

A FASHIONABLE

ANALYSIS OF

asos



RIVERSIDE HIGH SCHOOL
COMPUTER CLUB

ALESSANDRO LEDDA -1921858
MARKETING MANAGEMENT
ASSIGNMENT 2 - 25%
LECTURER: TUSHARA BALENDRAN

CONTENTS

INTRODUCTION.	2
THE COMPANY.	3
PESTLE.	5
PORTERS 5 FORCES.	10
SWOT.	12
SEGMENTATION, TARGETING AND POSITIONING.	13
MARKETING MIX.	15
ANSOFF MATRIX AND CONSIDERATIONS.	20
REFERENCES.	22

ONLINE BUSINESS ENVIRONMENT IS GROWING CONSISTENTLY EVERY YEAR, CREATING A STRONGER CONTINUUM BETWEEN ONLINE AND OFFLINE CHANNELS, ALSO IMPROVING THE CUSTOMERS EXPERIENCES, NOWADAYS KNOWN AS *CROSS-SHOPPERS*¹.

BY THE WAY, IN THE ONLINE ENVIRONMENT THE TRUST, IN TERMS OF CONFIDENCE, INTEGRITY AND RELIABILITY, IS STILL PLAYING THE MAIN ROLE, SINCE WHEN WITHOUT IT WOULD NOT POSSIBLE COMPLETE THE PURCHASE JOURNEY. THE RELATION WITH THE DEVICE, MEDIATED BY TECHNOLOGY, IS DRIVEN BY THE PERCEPTION OF CONTROL, THAT THE CUSTOMER NEEDS AND IT COULD BE SEEN AS HIS/HER ABILITY AND CONFIDENCE IN THE ONLINE SHOPPING².

MARKETING LITERATURE HAS ALWAYS DEMONSTRATED HOW THE TRUST, BORN AND DEVELOPED IN THE OFFLINE ENVIRONMENT, IS POSITIVELY CONNECTED WITH THE INTENTION TO GO FURTHER, INTO THE ONLINE EXPERIENCE. BUT WHAT IS GOING TO CHANGE WHEN THE ONLINE CHANNEL IS THE MAIN ONE THROUGH THE COMPANY CAN IMPROVE AWARENESS AND PROMOTION? OBVIOUSLY FEELINGS LIKE FREEDOM AND CONTROL COULD HELP.

NOWADAYS THANKS TO NEW TARGETS (Z GENERATION, FOR EXAMPLE) IT SHOULD BE ONE MORE SILENT DEAL IN WHICH THE COMPANY AND THE NATIVE DIGITAL CUSTOMER CO-OPERATE IN THE CREATION OF THE COMMUNICATION'S NEW TONE OF VOICE. ESPECIALLY IN THE FASHION MARKET, AS ONE THE MOST KNOWN REALITIES TO EXPRESS OWN DESIRES³, CO-CREATION OF THE NEW MESSAGE IS MORE FOCUSED ON POWER AND STATUS: THIS IS THE CASE OF ASOS, ONLINE FASHION RETAILER, THAT IS FOLLOWING A MOBILE COMMUNICATION, CHARACTERISED BY AN INTERCHANGE OF IDEAS, STIMULI, IDENTITIES WITH ITS CUSTOMERS/CO-WORKERS.

1. LEVY, M. AND WEITZ, B.A. (2004), RETAILING MANAGEMENT, 5TH ED., MCGRAW-HILL IRWIN, NEW YORK, NY.
2. BOBBIT, L.M. AND DABHOLKAR, P.A. (2001), "INTEGRATING ATTITUDINAL THEORIES TO UNDERSTAND AND PREDICT USE OF TECHNOLOGY-BASE SELF-SERVICE", INTERNATIONAL JOURNAL OF SERVICE INDUSTRY MANAGEMENT, VOL. 12 NO. 5, PP. 423-50
3. STEELE, V. (1997) FIFTY YEARS OF FASHION: NEW LOOK TO NOW. YALE UNIVERSITY PRESS, NEW HAVEN, CT.

*[...] ASOS IS A UNIQUE, MULTI-PLATFORM EXPERIENCE THAT TRULY RESONATES WITH THE PEOPLE WHO USE IT, BECAUSE IT'S BUILT BY THEM. IT'S A PLACE TO DEVELOP YOUR OWN STYLE AND BE INSPIRED... AND, OF COURSE, TO SHOP.*⁴

ASOS IS A BRITISH ONLINE FASHION AND COSMETIC RETAILER, FOUNDED IN 2000 IN LONDON, BY NICK ROBERTSON, ANDREW REGAN, QUENTIN GRIFFITHS AND DEBORAH THORPE. THE HEADQUARTERS ARE IN CAMDEN TOWN, AT GREATER LONDON HOUSE WITH ADDITIONAL OFFICES IN PARIS, NEW YORK, BERLIN, AND BIRMINGHAM.

ORIGINALLY AS ASSEENONSCREEN , WITH THE TAGLINE "BUY WHAT YOU SEE ON FILM AND TV", IN 2003, SHAREHOLDERS AGREED TO CHANGE THE NAMES OF ASSEENONSCREEN HOLDINGS PLC AND ASSEENONSCREEN LIMITED TO ASOS PLC AND ASOS.COM LIMITED.

THE COMPANY SELLS OVER 850 BRANDS OF CLOTHING, ACCESSORIES, AND BEAUTY AND SHIPS TO ALL 196 COUNTRIES FROM FULFILMENT CENTRES IN THE UK, US AND EU. SINCE 2001 THE COMPANY WAS ADMITTED TO THE ALTERNATIVE INVESTMENT MARKET (AIM) ON THE LONDON STOCK EXCHANGE.

