

Aptos GM Jeremy Grunzweig, left, hosts a panel discussion with New Balance executives Dylan Bruntil, Kristen Scopelleti, Saul Sicard, James Hawkins and Tim Walsh.

How Aptos ONE 'Totally Changed the Game' for New Balance Fronted by a new pitchman in L.A. Angels player Shohei Ohtani, and backed by a decade of unified commerce experience, New Balance executives recently shared how their partnership with retail technology provider Aptos has been instrumental in the company's push into new markets.

"You can see we're all-in on Aptos," Tim Walsh, product manager for New Balance's Global Retail Technology, said during the Aptos Engage conference. "All of this has been an evolution over these years." He went on to say that while moving into Japan, Asia Pacific and the Middle East isn't "just an instant lift and shift," having experience with Aptos software solutions makes global expansion that much easier.

Walsh said implementing unified commerce has helped New Balance break down internal walls, an experience he said has been very helpful as it branches into what he calls "very siloed" regions.

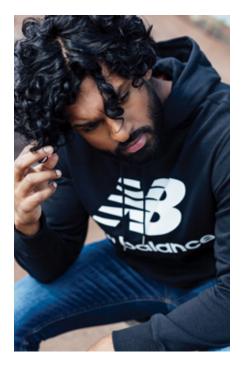
"Especially those regions in the [Asia-Pacific] market, they're essentially decentralized markets—even more so than European regions, which is a challenge," Walsh said. "The A-Pac stores, at least in the New Balance environment, are much smaller than in North America or Europe, so extending that inventory becomes critical for customer experience. And, it's a mobilefirst society; they find it on their phone and they want to get it when they want it."

Meanwhile, in its hometown of Boston, New Balance is experimenting with a bigger, experience-friendly storefront. Its flagship at 124 Newbury Street is the second such concept store for the brand after opening the first in Guangzhou, China last April. Dylan Bruntil, director of global retail technology for New Balance, said the new flagship is a far cry from the previous downtown location, which had been at the Boston Marathon finish line and crammed with merchandise.

"We're taking a different approach to 'less is more," Bruntil said. "[At the new store] 20 percent of our inventory equals 80 percent of our sales. Customers want to spend a little more time and get a true brand experience. We're trying to really evolutionize brand feel."

This cozier, less-stressful shopping experience is possible when e-commerce enables BOPIS on the consumer-facing end and precise inventory tracking on the back end right-sizing display quantities.





"This brand-new format... is all based on omni," Bruntil said. "In the store we have an area called the 'Made' area where everything is specifically made in the USA or United Kingdom and we purposely are not putting a lot of product in there because we know we have omni functionality. Our technology and store design have really been merged into one."

Saul Sicard, global retail technology project manager for New Balance, said Aptos' unified commerce software has helped the athletic brand to achieve "omni-enablement."

"We really just had to figure out what we wanted to do in the omni space; and we really wanted to buy anywhere, return anywhere and fulfill anywhere," Sicard said, describing an endless aisle in-store strategy. "If a customer wants a particular color and we didn't have it, we're able to use the Aptos system to say, 'where do we have it?"

As an official TCS New York City Marathon sponsor, New Balance leverages omnichannel to host race-day apparel sales every November in a customer-friendly environment.

Since taking over marathon sponsorship from Asics in 2017, New Balance has kept 60 registers running with each customer requiring less than 5 minutes to check out at the Javits Center experience.

"At the time we took over from Asics, we didn't get a lot of info—basically that they sold this many units with a rough category breakout, and so that first year was a little difficult developing a plan, trying to figure out the categories for display jackets, shoes, and making sure we were buying deep enough to support the sales," said James Hawkins, product manager for global retail technology for New Balance.

Today, New Balance has an events team that stages events like the New York City Marathon or RBC Brooklyn Half.

More recently, New Balance last November made the leap from Aptos Store to Aptos ONE, "a cloud-native, mobile-first, microservices-based retail experience platform," according to the software company.

"We're using the merchandising solution on the back end to do a lot of prework," Hawkins said. "All of the financial transactions are flowing through Sales Audit on a daily basis during the expo, and then using the retail analytics we introduced last April, we're able to do live sales reporting at the expo and then, from a hindsighting perspective, building out dashboards within that solution to be able to recap the event."

To kick off the more-than 13-month planning window for each marathon, Hawkins said the merchant team takes forecasts from New Balance's financial controller and breaks that inventory expectation into specific categories. From there, the buying team buys products from an assortment from global merchants and "ultimately, decides whatever specifically to sell through looking at a particular category, the depth of the product they're going to buy."

The planning teams review historical data to get a feel for which style of jacket, for example, will be a key seller that gets primary unit allocation, and fine-tunes the depth of the buy for different colorways.

Hawkins said the Aptos ONE system allows the team to set up events in a specific events format specific to a geographic location.

"It's all operational work behind the scenes," Hawkins said. "They'll write orders for the marathon, ship to a wholesale warehouse and most of the product will already be there, and sometime in August we ship it near the marathon."





Hawkins said 10-15 associates will inspect the products in September.

"It's a privilege actually, invite-only," Bruntil said of the associate staffing for the marathon event. "And when they go back, their stores are revitalized with all the vibrant experience, and it helps build store culture." Hawkins added that associates also gain experience working with Aptos ONE at the event, allowing New Balance to consolidate its many registers into one digital store, a convenience the company never had with its previous third-party provider. "Aptos ONE has totally changed the game," Bruntil added. "Not only did it save a lot of cost in terms of labor and time to [set] up, it literally saved the whole thing. Usually it takes two days to set up and last year it literally took just one day."

\*Originally published in Sourcing Journal.

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## About Aptos

Aptos is the global leader in unified commerce solutions for retailers. Our modern, cloud-native POS and advanced enterprise technologies are trusted by hundreds of retail brands around the world. For over 40 years, Aptos has delivered software solutions that help retailers inspire loyalty, maximize revenue and reduce costs.

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