

# CCS341- Unit1 Notes - Unit 1

data warehouse (Anna University)



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#### CCS341- DATA WAREHOUSING

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#### UNIT I INTRODUCTION TO DATA WAREHOUSE

Data warehouse Introduction - Data warehouse components- operational database Vs data warehouse - Data warehouse Architecture - Three-tier Data Warehouse Architecture - Autonomous Data Warehouse- Autonomous Data Warehouse Vs Snowflake - Modern Data Warehouse.

#### 1. Data warehouse

A Database Management System (DBMS) stores data in the form of tables and uses an ER model and the goal is ACID properties. For example, a DBMS of a college has tables for students, faculty, etc.

A Data Warehouse is separate from DBMS, it stores a huge amount of data, which is typically collected from multiple heterogeneous sources like files, DBMS, etc. The goal is to produce statistical results that may help in decision-making. For example, a college might want to see quick different results, like how the placement of CS students has improved over the last 10 years, in terms of salaries, counts, etc.

#### **Need for Data Warehouse**

An ordinary Database can store MBs to GBs of data and that too for a specific purpose. For storing data of TB size, the storage shifted to the Data Warehouse. Besides this, a transactional database doesn't offer itself to analytics. To effectively perform analytics, an organization keeps a central Data Warehouse to closely study its business by organizing, understanding, and using its historical data for making strategic decisions and analyzing trends.

#### **Benefits of Data Warehouse**

**Better business analytics:** Data warehouse plays an important role in every business to store and analysis of all the past data and records of the company. which can further increase the understanding or analysis of data for the company.

**Faster Queries:** The data warehouse is designed to handle large queries that's why it runs queries faster than the database.

**Improved data Quality:** In the data warehouse the data you gathered from different sources is being stored and analyzed it does not interfere with or add data by itself so your quality of data is maintained and if you get any issue regarding data quality then the data warehouse team will solve this.

**Historical Insight:** The warehouse stores all your historical data which contains details about the business so that one can analyze it at any time and extract insights from it.

**Data Warehouse vs DBMS** 



Database	Data Warehouse
A common Database is based on operational or transactional processing. Each operation is an indivisible transaction.	A data Warehouse is based on analytical processing.
Generally, a Database stores current and up-to-date data which is used for daily operations.	A Data Warehouse maintains historical data over time. Historical data is the data kept over years and can used for trend analysis, make future predictions and decision support.
A database is generally application specific.  Example – A database stores related data, such as the student details in a school.	A Data Warehouse is integrated generally at the organization level, by combining data from different databases.  Example – A data warehouse integrates the data from one or more databases, so that analysis can be done to get results, such as the best performing school in a city.
Constructing a Database is not so expensive.	Constructing a Data Warehouse can be expensive.

## **Example Applications of Data Warehousing**

Data Warehousing can be applied anywhere where we have a huge amount of data and we want to see statistical results that help in decision making.

- Social Media Websites: The social networking websites like Facebook, Twitter, Linkedin, etc. are based on analyzing large data sets. These sites gather data related to members, groups, locations, etc., and store it in a single central repository. Being a large amount of data, Data Warehouse is needed for implementing the same.
- **Banking:** Most of the banks these days use warehouses to see the spending patterns of account/cardholders. They use this to provide them with special offers, deals, etc.
- **Government:** Government uses a data warehouse to store and analyze tax payments which are used to detect tax thefts.

## **Features of Data Warehousing**

Data warehousing is essential for modern data management, providing a strong foundation for organizations to consolidate and analyze data strategically. Its distinguishing features empower businesses with the tools to make informed decisions and extract valuable insights from their data.

• Centralized Data Repository: Data warehousing provides a centralized repository for all enterprise data from various sources, such as transactional databases, operational systems,

- and external sources. This enables organizations to have a comprehensive view of their data, which can help in making informed business decisions.
- **Data Integration:** Data warehousing integrates data from different sources into a single, unified view, which can help in eliminating data silos and reducing data inconsistencies.
- **Historical Data Storage:** Data warehousing stores historical data, which enables organizations to analyze data trends over time. This can help in identifying patterns and anomalies in the data, which can be used to improve business performance.
- **Query and Analysis:** Data warehousing provides powerful query and analysis capabilities that enable users to explore and analyze data in different ways. This can help in identifying patterns and trends, and can also help in making informed business decisions.
- **Data Transformation:** Data warehousing includes a process of data transformation, which involves cleaning, filtering, and formatting data from various sources to make it consistent and usable. This can help in improving data quality and reducing data inconsistencies.
- **Data Mining:** Data warehousing provides data mining capabilities, which enable organizations to discover hidden patterns and relationships in their data. This can help in identifying new opportunities, predicting future trends, and mitigating risks.
- **Data Security:** Data warehousing provides robust data security features, such as access controls, data encryption, and data backups, which ensure that the data is secure and protected from unauthorized access.