MISSION

BECOME THE WORLD'S NUMBER-ONE DESTINATION FOR FASHION-LOVING 20-SOMETHINGS, THROUGH THE BEST ONLINE CUSTOMERS EXPERIENCE

VALUES

CREATIVITY, POSITIVITY, DEMOCRACY, INCLUSIVITY, INTEGRITY

DRIVERS

*CUSTOMER-OBSESSED, ON-POINT PERSONALISATION
BEST IN CLASS FULFILMENT, LOCALISED EXPERIENCE*

⁴. [HTTPS://WWW.ASOSPLC.COM](https://www.asosplc.com)

THE COMPANY - GROWTH

4

2000

ASOS.COM - UK

2004

OWN LABEL FOR WOMEN

2005

ASOS BEAUTY

2006

FIRST UK ONLINE STORE TO
LAUNCH CATWALK VIDEOS



2007

OWN LABEL FOR MEN,
ASOS MAGAZINE

2010

SITES: AMERICAN, GERMAN,
FRENCH, ITALIAN (2011),
RUSSIAN (2012)

2010

INTERNATIONAL OFFICES

PRESENT

20.3 MILLIONS ACTIVATE
CUSTOMERS



POLITICAL AND GEOPOLITICAL FACTORS CAN INFLUENCE AND DISTURBATE FASHION INDUSTRY AS WELL. AS THE *MCKINSEY REPORT ON FASHION INDUSTRY* REPORTED "INSTABILITY, TERRORISM, BREXIT, AND STALLED TRADE DEALS WILL ALL INCREASE A PERVASIVE SENSE OF UNCERTAINTY IN THE GLOBAL ECONOMY".

- **BREXIT:** THE DECISION TO LEAVE EU BY THE UNITED KINGDOM COULD AFFECT THE FASHION INDUSTRY, SINCE WHEN THE POUND WILL BE WEAKER AND, PROBABLY, NEW TRADE RESTRICTIONS WILL BE SET UP.
- **DIGITAL SERVICE TAX:** THE INTRODUCTION OF 2% TAX FOR LARGE ONLINE BUSINESSES, IN UK, TO PROTECT OFFLINE STORES (ESPECIALLY DURING PANDEMIC COVID-19) CAN AFFECT THE FASHION INDUSTRY IN TERMS OF WEAKER PROFITABILITY.
- **DISADVANTAGES:** BOTH OF THESE FACTORS REPRESENT A DISADVANTAGE FOR ASOS AND ITS GLOBAL STRATEGY AROUND LOCALISED EXPERIENCE AND SHIPPINGS.



ECONOMIC FACTORS IN TERMS OF ECONOMIC GROWTH, INFLATION, DISPOSABLE INCOMES FOR CONSUMERS, AFFECT THE FASHION INDUSTRY FOR ITS PROFITABILITY.

- **COVID-19:** PANDEMIC IS CHANGING PRIORITIES FOR THE CONSUMERS, NOT JUST IN PURCHASES HABITS, WITH AN INCREASE IN ONLINE SHOPPING, BUT ALSO ABOUT RELATIONSHIPS WITH THE BRAND.

VALASSIS RESEARCH⁶ ILLUMINATES WHICH SHIFTS ARE AFFECTING THE CONSUMER BEHAVIOR DURING COVID-19:

- 76% ENJOY DISCOVERING NEW PRODUCTS BASED ON DEALS THEY RECEIVE FROM BRANDS
- +26% PLAN TO SHOP IN ONLINE FOR SALES AND PROMOTIONS;
- 46% IN PAYING MORE ATTENTION TO ADVERTISEMENTS OFFERING DEALS;
- 22% INFLUENCED BY SOCIAL MEDIA IN THE PURCHASE.

ALSO ABOUT THE LOYALTY:

- 24% IN BUYING A MIX OF USUAL BRAND AND NEW ONE;
- 13% CONSIDERING NEW BRANDS;
- 19% FEELING LESS BRAND LOAYL;
- 44% STILL PURCHASING THE TRADITIONAL BRAND.

ADVANTAGES: THIS DATA SEEM TO REPRESENT AN ADVANTAGE FOR ASOS, NOT JUST IN TERMS OG DIGITAL GROWTH, BUT ALSO BECAUSE IT IS BASING ITA STRATEGY ON THE FORMULA CUSTOMER-OBSSESSED, EVEN WITH LOYALTY PROGRAMS

- **BEYOND CHINA:** THE POPULATION OF CONSUMERS AGED 30 OR BELOW IN FIVE IDENTIFIED EXCITING MARKETS OUTSIDE OF CHINA WILL GROW TO BE MORE THAN DOUBLE THAT OF CHINA BY 2025. ⁷

DISADVANTAGES: SINCE WHEN ASOS CLOSED ITS LOCAL OPERATIONS IN CHINA AT A COST OF £10M, LESS THAN THREE YEARS AFTER IT LAUNCHED. THE DIVISION, MADE A LOSS OF £4M IN 2016

6. [HTTPS://ASSETS.VALASSIS.COM/WP-CONTENT/UPLOADS/2020/04/INFOGRAPHIC2_COVID_FINAL.PDF](https://assets.valassis.com/wp-content/uploads/2020/04/infographic2_COVID_FINAL.PDF)

7. MCKINSEY: THE STATE OF FASHION 2020 REPORT



SOCIAL ASPECTS CAN AFFECT THE BUSINESS ONLINE STRATEGY IN THE FASHION INDUSTRY, AS: **GENDER GAP IN INTERNET ACCESS:** IN EU THE GAP IS 5% (77% OF WOMEN USE INTERNET, IN OPPOSITE THAN 81% OF MEN); ⁸

MOBILE GENDER GAP: SOUTH ASIA HAS THE WIDEST MOBILE INTERNET GENDER GAP AT 51%; IN LOW AND MIDDLE-INCOME COUNTRIES KEY BARRIERS FOR WOMEN WHO ARE AWARE OF MOBILE INTERNET¹ DEPEND ON LITERACY AND SKILLS, AFFORDABILITY, SAFETY AND SECURITY⁸;

Z GENERATION: ACCEPTANCE OF SAME-SEX RELATIONSHIPS IS MUCH HIGHER ACROSS ALL GENERATIONS IN ESTABLISHED MARKETS (82%) AND EMERGING MARKETS (69%)⁹ ; ONLY TWO THIRDS IDENTIFY AS EXCLUSIVELY HETEROSEXUAL!¹⁰ ; TWICE (61%) AS LIKELY AS MILLENNIALS (36%) TO TRUST OTHER PEOPLE¹¹ ; BELIEF THAT EVERYTHING THEY READ ONLINE IS TRUE HAS BEEN FALLING; 77% PRIORITIZE SOCIAL ACTIVISM MORE THAN PREVIOUS GENERATIONS AND IN THE IMPORTANCE THEY PLACE ON WORKING AT ORGANIZATIONS WHOSE VALUES ALIGN WITH THEIR OWN.

