How adidas achieved e-commerce success with Cloud Native technology

AT A GLANCE

In the space of a few short years, adidas achieved 100x growth in online retail, going from €40 million to €4 billion by building its own, revolutionary e-commerce platform. This level of exponential growth was facilitated by Cloud Native software development and rapid innovation cycles, established through expert guidance, personal support, and hands-on training through two very capable partners.

The typical pain points that can greatly hobble Cloud Native's impact were abstracted away from the adidas team, leaving them to focus on their core competencies: developing and driving innovative shopping experiences in a highly competitive sportswear market.

With the advantages of Cloud Native managed and maximized, adidas continues to be empowered to best serve its customers with the assurance that the resilience, reliability, and scalability of Cloud Native is secured now and in the future.

HOW THE JOURNEY STARTED

From the company that brought us the iconic “Impossible is nothing” slogan, it’s no wonder that adidas set its sights on growing its significant share of a highly competitive, dynamic, and fast-paced market.

Securing the status quo was not enough. adidas’s vision of the future included new revenue streams and go-to-market strategies like hype sales, which have now become synonymous with its e-commerce success.

To realize this vision, adidas turned to Cloud Native technology.

With the power to drive faster innovation and easier scalability, the Cloud Native approach has been embraced by pioneering companies around the world. However, the very same benefits that attract companies are also very difficult to manage if not accompanied by the constant evolution of people, tech, and processes.

Daniel Eichten, adidas, VP Enterprise Architecture

"This is truly the most important lesson of all, the number one thing to know about succeeding with Cloud Native: If you don’t have all three of these things evolving together: your tech, your processes, and your people, well... I don’t want to say your transformation is headed for certain failure, but you will have to hit some hard boundaries and some hard rocks before you really can get through."

Challenges

As a premier sportswear company, adidas zeroed in on the following challenges for its now biggest retail door — the e-commerce store:

- Enabling and scaling growth
- Fostering rapid innovation cycles
- Scaling to support high demand without compromising user experience
- Maintaining a competitive edge
- Increasing its retail opportunities
In order to make a significant difference to the business, bold steps were required, and as Daniel said, “Only with great risk do you get great rewards—and more project funding, right?”

In 2012, the company's e-commerce revenue totaled less than €40 million. However, it was clear that e-commerce would be the linchpin of future success for adidas and other retailers—and, without a robust e-commerce platform, growth would stall. The challenge that the adidas team faced was that it needed to build a Cloud Native platform that was reliable, fast, scalable, and efficient.

There are many ways to navigate the jungle, but you need to know what you’re looking for.

Brainstorming as a team, Daniel says, adidas’s guiding principle emerged: “We have to do things differently. What should this new world look like, what do we need it to contain?”

Together, they agreed on certain requirements:

- The solution should work on-premises and in the cloud.
- The solution should be open source and avoid vendor lock-in.
- The solution should be operable, observable, and elastic.

Well-versed with navigating the impossible, the adidas team knew it needed trusted partners to map the best path forward. The team understood that it would not be enough to simply buy a product—it needed operations, consulting, and instant and personal support.

In Kubernetes, we found something that made impossible things possible but easy things rather complicated.

Daniel Eichten, adidas, VP Enterprise Architecture

SOLUTION

The adidas team knew that even if it became the best at running Kubernetes clusters, this still wouldn’t achieve the company’s desired impact: increasing retail revenue and expanding its e-commerce footprint.

Winning the retail race includes focusing on your lane.

Together, Container Solutions and Giant Swarm are the ideal collaborators to ensure speed, efficiency, scalability, and reliability. These achievements are unlocked by focusing on three core pillars.

TECHNOLOGY

Providing a fully managed Cloud Native stack circled around Kubernetes, Giant Swarm does the heavy lifting to enable speed of delivery while ensuring extensive reliability and scalability.

Training engineers in industry best practices, and advising on technology choices based on their ability to integrate and scale, Container Solutions helps build long-term solutions.

OPERATIONS

Giant Swarm has become known for its approach that prioritizes real-time, real-human 24/7 communication and trouble-shooting via Slack instead of tedious ticketing systems.

Container Solutions coaches customers’ teams on principles and practices, to help keep Operations overhead to a minimum.

EVOLUTION

Container Solutions helps adidas automate many routine tasks, and equips the sportswear retailer with the know-how, best practices, and hands-on training that enriches the developer experience. It works hand-in-hand with Giant Swarm’s holistic support model, identifying immediate next steps while also keeping an eye on the big picture—including how technology choices made today will affect future options for the company, its business strategy, and IT teams.
RESULTS

Container Solutions and Giant Swarm work together to guarantee velocity and agility. With Container Solutions specializing in Cloud Native transformation, strategy, and engineering, and Giant Swarm operating the Cloud Native stack end-to-end, adidas is empowered to focus on what matters most: innovative shopping experiences for sportswear customers that drives revenue growth. As a member of the Container Solutions team puts it, “adidas’s business isn’t running Kubernetes clusters. Its business is selling clothing.”

When first embarking on this mission, adidas internalized the ethos of open source in ways that stretched beyond the conventional understanding of the term. Inviting renowned creatives to use the adidas toolset and heritage as a launching point for new products, adidas codified the wisdom of open source: Knowledge shared is knowledge gained. Working with the likes of Pharrell and Kanye West, adidas launched products that demanded an extraordinary platform.

And so, it was no surprise that adidas was an enthusiastic supporter of the open-source approach when it came to tech solutions. With the help of Container Solutions and Giant Swarm, adidas was ready to handle the enormous changes that rocked the retail world in 2020. The sportswear giant met the exploding need for fast, responsive online shopping, enjoying greater e-commerce success. Since adopting a Cloud Native approach adidas has achieved:

- CI/CD system generates 100,000 builds per month.
- 200 developers additionally transitioned to the new e-commerce platform overnight to counter Covid impact.
- A ‘data lake’ that has grown to more than 750 terabytes.
- 100x e-commerce revenue growth, soaring from €40 million in 2012 to €4 billion in 2020.

Giant Swarm empowers global companies to unleash the power of cloud-native technologies like Kubernetes to drive high-velocity innovation. 100% open-source with zero lock-ins and 24/7 business-critical management, Giant Swarm’s unique operating model is ideal for public or private cloud environments enabling DevOps teams to run free to deliver results.

ABOUT OUR PARTNERSHIP WITH CONTAINER SOLUTIONS

Together with Container Solutions we empower organizations and provide the tools and guidance needed to accelerate their cloud-native journey.