## **Advantages of Data Warehousing**

- **Intelligent Decision-Making:** With centralized data in warehouses, decisions may be made more quickly and intelligently.
- Business Intelligence: Provides strong operational insights through business intelligence.
- **Historical Analysis:** Predictions and trend analysis are made easier by storing past data.
- Data Quality: Guarantees data quality and consistency for trustworthy reporting.
- Scalability: Capable of managing massive data volumes and expanding to meet changing requirements.
- Effective Queries: Fast and effective data retrieval is made possible by an optimized structure.
- **Cost reductions:** Data warehousing can result in cost savings over time by reducing data management procedures and increasing overall efficiency, even when there are setup costs initially.
- **Data security:** Data warehouses employ security protocols to safeguard confidential information, guaranteeing that only authorized personnel are granted access to certain data.

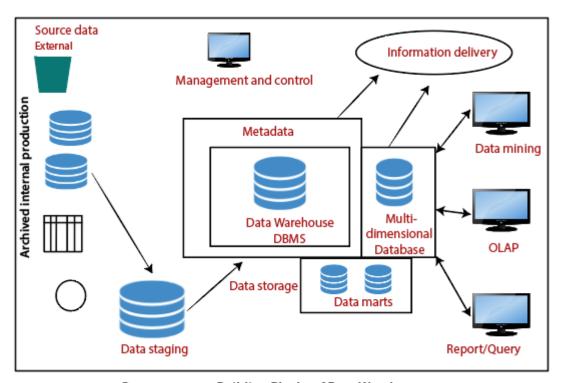
## **Disadvantages of Data Warehousing**

- **Cost:** Building a data warehouse can be expensive, requiring significant investments in hardware, software, and personnel.
- **Complexity:** Data warehousing can be complex, and businesses may need to hire specialized personnel to manage the system.
- **Time-consuming:** Building a data warehouse can take a significant amount of time, requiring businesses to be patient and committed to the process.
- **Data integration challenges:** Data from different sources can be challenging to integrate, requiring significant effort to ensure consistency and accuracy.
- **Data security:** Data warehousing can pose data security risks, and businesses must take measures to protect sensitive data from unauthorized access or breaches.

#### 1.2. Data warehouse components



Architecture is the proper arrangement of the elements. We build a data warehouse with software and hardware components. To suit the requirements of our organizations, we arrange these building we may want to boost up another part with extra tools and services. All of these depends on our circumstances.



Components or Building Blocks of Data Warehouse

The figure shows the essential elements of a typical warehouse. We see the Source Data component shows on the left. The Data staging element serves as the next building block. In the middle, we see the Data Storage component that handles the data warehouses data. This element not only stores and manages the data; it also keeps track of data using the metadata repository. The Information Delivery component shows on the right consists of all the different ways of making the information from the data warehouses available to the users.

#### 1.2.1. Source Data Component

Source data coming into the data warehouses may be grouped into four broad categories:

- **Production Data:** This type of data comes from the different operating systems of the enterprise. Based on the data requirements in the data warehouse, we choose segments of the data from the various operational modes.
- **Internal Data:** In each organization, the client keeps their "**private**" spreadsheets, reports, customer profiles, and sometimes even department databases. This is the internal data, part of which could be useful in a data warehouse.
- **Archived Data:** Operational systems are mainly intended to run the current business. In every operational system, we periodically take the old data and store it in achieved files.
- External Data: Most executives depend on information from external sources for a large percentage of the information they use. They use statistics associating to their industry produced by the external department.

## 1.2.2. Data Staging Component

After we have been extracted data from various operational systems and external sources, we have to prepare the files for storing in the data warehouse. The extracted data coming from several different sources need to be changed, converted, and made ready in a format that is relevant to be saved for querying and analysis.