ADVANTAGES: THESE FACTORS COULD BE REPRESENT AN ADVANTAGE FOR THE COMPANY, THROUGH THEM IT COULD IMPROVE THE INTEGRITY IN AWAERENESS AND FOCUSE ON A MORE GENDERLESS EXPERIENCE, WITHOUT BORDER

8. WORLD WEB FOUNDATION - REPORT 2020 [HTTPS://WEBFOUNDATION.ORG/2020/03/THE-GENDER-GAP-IN-INTERNET-ACCESS-USING-A-WOMEN-CENTRED-METHOD/](https://webfoundation.org/2020/03/the-gender-gap-in-internet-access-using-a-women-centred-method/)

9. GASMA, THE MOBILE GENDER GAP REPORT 2020

9. IPSOS GLOBAL TRENDS SURVEY, BASED ON 17,180 ADULTS AGED 16+ IN 22 COUNTRIES, 2016

10. IPSOS CONNECT FOR BBC NEWSBEAT, C. 3000 AGED 15+ AUG-SEP 2017

11. IPSOS MORI VERACITY INDEX



TECHNOLOGICAL FACTORS CAN AFFECT NOT JUST LOGISTIC OPERATIONS, BUT ALSO THE DATA MANAGEMENT IN THE FASHION INDUSTRY:

- **Z GENERATION:** YOUNGER CONSUMERS ARE TAKING MORE ACTION THAN EVER REGARDING DATA PRIVACY, ADJUSTING SETTINGS ON MOBILE (33%), SOCIAL MEDIA (26%) AND PROVIDING FAKE INFOS TO THE COMPANIES (19%); GEN Z ARE SLIGHTLY MORE TRUSTING RETAILERS WILL USE THEIR DATA CORRECTLY;
- **CYBERSECURITY:** 92% OF ORGANIZATIONS HAVE A CLOUD SECURITY READINESS GAP.¹³;
- **GDPR DATA PROTECTION IMPACT ASSESSMENT** FORMALISES A DETAILED SET OF INFORMATIONS THAT AN ORGANISATION MUST MAKE AVAILABLE COLLECTING PERSONAL DATA;
- **UK'S CODE OF NON-BROADCAST ADVERTISING AND DIRECT AND PROMOTIONAL MARKETING;**
- **FASHION TECH:** VIRTUAL MERCHANDISING, AUGMENTED REALITY AND VIRTUAL REALITY IN ONLINE EXPERIENCE, 3D SCANNING.

ADVANTAGES: ALL OF THESE FACTORS REPRESENT AN ADVANTAGE FOR ASOS: THE COMPANY IS DEDICATING A HUGE PERCENTAGE TO RESEARCH AND DEVELOPMENT AND IT HAS ACTIVATED MOST OF THESE NEW TRENDS.

12. DELOITTE/SSI 2016 CONSUMER SURVE, GEN Z - 301, MILLENNIALS - 558, GEN X - 306, BABY BOOMERS 374

13. [HTTPS://WWW.ORACLE.COM/A/OCOM/DOCS/CLOUD/ORACLE-CLOUD-THREAT-REPORT-2020.PDF](https://www.oracle.com/a/ocom/docs/cloud/oracle-cloud-threat-report-2020.pdf)



LEGAL FACTORS THAT COULD AFFECT THE FASHION INDUSTRY ARE REGARDING MOSTLY CONSUMERS' RIGHTS, AS:

- **CONSUMER CONTRACT REGULATION;**
- **PRIVACY AND ELECTRONIC COMMUNICATIONS REGULATION:** ESPECIALLY REFERRED TO DIRECT MARKETING
- **EU GEOBLOCKING REGULATION 2018/302.**

ADVANTAGES: REGULATIONS AND THEIR UPDATES COULD BE AN ADVANTAGE FOR ASOS, THROUGH WHICH IT COULD IMPROVE THE CUSTOMERS' PERSONALISED EXPERIENCE TO THE.



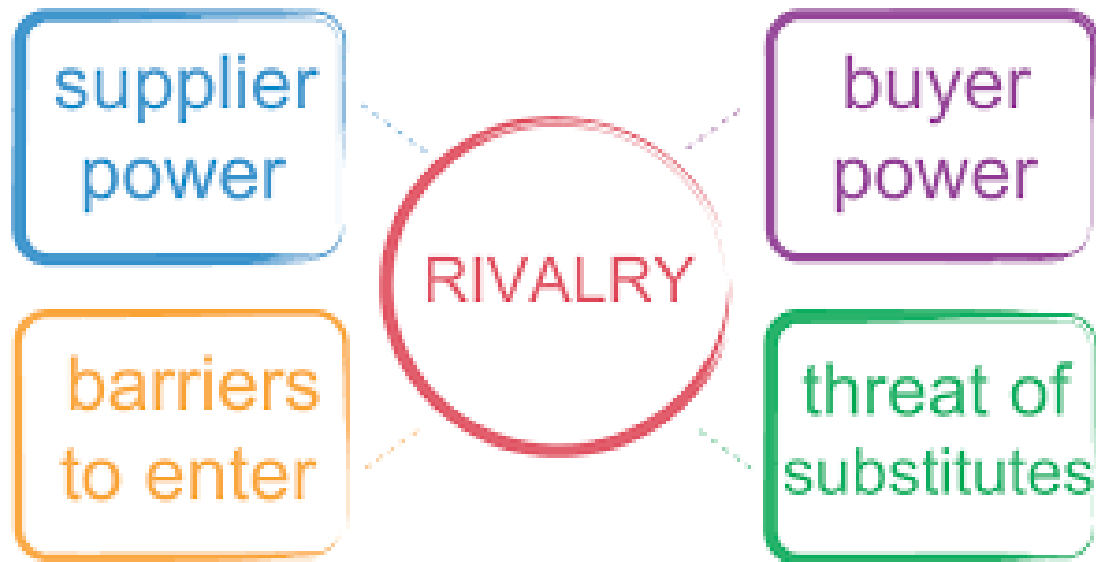
ENVIRONMENTAL ASPECTS REGARD:

- WORKPLACE EFFICIENCY
- AVAILABILITY OF RENEWABLE GOODS
- ENVIRONMENT-RELATED LAWS
- **SUSTAINABILITY:** 62% OF GENERATION Z, WHO WILL BEGIN ENTERING THE WORKFORCE, PREFER TO BUY FROM SUSTAINABLE BRAND; 54 % STATE THAT THEY ARE WILLING TO SPEND AN INCREMENTAL 10% OR MORE ON SUSTAINABLE PRODUCTS, WITH 50 PERCENT OF MILLENNIALS SAYING THE SAME¹⁴ ; 59% OF GENERATION Z AND 57% OF MILLENNIALS ARE BUYING UPCYCLED PRODUCTS.¹⁵

ADVANTAGES: ASOS HAS ALREADY INTEGRATED SOME ETHICAL BEHAVIOURS INTO ITS VALUE AND MISSION. IT COULD INCREASE HIS AWARENESS EXPLOITING THE CONCERNS OF THE GENERATION.

14. FIRST INSIGHT, GEN Z SHOPPERS DEMAND SUSTAINABLE RETAIL REPORT

15. FORBES, [HTTPS://WWW.FORBES.COM/SITES/GREGPETRO/2020/01/31/SUSTAINABLE-RETAIL-HOW-GEN-Z-IS-LEADING-THE-PACK/#7BAA21712CA3](https://www.forbes.com/sites/gregpetro/2020/01/31/sustainable-retail-how-gen-z-is-leading-the-pack/#7BAA21712CA3)



RIVALRY - LOW FORCE

AROUND FASHION INDUSTRY, THE ENVIRONEMENT IS CHARACTERISED BY DIFFERENT RETAILERS THAT SEEM OFFERING SAME PRODUCTS. IN THE CASE OF ASOS POSSIBLE COMPETITORS COULD BE CONSIDERED *TOPSHOP, ALLSAINTS, FARFETCH AND NEW LOOK*.

COMPARED TO THIS COMPANIES, ASOS IS SHOWING ONE MORE POWERFUL ENGAGEMENT OF ITS CUSTOMERS THROUGH ITS SOCIAL MEDIA ACCOUNTS, COUNTING OVER 20 MILLIONS INTERACTIONS IN THE LAST YEAR. THE FORMULA CUSTOMER-OBSSESSED AND THE CONSTANT INVESTMENTS IN RESEARCH AND DEVELOPMENTS MAKE ASOS AS STRENGTH AS TO DON'T CONSIDER ITS COMPETITOR LIKE SCARED THREATS, EVEN BECAUSE IT IS CONSIDERED ONE OF THE MOST EFFICIENT UK'S RETAILERS.

14. FIRST INSIGHT, GEN Z SHOPPERS DEMAND SUSTAINABLE RETAIL REPORT

15. FORBES, [HTTPS://WWW.FORBES.COM/SITES/GREGPETRO/2020/01/31/SUSTAINABLE-RETAIL-HOW-GEN-Z-IS-LEADING-THE-PACK/#7BAA21712CA3](https://www.forbes.com/sites/gregpetro/2020/01/31/sustainable-retail-how-gen-z-is-leading-the-pack/#7BAA21712CA3)

BARRIERS TO ENTER - THREATS - HIGH FORCE

THIS IS CONSIDERE A REAL THREAT FOR THE ASOS, SINCE WHEN NEW COMPETITORS COULD IMITATE ITS STRATEGY AND ITS DESIGN AT A LOW COST. THE BARRIERS TO ENTER IN THE MARKET, EXCEPT REGULATIONS, ARE NOT SAFEGUARDING OLDER COMPANIES.

BUYER POWER - MEDIUM FORCE

EVEN THE RELATIONSHIP WITH THE BUYER - CUSTOMERS IS FAVOURABLE FOR ASOS, BECAUSE THEIR LOW POWER IN THE NEGOTIATION OF THE PRICE, THEY CAN STILL CHOOSE THE BEST DEAL BETWEEN DIFFERENT COMPETITORS. IN ASOS'S CASE THE STRENGTH THAT MAKE STRONGER THE RELATIONSHIP IS BASED ON SERVICES LIKE HIGH QUALITY AND PRICE CUTS.

SUPPLIERS POWER - MEDIUM FORCE

GENERALLY SUPPLIERS COULD BE WEAKER IN THE FASHION INDUSTRY: WORKING IN DIFFERENT BUSINESSES COULD MAKE THEM MORE AGGRESSIVE IN THE CASE OF ASOS, THE COMPANY HAS A LARGE SELECTION OF SUPPLIER, FROM EUROPE TO ASIA AND THIS GENERATES MORE CONTROL'S POWER.

