



Services: Analytics
Industry: Performance sports apparel

Trading Partners: Amazon.com, Dick's Sporting Goods, and other retailers nationwide

Case Study: 2XU

2XU, a performance sports company based in Melbourne, Australia, has expanded well beyond its roots in triathlon gear into snowboarding, swimwear, cycling, running and other categories. 2XU apparel is sold at leading retailers in more than 50 countries, online retailers and via its own e-commerce website. 2XU's U.S. offices are in Carlsbad, Calif. The apparel maker operates two of its own U.S. stores in addition to the many sporting goods stores that carry its lines.

Improving 2XU Trading Partner Relationships



RETAILERS

With a strong omnichannel presence in Australia, 2XU's recent expansion into direct retail markets in North America has allowed the 10-year-old company to gain increased control over its product assortment and supply chain. "As a company that primarily in the United States was wholesale, omnichannel is expanding our breadth and also challenging us to innovate in ways we hadn't anticipated. We always anticipate product innovation but business platform innovation was something that wasn't on the forefront of our mind," Michelle Landis, director of sales planning at 2XU, told SPS Commerce In:fluence conference attendees.

Tailoring product assortments for North American consumers

Landis' familiarity with SPS Commerce solutions led 2XU to adopt the SPS enterprise analytics solution in 2014. Previously, 2XU's robust retail point of sale (POS) data was limited to the Australian market, and as the company grew, it lost sight of consumers in other world regions. "We shipped out product assortments from Australia to other parts of the globe based on a limited view of what customer demand is," Landis explained, noting 2XU relied on anecdotal information, requirements of its distributors and Australia-centric consumer preferences.

"We use the analytics platform to build collaborative relationships with our retail partners."

— Michelle Landis, director of sales planning at 2XU

The analytics solution has allowed 2XU to keep pace with the U.S. and Canadian consumer and align its products with seasonal demand and regional preferences. Landis gave an example of a 2XU men's running top that was sold in U.S. stores based on best-selling style attributes and color preferences in Australia. Using the SPS solution to access detailed U.S. POS data, 2XU determined that the style attribute and color selection on the men's item wasn't so popular among the American consumer.

Boosting sell-through rates

2XU took the POS data back to its Melbourne headquarters and went to work. In an 18-month process, after making style modifications and color assortment changes on the

men's item based on U.S. preferences, 2XU more than doubled its sell-through rate on the men's product to about a five percent or greater weekly sell-through rate. "We saw increased sell-through from when the product started to hit the floor," Landis said. The item grew to a whopping 25 percent of its U.S. running segment compared to nine percent the prior season.

Collaboration with retail partners is another benefit of the solution. "We use the analytics platform to build collaborative relationships with our retail partners. We build a product assortment that is appropriate for that particular customer who walks into their retail location and looks for 2XU at that store," Landis said.

Improved forecasting to meet retailer needs

SPS Enterprise Analytics has made planning and forecasting easier. "We're able to use previous POS history and future growth within some of our accounts to project what their needs are going to be over the next 30, 60 or 90 days," Landis said. "We also use the historical data with additional information such as future store growth, for expansion plans within stores to forecast retailer needs and make sure we have enough inventory to satisfy the demand."

Overall, the SPS solution enables 2XU to make more regionally appropriate product assortment decisions and increase its sell-through rates in North America, resulting in a more efficient supply chain. "As we grow as a company, we expect to be able to further use the SPS Enterprise Analytics data to create assortments that are regionally relevant and that speak to that customer within each of our markets," Landis concluded.

Hear Landis' session at SPS Commerce In:fluence to learn more about [2XU's use of analytics to drive its global growth](#).