- 1) Data Extraction: This method has to deal with numerous data sources. We have to employ the appropriate techniques for each data source.
- **2) Data Transformation:** As we know, data for a data warehouse comes from many different sources. If data extraction for a data warehouse posture big challenges, data transformation present even significant challenges. We perform several individual tasks as part of data transformation.

First, we clean the data extracted from each source. Cleaning may be the correction of misspellings or may deal with providing default values for missing data elements, or elimination of duplicates when we bring in the same data from various source systems.

Standardization of data components forms a large part of data transformation. Data transformation contains many forms of combining pieces of data from different sources. We combine data from single source record or related data parts from many source records.

On the other hand, data transformation also contains purging source data that is not useful and separating outsource records into new combinations. Sorting and merging of data take place on a large scale in the data staging area. When the data transformation function ends, we have a collection of integrated data that is cleaned, standardized, and summarized.

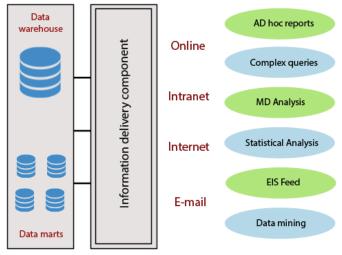
**3) Data Loading:** Two distinct categories of tasks form data loading functions. When we complete the structure and construction of the data warehouse and go live for the first time, we do the initial loading of the information into the data warehouse storage. The initial load moves high volumes of data using up a substantial amount of time.

## 1.2.3. Data Storage Components

Data storage for the data warehousing is a split repository. The data repositories for the operational systems generally include only the current data. Also, these data repositories include the data structured in highly normalized for fast and efficient processing.

## **Information Delivery Component**

The information delivery element is used to enable the process of subscribing for data warehouse files and having it transferred to one or more destinations according to some customer-specified scheduling algorithm.



Information delivery component

## **Metadata Component**

Metadata in a data warehouse is equal to the data dictionary or the data catalog in a database management system. In the data dictionary, we keep the data about the logical data structures, the data about the records and addresses, the information about the indexes, and so on.

#### **Data Marts**

It includes a subset of corporate-wide data that is of value to a specific group of users. The scope is confined to particular selected subjects. Data in a data warehouse should be a fairly current, but not mainly up to the minute, although development in the data warehouse industry has made standard and incremental data dumps more achievable. Data marts are lower than data warehouses and usually contain organization. The current trends in data warehousing are to developed a data warehouse with several smaller related data marts for particular kinds of queries and reports.

## Management and Control Component

The management and control elements coordinate the services and functions within the data warehouse. These components control the data transformation and the data transfer into the data warehouse storage. On the other hand, it moderates the data delivery to the clients. Its work with the database management systems and authorizes data to be correctly saved in the repositories. It monitors the movement of information into the staging method and from there into the data warehouses storage itself.

#### Why we need a separate Data Warehouse?

- Data Warehouse queries are complex because they involve the computation of large groups of data at summarized levels.
- It may require the use of distinctive data organization, access, and implementation method based on multidimensional views.
- Performing OLAP queries in operational database degrade the performance of functional tasks
- Data Warehouse is used for analysis and decision making in which extensive database is required, including historical data, which operational database does not typically maintain.
- The separation of an operational database from data warehouses is based on the different structures and uses of data in these systems.

• Because the two systems provide different functionalities and require different kinds of data, it is necessary to maintain separate databases.

Database	Data Warehouse
1. It is used for Online Transactional Processing (OLTP) but can be used for other objectives such as Data Warehousing. This records the data from the clients for history.	1. It is used for Online Analytical Processing (OLAP). This reads the historical information for the customers for business decisions.
2. The tables and joins are complicated since they are normalized for RDBMS. This is done to reduce redundant files and to save storage space.	2. The tables and joins are accessible since they are de-normalized. This is done to minimize the response time for analytical queries.
3. Data is dynamic	3. Data is largely static
4. <b>Entity:</b> Relational modeling procedures are used for RDBMS database design.	4. <b>Data:</b> Modeling approach are used for the Data Warehouse design.
5. Optimized for write operations.	5. Optimized for read operations.
6. Performance is low for analysis queries.	6. High performance for analytical queries.
7. The database is the place where the data is taken as a base and managed to get available fast and efficient access.	7. Data Warehouse is the place where the application data is handled for analysis and reporting objectives.

#### 1.3. operational database Vs data warehouse

## Difference between Operational Database and Data Warehouse

The Operational Database is the source of information for the data warehouse. It includes detailed information used to run the day to day operations of the business. The data frequently changes as updates are made and reflect the current value of the last transactions.