THREAT OF SUBSTITUTES - HIGH FORCE

SUBSTITUTES CAN CONTROL TEMPORARY OR PERMANETLY THE PROFIT OF AN INDUSTRY. THE SUBSTITUTE ITEM GOES DOWN WHEN ITS CAPACITY TO FULFIL THE NEED OF THE CLIENT INCREASES. DURING 2014/2015 A FIRE AT AN ASOS WAREHOUSE AND OTHER TROUBLES CAUSED A MAJOR BREAKDOWN IN THE YEARLY SALES. SUBSTITUTE PRODUCTS REPRESENTED A SPECIFIC RISK TO THE BUSINESS.

STRENGTHS

- OVER 850 BRANDS AND LARGE RANGE OF PRODUCTS
- UK'S LARGEST INDEPENDENT ONLINE AND FASHION BEAUTY RETAILER
- INNOVATIVE DISPLAY MERCHANDISE
- INTERNATIONAL EXPANSION
- SUPPLY CHAIN PLATFORM, ALLPORT, INCREASES VISIBILITY AND COOPERATION ACROSS ASOS' INTERNATIONAL SUPPLY CHAIN
- 24/7 CUSTOMER SERVICE
- EFFICIENT DELIVERY PROGRAM
- HIGH FASHIONABILITY AND QUALITY
- SPREAD OVER 190 COUNTRIES ACCEPTING FOREIGN CURRENCIES
- GREEN VALUES, INTEGRITY AND INCLUSIVITY
- INDEPENDENT LANGUAGE SITES

- INCREASING MOBILE PENETRATION
- POP-UP STORES
- CO-CREATION WITH LOCAL BRANDS TO IMPROVE GREEN VALUES
- CHILDREN'S WEAR SEGMENT
- NEW TRENDS IN CUSTOMERS' BEHAVIOURS
- EVALUATING BEYOND CHINA BACKGROUND
- GLOBALIZATION

OPPORTUNITIES

WEAKNESSES

- ONLINE, NO POSSIBILITY TO TOUCH THE PRODUCT
- EXPENSIVE COST FOR FREE SHIPPING
- ONLY ONE WAREHOUSE IN UK
- ASOS MAGAZINE ONLY IN ENGLISH
-

- UNCERTAIN ECONOMIC TIMES
- COMPETITION IS WORKING OFFLINE AND ONLINE
- EXPERIENCIAL MARKETING: CUSTOMER WANT A LIVE EXPERIENCE IN THE STORE
- SOCIAL MEDIA BANNED IN SOME COUNTRIES
- HR ISSUES (DURING PANDEMIC, FOR EXAMPLE, EMPLOYEES WERE ASKING FOR MORE SAFETY GUIDELINES)

THREATS

SEGMENTATION

ASOS' SEGMENT REFERS TO YOUNG PEOPLE AS PROFESSIONALS AND STUDENTS (MEN, WOMEN, AND NON-BINARY) INTERESTED IN FASHION, LIFESTYLE AND BEAUTY, ACROSS THE WORLD, WHO NEED TO EXPRESS THEIR OWN STYLE AND IDENTITY. THERE IS NOT ANY DIFFERENCE REGARDING THE ETHNICITY AND THE ABILITY TO BUY COMES FROM AVERAGE INCOMES. THE GLOBAL AUDIENCE IS ABLE TO BUY USING ONLINE CHANNEL, SHARING BELIEVES AND VALUES LIKE INTEGRITY, INCLUSIVITY AND DIVERSITY AS DRIVERS FOR THE SUCCESS.

TARGETING

ASOS IS FOCUSED ON PEOPLE *20-SOMETHING* (15-34), WHO ARE SEARCHING FOR THE LATEST TRENDS IN FASHION, EVEN THROUGH SOCIAL MEDIA. THE AUDIENCE IS GLOBAL, ANYWAY MOST OF THE CONSUMERS ARE FROM UK, USA AND AUSTRALIA. THE COMPANY FOLLOWS THREE TYPE OF STRATEGIES (UNDIFFERENTIATED, DIFFERENTIATED AND CONCENTRATED), SELLING CLOTHES' CATEGORIES PETITE, PLUS SIZE AND MATERNITY.



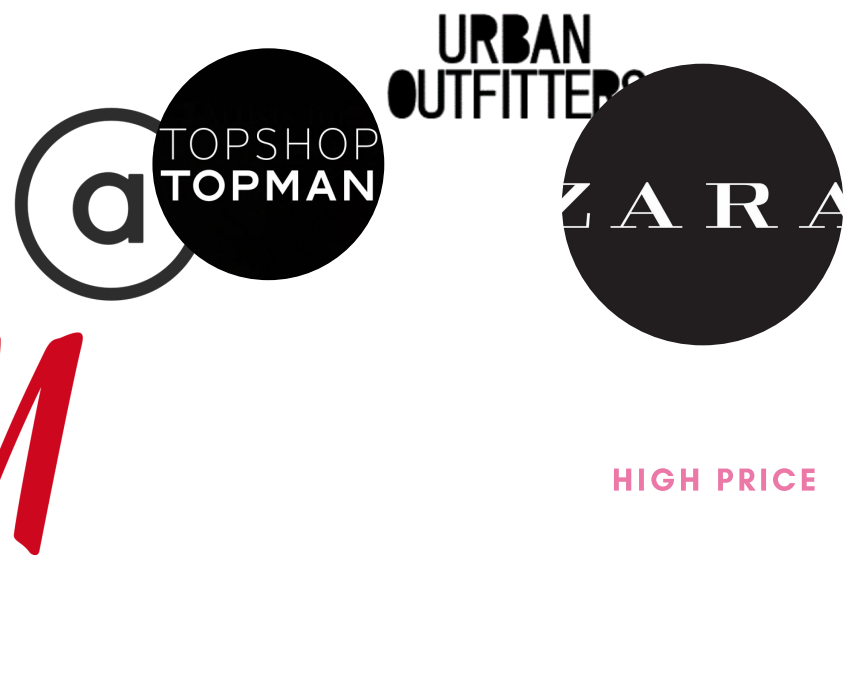
SEGMENTATION, TARGETING AND POSITIONING

14

POSITIONING

IN THE RANGE OF THE COMPETITORS, ASOS IS THE ONLY ONE OPERATING JUST IN ONLINE CHANNEL. ANALYSING THE POSITIONING, THE VARIABLES WILL BE THE BRANDS' FASHIONABLE DEGREE AND PRICES' STRATEGIES

HIGH FASHIONABLE



LOW FASHIONABLE

MARKETING MIX IS THE COMBINATION OF FOUR ELEMENTS, CALLED THE 4P'S (PRODUCT, PRICE, PROMOTION AND PLACE), THAT EVERY COMPANY HAS THE OPTION OF ADDING, SUBTRACTING,¹⁷ OR MODIFYING IN ORDER TO CREATE A DESIRED MARKETING STRATEGY.

