It started, like many revolutions, in the underground, in his parent's basement. While hundreds upon thousands of dot.com ventures began to disintegrate, Karmaloop pushed through the bust.

Karmaloop, Inc. owns and operates Karmaloop.com, KarmaloopTV.com, PLNDR.com, BoylstonTradingCo.com, BrickHarbor.com, StreetAmmo.dk, Kazbah Underground Brands, and owns 11 private label clothing brands. Now selling over 500 men's and women's brands to a loyal customer base spanning over 80 countries, Karmaloop's online platform attracts more than 4.5 million unique monthly visitors, with an estimated revenue of \$200M in 2012.

A COMPLETE FOCUS ON UNIQUE

For Karmaloop, the biggest benefit of working with Rackspace is being able to focus on

the areas that the company does well and the things that make them unique in the marketplace. Those areas include product, service, attitude, and the social communication that Karmaloop has with their customers. Running an infrastructure does not make Karmaloop unique, so the company relies on Rackspace to handle that piece of the product.

The ecommerce platform at Karmaloop is backed by Rackspace Critical Application Services, which is a sophisticated monitoring solution combined with a dedicated team of Rackspace's best engineers. This team provides ongoing guidance, platform optimization, and troubleshooting for customers whose hosted infrastructure is the lifeblood of their business. "At this point in our evolution, we have the ability to deal with the top shelf providers in any area. Rackspace made the most sense to us," says Greg Selkoe, Karmaloop CEO.

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AT-A-GLANCE

CUSTOMER'S BUSINESS:

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CHALLENGES:

Karmaloop runs a big website which must be able to handle a very heavy load, fluctuations in demand, rapid page loads, high scalability, and high application performance

RACKSPACE SOLUTION:

Rackspace® Critical Application Services, Fanatical Support® and Dedicated Servers running production sites, which includes backend servers, middle tier servers, and front end web servers

BUSINESS OUTCOME:

Hosting in the retail ecommerce vertical with Rackspace allows Karmaloop to apply their resources where they can provide the most value-add to their customers, allowing them to focus on the best store they can have, the best promotions for customers, and less time spent worrying about the infrastructure that is running the website

"It doesn't get much more important when you're an ecommerce company than running the infrastructure that runs your site. That's your product. And so you have to have somebody that you trust in order to do that. If that service goes down, our company is down, our revenue stops. And because of that, we consider Rackspace a trusted partner."

Gary Rush
CTO, Karmaloop

"The hosting company holds our heart in their hands. They can shut it down any time if they make any mistake. We need to know that our heart surgeon is the best in the world and the person is going to keep us running and healthy all the time. We feel very confident with Rackspace Hosting in giving our heart – our entire online store – in their hands."

Greg Selko
CEO, Karmaloop

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RUNNING A BIG ECOMMERCE WEBSITE

Karmaloop incorporates an in-house built ecommerce platform, using a proprietary solution on the Microsoft stack, with a variety of .NET tools with SQL servers on the backend. The primary needs that the company must have running a large infrastructure like Karmaloop are speed, performance and reliability. "We run a big website which must be able to handle a very heavy load, fluctuations in demand, rapid page loads, high scalability, and high application performance," explains Gary Rush, CTO of Karmaloop.

And, Karmaloop can't afford for their site to go down, thus the need for an on call support team that can help fix any problems with their hosting immediately. "Fanatical Support allows Karmaloop to be confident that when issues arise, no matter what the need, no matter what the time, the Rackspace support team is there until the problem is resolved," says Rush.

From a PCI compliance standpoint, Karmaloop uses a tokenization vendor for storing credit card information data, but counts on Rackspace for their hosted infrastructure security. "It doesn't get much more important when you're an ecommerce company than running the infrastructure that runs your site," continues Rush. "That's your product. And so you have to have somebody that you trust in order to do that. If that service goes down, our company is down, our revenue stops. And because of that, we consider Rackspace a trusted partner."

PROVIDING SCALING, PERFORMANCE AND UPTIME

Karmaloop hosts all of the gear that runs their production website at Rackspace, which includes backend servers, middle tier servers, and front end web servers. With Rackspace, Karmaloop can deploy a variety of state of the art servers whenever necessary, bring those servers to scale quickly, which fundamentally allows the company to keep the user performance great, page load time very fast, and provide Karmaloop customers with an uptime of nearly 100%. "If it's running the Karmaloop production site, it's running on Rackspace," says Rush.

Rackspace enables Karmaloop to add resources as they need them, allowing them to 'buy' the baseline capacity and 'rent' the capacity needed for seasonal spikes. During the 2012 holiday season, Karmaloop's sales were up 60% from Black Friday to Cyber Monday and overall sales growth was up 40% year to date.

The Rackspace support team was ready for Karmaloop's holiday site traffic, having already completed performance and load testing to help ensure that the infrastructure could handle the upcoming load. "In our case, we tested up to a level that we felt was five times the volume that we would see during that Black Friday to Cyber Monday peak traffic period," says Rush. "Once we were able to satisfy ourselves that we were able to handle that load, we felt more confident."

"The hosting company holds our heart in their hands," concludes Selko. "They can shut it down any time if they make any mistake. We need to know that our heart surgeon is the best in the world and the person is going to keep us running and healthy all the time. We feel very confident with Rackspace Hosting in giving our heart – our entire online store – in their hands."

ALL BACKED BY FANATICAL SUPPORT.

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