Operational Database Management Systems also called as OLTP (Online Transactions Processing Databases), are used to manage dynamic data in real-time.

Data Warehouse Systems serve users or knowledge workers in the purpose of data analysis and decision-making. Such systems can organize and present information in specific formats to accommodate the diverse needs of various users. These systems are called as Online-Analytical Processing (OLAP) Systems.

Data Warehouse and the OLTP database are both relational databases. However, the goals of both these databases are different.



Operational Database	Data Warehouse
Operational systems are designed to support high-volume transaction processing.	Data warehousing systems are typically designed to support high-volume analytical processing (i.e., OLAP).
Operational systems are usually concerned with current data.	Data warehousing systems are usually concerned with historical data.
Data within operational systems are mainly updated regularly according to need.	Non-volatile, new data may be added regularly. Once Added rarely changed.
It is designed for real-time business dealing and processes.	It is designed for analysis of business measures by subject area, categories, and attributes.
It is optimized for a simple set of transactions, generally adding or retrieving a single row at a time per table.	It is optimized for extent loads and high, complex, unpredictable queries that access many rows per table.
It is optimized for validation of incoming information during transactions, uses validation data tables.	Loaded with consistent, valid information, requires no real-time validation.
It supports thousands of concurrent clients.	It supports a few concurrent clients relative to OLTP.
Operational systems are widely process-oriented.	Data warehousing systems are widely subject-oriented
Operational systems are usually optimized to perform fast inserts and updates of associatively small volumes of data.	
Data In	Data Out
Less Number of data accessed.	Large Number of data accessed.
Relational databases are created for on-line transactional Processing (OLTP)	Data Warehouse designed for on-line Analytical Processing (OLAP)

## Difference between OLTP and OLAP

# **OLTP System**

OLTP System handle with operational data. Operational data are those data contained in the operation of a particular system. Example, ATM transactions and Bank transactions, etc.

## **OLAP System**

OLAP handle with Historical Data or Archival Data. Historical data are those data that are achieved over a long period. For example, if we collect the last 10 years information about flight reservation, the data can give us much meaningful data such as the trends in the reservation. This may provide useful information like peak time of travel, what kind of people are traveling in various classes (Economy/Business) etc.

The major difference between an OLTP and OLAP system is the amount of data analyzed in a single transaction. Whereas an OLTP manage many concurrent customers and queries touching only an individual record or limited groups of files at a time. An OLAP system must have the capability to operate on millions of files to answer a single query.

Feature	OLTP	OLAP
Characteristic	It is a system which is used to manage operational Data.	It is a system which is used to manage informational Data.
Users	Clerks, clients, and information technology professionals.	Knowledge workers, including managers, executives, and analysts.
System orientation	OLTP system is a customer- oriented, transaction, and query processing are done by clerks, clients, and information technology professionals.	OLAP system is market-oriented, knowledge workers including managers, do data analysts executive and analysts.
Data contents	OLTP system manages current data that too detailed and are used for decision making.	OLAP system manages a large amount of historical data, provides facilitates for summarization and aggregation, and stores and manages data at different levels of granularity. This information makes the data more comfortable to use in informed decision making.
<b>Database Size</b>	100 MB-GB	100 GB-TB
Database design	OLTP system usually uses an entity-relationship (ER) data model and application-oriented database design.	OLAP system typically uses either a star or snowflake model and subject-oriented database design.
View	OLTP system focuses primarily on the current data within an enterprise or department, without	OLAP system often spans multiple versions of a database schema, due to the evolutionary process of an organization. OLAP systems also

	referring to historical information or data in different organizations.	deal with data that originates from various organizations, integrating information from many data stores.
Volume of data	Not very large	Because of their large volume, OLAP data are stored on multiple storage media.
Access patterns	The access patterns of an OLTP system subsist mainly of short, atomic transactions. Such a system requires concurrency control and recovery techniques.	Accesses to OLAP systems are mostly read- only methods because of these data warehouses stores historical data.
Access mode	Read/write	Mostly write
Insert and Updates	Short and fast inserts and updates proposed by end-users.	Periodic long-running batch jobs refresh the data.
Number of records accessed	Tens	Millions
Normalization	Fully Normalized	Partially Normalized
Processing Speed	Very Fast	It depends on the amount of files contained, batch data refresh, and complex query may take many hours, and query speed can be upgraded by creating indexes.