PRODUCT

THE PRODUCT REFERS TO A COMBINATION OF PRODUCTS AND SERVICES THAT THE COMPANY IS OFFERING IN THE MARKET, THROUGH BRANDING, DESIGN, PACKAGING, SIZES, QUALITY AND RETURN POLICIES. BY THE BRANDING, THE PRODUCT IS PRESENTED IN ITS EQUITY, NAME, PHYSICAL APPEARANCE, AND ITS UNIQUE VALUE PROPOSITION. A PRODUCT LINE IS A GROUP OF PRODUCTS THAT ARE CLOSELY RELATED BECAUSE THEY FUNCTION IN A SIMILAR MANNER, ARE SOLD TO THE SAME CUSTOMER GROUPS, ARE MARKETED OR SOLD THROUGH THE SAME TYPES OF OUTLETS, OR FALL WITHIN GIVEN PRICE RANGES.

ASOS OFFERS A LARGE RANGE OF PRODUCTS, DIVIDED IN MORE THAN 850 BRANDS:

- WOMEN'S CLOTHES
- MEN'S CLOTHES
- NEUTRAL GENDER'S CLOTHES
- ACCESSORIES
- BEAUTY

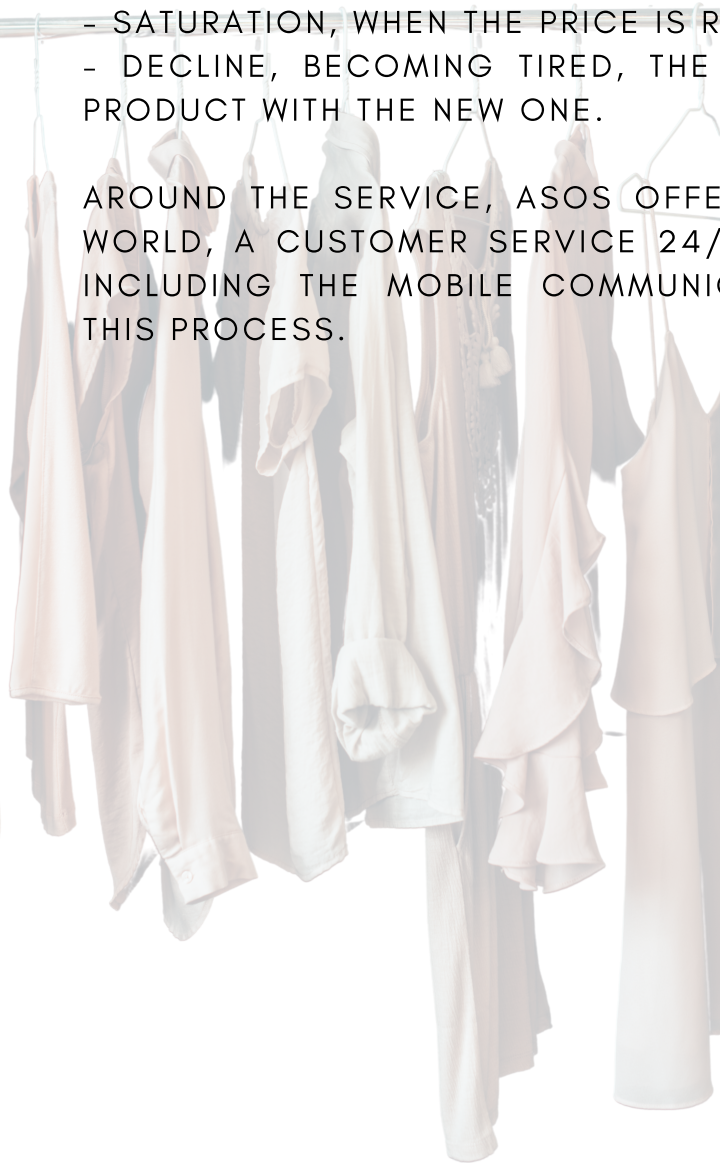
ESPECIALLY FOR THE CLOTHES' DEPARTMENT IN THE WEBSITE, EVERY PRODUCT IS COMPOSED BY:

- DETAILED DESCRIPTION;
- MULTIPLE PICTURES
- CATWALK VIDEO;
- SIZE'S WORKING

ANALYSING THE PRODUCT LIFE CYCLE MODEL REFERRED TO ONLINE FASHION, THE DIFFERENT STAGES ARE CHARACTERISED BY:

- INTRODUCTION, WHEN THE PRODUCT IS LAUNCHED THROUGH THE WEBSITE AND NEWSLETTER, BECOMING AVAILABLE;
- RAPID GROWTH, WHEN THE PRODUCT PROMOTES ITSELF AND NEEDS TO BE FULLY STOCKED, SO CUSTOMERS CAN DECIDE TO BUY IT AFTER HAVE SEEN IT IN THE ADVERTISING;
- MATURITY, WHEN ASOS REMINDS PEOPLE ABOUT THE PRODUCT ONLINE;
- SATURATION, WHEN THE PRICE IS REDUCED THROUGH SALES;
- DECLINE, BECOMING TIRED, THE PEOPLE DECIDE TO REPLACE THE PRODUCT WITH THE NEW ONE.