## **Data Warehouse Architecture**

Why do Business Analysts need Data Warehouse?

A data warehouse is a repository of an organization's electronically stored data. Data warehouses are designed to facilitate reporting and analysis. It provides many advantages to business analysts as follows:

- 1. A data warehouse may provide a competitive advantage by presenting relevant information from which to measure performance and make critical adjustments in order to help win over competitors.
- 2. A data warehouse can enhance business productivity since it is able to quickly and efficiently gather information, which accurately describes the organization.
- 3. A data warehouse facilitates customer relationship marketing since it provides a consistent view of customers and items across all lines of business, all departments, and all markets.
- 4. A data warehouse may bring about cost reduction by tracking trends, patterns, and exceptions over long periods of time in a consistent and reliable manner.
- 5. A data warehouse provides a common data model for all data of interest, regardless of

the data's source. This makes it easier to report and analyze information than it would be if multiple data models from disparate sources were used to retrieve information such as sales invoices, order receipts, general ledger charges, etc.

6. Because they are separate from operational systems, data warehouses provide retrieval of data without slowing down operational systems.

Process of Data Warehouse Design

A data warehouse can be built using three approaches:

- 1. A top-down approach
- 2. A bottom-up approach
- 3. A combination of both approaches

The top-down approach starts with the overall design and planning. It is useful in cases where the technology is mature and well-known, and where the business problems that must be solved are clear and well-understood.

The bottom-up approach starts with experiments and prototypes. This is useful in the early stage of business modeling and technology development. It allows an organisation to move forward at considerably less expense and to evaluate the benefits of the technology before making significant commitments.

In the combined approach, an organisation can exploit the planned and strategic nature of the top-down approach while retaining the rapid implementation and opportunistic application of the bottom-up approach.

In general, the warehouse design process consists of the following steps:

- 1. Choose a business process to model, e.g., orders, invoices, shipments, inventory, account administration, sales, and the general ledger. If the business process is organisational and involves multiple, complex object collections, a data warehouse model should be followed. However, if the process is departmental and focuses on the analysis of one kind of business process, a data mart model should be chosen.
- 2. Choose the grain of the business process. The grain is the fundamental, atomic level of data to be represented in the fact table for this process, e.g., individual transactions, individual daily snapshots, etc.
- 3. Choose the dimensions that will apply to each fact table record. Typical dimensions are time, item, customer, supplier, warehouse, transaction type, and status.
- 4. Choose the measures that will populate each fact table record. Typical measures are numeric additive quantities like dollars-sold and units-sold.

Once a data warehouse is designed and constructed, the initial deployment of the warehouse includes initial installation, rollout planning, training and orientation. Platform upgrades and maintenance must also be considered. Data warehouse administration will include data

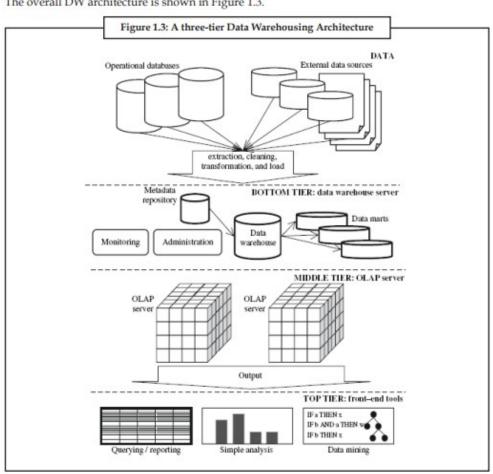


refreshment, data source synchronisation, planning for disaster recovery, managing access control and security, managing data growth, managing database performance, and data warehouse enhancement and extension.

#### A Three-tier Data Warehouse Architecture

Data Warehouses generally have a three-level (tier) architecture that includes:

- 1. A bottom tier that consists of the Data Warehouse server, which is almost always a RDBMS. It may include several specialised data marts and a metadata repository,
- 2. A middle tier that consists of an OLAP server for fast querying of the data warehouse. The OLAP server is typically implemented using either (1) a Relational OLAP (ROLAP) model, i.e., an extended relational DBMS that maps operations on multidimensional data to standard relational operations; or (2) a Multidimensional OLAP (MOLAP) model, i.e., a special purpose server that directly implements multidimensional data and operations.
- 3. A top tier that includes front-end tools for displaying results provided by OLAP, as well as additional tools for data mining of the OLAP-generated data.



The overall DW architecture is shown in Figure 1.3.

#### **Data Warehouse Models**

From the architecture point of view, there are three data warehouse models: the virtual warehouse, the data mart, and the enterprise warehouse.

**Virtual Warehouse:** A virtual warehouse is created based on a set of views defined for an operational RDBMS. This warehouse type is relatively easy to build but requires excess computational capacity of the underlying operational database system. The users directly access operational data via middleware tools. This architecture is feasible only if queries are posed infrequently, and usually is used as a temporary solution until a permanent data warehouse is developed.

**Data Mart:** The data mart contains a subset of the organisation-wide data that is of value to a small group of users, e.g., marketing or customer service. This is usually a precursor (and/or a successor) of the actual data warehouse, which differs with respect to the scope that is confined to a specific group of users.

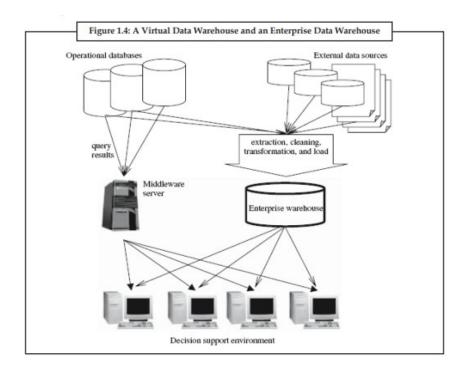
Depending on the source of data, data marts can be categorized into the following two classes:

- 1. Independent data marts are sourced from data captured from one or more operational systems or external information providers, or from data generated locally within a particular department or geographic area.
- 2. Dependent data marts are sourced directly from enterprise data warehouses.

**Enterprise warehouse:** This warehouse type holds all information about subjects spanning the entire organisation. For a medium- to a large-size company, usually several years are needed to design and build the enterprise warehouse.

The differences between the virtual and the enterprise DWs are shown in Figure 1.4. Data marts can also be created as successors of an enterprise data warehouse. In this case, the DW consists of an enterprise warehouse and (several) data marts.





#### **Autonomous Data Warehouse**

Autonomous Data Warehouse (ADW) is a cloud-based database service provided by Oracle. It is part of Oracle's Autonomous Database offerings, which also include Autonomous Transaction Processing (ATP). ADW is designed to simplify database management, reduce operational costs, and improve performance by leveraging automation and cloud technologies.

## **Key features of Oracle Autonomous Data Warehouse include:**

- 1. **Automation:** ADW automates various database management tasks, such as provisioning, patching, tuning, and backups. This helps to reduce manual effort, minimize errors, and enhance overall system performance.
- 2. **Self-Driving Capability:** The "self-driving" aspect of ADW means that the database can automatically adapt to changing workloads, optimize itself for performance, and apply security updates without human intervention.
- 3. **Scalability:** ADW provides the ability to easily scale computing resources up or down based on demand. This ensures that the database can handle varying workloads efficiently.
- 4. **Performance:** With features like automatic indexing, performance tuning, and in-memory processing, ADW aims to deliver high-performance analytics and reporting capabilities.
- **5. Security:** ADW incorporates security measures such as encryption, access controls, and auditing to protect sensitive data. Oracle also manages and applies security patches automatically.
- 6. **Compatibility:** ADW is compatible with various data integration and analytics tools, making it easier to integrate into existing workflows and environments.

- 7. **Cloud-Native:** Being a cloud-based service, ADW is hosted on Oracle Cloud Infrastructure. This allows users to take advantage of the scalability, flexibility, and pay-as-you-go pricing model associated with cloud computing.
- 8. **Support for Multi-Model Data:** ADW supports both relational and non-relational data types, making it suitable for a variety of data processing needs.

#### Autonomous Data Warehouse Vs Snowflake

Oracle Autonomous Data Warehouse (ADW) and Snowflake are both cloud-based data warehousing solutions, but they have some differences in terms of architecture, features, and approach to data management. Here's a comparison between Oracle Autonomous Data Warehouse and Snowflake:

#### 1. Vendor:

- Oracle ADW is a product of Oracle Corporation, a well-established database vendor with a long history in the industry.
- Snowflake is a cloud-native data warehousing platform developed by Snowflake Computing, a newer entrant to the market.