AROUND THE SERVICE, ASOS OFFERS A FREE SHIPPING ACROSS THE WORLD, A CUSTOMER SERVICE 24/7 AND A PERSONALISED DELIVERY, INCLUDING THE MOBILE COMMUNICATION OF DIRECT MARKETING IN THIS PROCESS.



PRICE

AS ALL ASPECTS REGARDING PRICING. THE AMOUNT OF MONEY A CONSUMER IS WILLING TO PAY TO OBTAIN THE PRODUCT.

IN ASOS

THE PRICE STRATEGY IN ASOS IS PROMOTIONAL AND MARKET-ORIENTED, WITH MID-SEASON AND END-SEASON SALES. AS THE BRANDED STRATEGY HAS FOCUSED ON SOME UNIQUE PRODUCT OVER PRICE POINT, THE PRIVATE-LABEL BUSINESS GIVES ASOS THE SPACE TO BE PRICE COMPETITIVE, WITH A RANGE FROM 4 TO OVER 500 POUNDS, WITH A COMPETITIVE OPENING PRICE POINT (OPP).

ASOS'S PRICING IS MORE IN LINE WITH TRADITIONAL CATALOGUE RETAILERS THAN WITH FELLOW FAST-FASHION, TREND-LED E-COMMERCE PLAYERS:

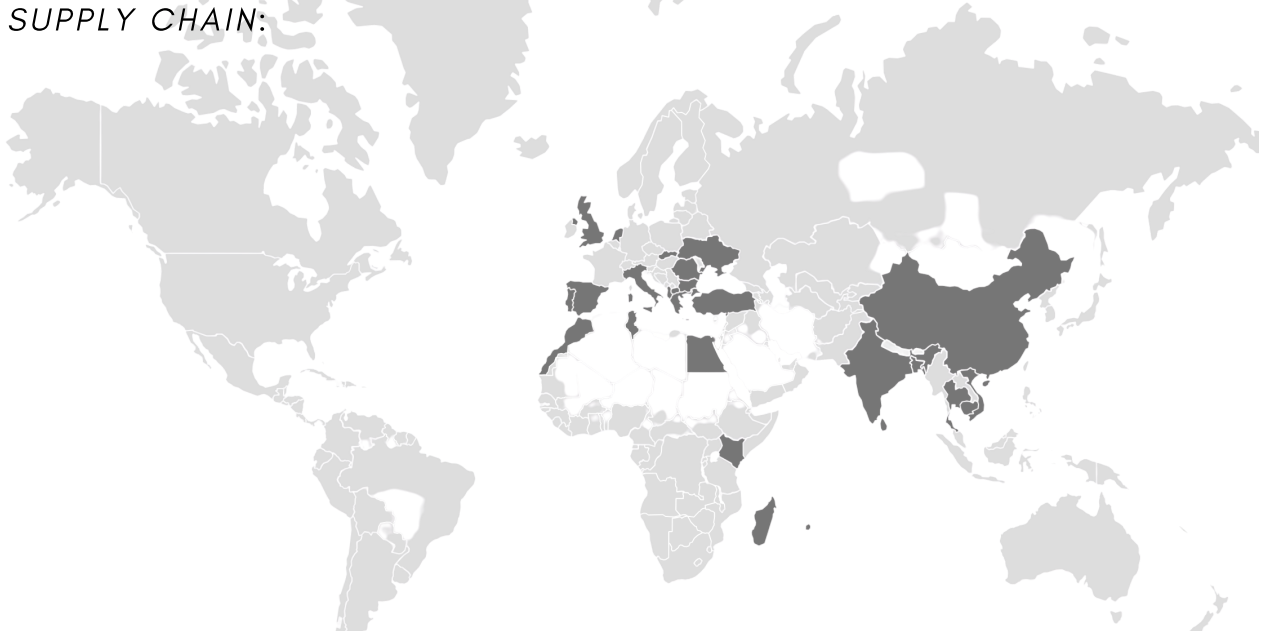
18

Price points USD	Zara	Boohoo	Forever 21	H&M	ASOS	La Redoute	Next	Topshop
\$0-10	20.9%	25.4%	25.0%	30.1%	7.3%	5.3%	5.2%	13.1%
\$10-20	37.4%	48.4%	38.0%	32.5%	23.1%	13.2%	16.4%	20.4%
\$20-30	21.2%	19.9%	15.0%	22.0%	22.5%	14.4%	16.1%	16.6%
\$30-40	10.7%	4.9%	10.3%	5.6%	16.7%	14.1%	18.4%	16.1%
\$40-50	5.5%	0.7%	6.5%	5.5%	9.7%	9.8%	11.0%	9.9%
\$50-60	2.2%	0.4%	2.1%	1.8%	6.0%	8.9%	8.4%	9.9%
\$60-70	0.9%	0.1%	1.5%		2.8%	6.4%	4.1%	3.2%
\$70-80	0.4%	0.1%	0.7%	1.0%	3.0%	5.3%	4.4%	3.9%
\$80-90		0.0%	0.1%	0.4%	1.8%	2.9%	3.2%	1.5%
\$90-100	0.4%	0.1%	0.4%	0.4%	1.7%	3.2%	2.1%	1.1%

PLACE

THE PLACE INVOLVES COMPANY'S ACTIVITIES THAT MAKE THE PRODUCT AVAILABLE, USING DISTRIBUTION AND TRADE CHANNELS, ROLES, COVERAGE, ASSORTMENTS, LOCATIONS, INVENTORY AND TRANSPORTATION CHARACTERISTICS AND ALTERNATIVES.