#### 2. Architecture:

- Oracle ADW is built on Oracle Database technology and is part of the Oracle Cloud Infrastructure. It utilizes Oracle's Autonomous Database technology, which includes self-driving, self-securing, and self-repairing capabilities.
- Snowflake is built as a multi-cloud, multi-cluster, and multi-region data warehouse service. It has a unique architecture that separates storage and compute resources, providing elasticity and scalability.

#### 3. Automation:

- Both ADW and Snowflake emphasize automation. ADW, as part of the Oracle
   Autonomous Database family, is designed to automate various database management
   tasks, including provisioning, patching, and tuning.
- Snowflake also offers automation features, such as automatic scaling of compute resources based on demand and automatic performance optimization.

### 4. Scalability:

- ADW provides the ability to scale computing resources up or down based on workload demands, allowing for flexibility in resource allocation.
- Snowflake's architecture allows for independent scaling of compute and storage, providing the ability to scale resources independently, and it automatically handles the distribution of data across clusters.



#### 5. Performance:

- Both ADW and Snowflake aim to provide high-performance data warehousing.
   ADW includes features like automatic indexing and in-memory processing.
- Snowflake is known for its ease of scaling, enabling users to achieve high performance by adding or removing compute resources as needed.

## 6. Multi-Cloud Support:

- Snowflake is designed to work seamlessly across multiple cloud providers, such as AWS, Azure, and Google Cloud Platform, providing customers with flexibility in choosing their preferred cloud infrastructure.
- Oracle ADW is part of the Oracle Cloud Infrastructure and is primarily hosted on Oracle's cloud.

## 7. Pricing Model:

- Both ADW and Snowflake offer consumption-based pricing models. Snowflake's
  pricing is based on the amount of storage used and the amount of compute resources
  consumed.
- Oracle ADW follows a similar model, charging users based on the resources they consume.

#### **Modern Data Warehouse**

A modern data warehouse (MDW) is an evolution of traditional data warehousing approaches, leveraging contemporary technologies, architectures, and best practices to address the growing challenges and requirements of handling and analyzing large volumes of data. Here are key characteristics and components of a modern data warehouse:

### 1. Cloud-Native Architecture:

 Modern data warehouses are often built on cloud platforms, such as AWS, Azure, or Google Cloud, to take advantage of scalable and flexible computing resources, as well as the ability to pay for resources on a consumption basis.

## 2. Data Lakes Integration:

 Integration with data lakes allows for the storage and analysis of both structured and unstructured data. This integration supports diverse data types and enables more comprehensive analytics.

#### 3. Scalability:

 Modern data warehouses are designed to scale horizontally and vertically, allowing organizations to easily add or remove resources based on data volume and processing needs.

## 4. Automated Data Management:

 Automation is a key aspect, covering various tasks such as data ingestion, data transformation, and data quality checks. Automated processes reduce manual effort, enhance efficiency, and improve overall system reliability.

#### 5. Data Virtualization:

• Data virtualization enables users to access and analyze data without physically moving it. This can be particularly useful for integrating data from multiple sources and providing a unified view without the need for extensive data movement.

## 6. Advanced Analytics and Machine Learning:

 Modern data warehouses often incorporate advanced analytics and machine learning capabilities directly within the platform. This allows organizations to derive insights from data and build predictive models without having to move the data to external systems.

## 7. Real-Time Data Processing:

The ability to handle real-time data processing and analytics is a crucial aspect of a
modern data warehouse. This is especially important for organizations that require
up-to-the-minute insights for decision-making.

## 8. Security and Compliance:

• Security features are a priority, including robust authentication, encryption, and compliance with regulatory standards. Modern data warehouses often provide fine-grained access controls to ensure data privacy and security.

## 9. Cost Management:

Cost-effective solutions are a focus, with modern data warehouses allowing
organizations to pay for the resources they consume. This pay-as-you-go model is
often more cost-efficient than traditional on-premises solutions.

## 10. Integration with BI Tools and Visualization:

Seamless integration with business intelligence (BI) tools and visualization
platforms is essential to empower users to easily analyze and visualize data stored in
the warehouse.

#### 11. Flexible Data Models:

• Modern data warehouses support flexible data models, including both relational and non-relational data. This flexibility accommodates diverse data types and structures.



## 12. Data Governance:

• Robust data governance features are included to ensure data quality, lineage, and compliance with regulatory requirements. This includes metadata management, data cataloging, and lineage tracking.