- *SUPPLY CHAIN:*



- *WEBSITE:* AS AN ONLINE FASHION RETAIL, ASOS DOESN'T HAVE ANY PHYSICAL STORE. THE CUSTOMERS CAN BUY PRODUCTS JUST THROUGH THE ONLINE CHANNEL

PROMOTION

PROMOTION INCLUDES PERSONAL AND NON-PERSONAL COMMUNICATION ACTIVITIES. ACTIVITIES THAT COMMUNICATE THE MERITS OF THE OVERALL PRODUCT. IN ASOS:

- ASOS BRAND MAGAZINE;
- STUDENTS' DISCOUNTS;
- PROMO CODES;
- DIRECT MARKETING (SMS AND E-MAIL);
- CELEBRITIES ENDORSMENT;
- SPORT'S SPONSORSHIPS;
- ASOS FOUNDATION;
- SOCIAL MEDIA MARKETING
- INFLUENCER MARKETING.

PEOPLE

THE INDIVIDUALS INVOLVED IN THE ORGANISATION, CARRYING OUT THE IMPORTANT DAY TO DAY TASKS.

IN ASOS THERE IS NOT FACE-TO-FACE SERVICE, WHICH IS JUST BY E-MAIL AND PHONE. ASOS PROVIDES TO ITS STAFF A CONSTANT TRAINING TO LEARN HOW TO BEFRIENDLY TO CUSTOMERS OVER THE PHONE. THEY ALSO HAVE STAFF TO MAINTAIN THEIR WEBSITE AND KEEP IT UP TO DATE.

PROCESS

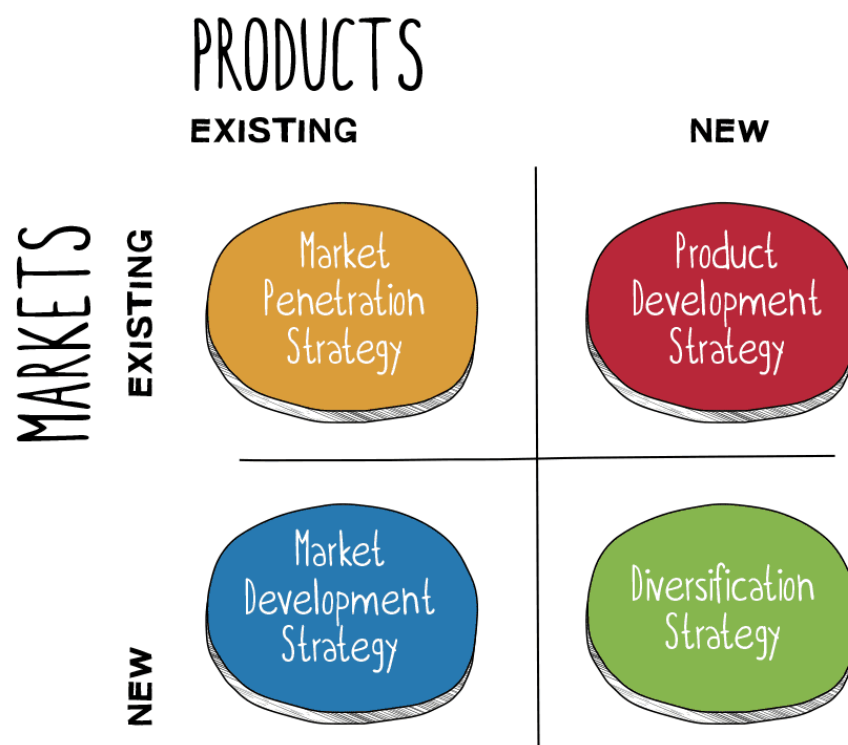
FROM THE CUSTOMERS DECISION TO SATISFY HIS/HER NEED UNTIL THE FINAL TRANSACTION. IN ASOS THE CUSTOMERS CAN'T TRY THE PRODUCTS, ASOS HAVE A DIFFERENT PROCESS COMPARED TO OTHER BUSINESSES. AFTER SEEN THE ITEM, THEY CAN PUT IT IN THE BASKET AND GO TO CHECK OUT.

PHYSICAL EVIDENCE

IN TERMS OF THE IMAGE OF THE SERVICE PROVIDED BY THE BUSINESS TO THE CUSTOMER. IN ASOS THE ONLY ONE PHYSICAL EVIDENCE POSSIBLE IS THE RECEIPT ONE AFTER THE PAYMENT, THAT THE SYSTEM WILL SEND MY E-MAIL.

ANSOFF MATRIX & CONSIDERATIONS

20



MARKET PENETRATION

- EXPLORE FURTHER MEN'S DEPARTMENT;
- IMPROVE LOYALTY SCHEME.

MARKET DEVELOPMENT

- POP UP SHOPS;
- EMERGING MARKETS IN ASIA - NEW WEBSITES.

PRODUCT DEVELOPMENT

- HOME LEISURE;
- OWN LABEL IN BEAUTY.

DIVERSIFICATION

- ASOS CAFFE TO IMPROVE THE COMMUNITY' SENSE.

ANSOFF MATRIX & CONSIDERATIONS

21

ANALYSING ASOS SITUATION, THE COMPANY LOOKS AS SOLID IN ITS DIGITL STRATEGY AND COMPOSITION. THE FOCUS ON THE CUSTOMERS EXPERIENCE IS A STRENGTH IN THE COMPANY' POSITIONING, EVEN THE PRESENCE OF PHYSICAL STORE COULD IMPROVE THE LOYALTY RELATIONSHIP WITH CUSTOMERS. THIS OPPORTUNITY COULD BE DEVELOPED AROUND THE TREND OF TEMPORARY FLAGSHIPS, THROUGH PARTNERSHIPS AND COLLABORATIONS. EVEN THE MARKET IS SAURED IN FASHION OFFERS WITH COMPETITIVE PRICES, ASOS' STRATEGY IS COULD BE MORE STRONGER IMPROVING THE LOYALTY SCHEME WITH USUAL CUSTOMERS, ENGAGING THEM AS SPOKEPERSON OF THEIR COMMUNITIES.

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