



MODULE TITLE : MARKETING MANAGEMENT
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MARKETING MANAGEMENT

Executive summary

This report mainly focuses on and sheds light on the ASOS and critically appraises all key activities as well as the contribution of the marketing department to this organization. This report is also focus on the environmental analysis of ASOS which includes PESTLE, SWOT and VRIO analysis. Future recommendation based on Infrastructure for sustainability depends on imperative context of carbon emission management, and leadership to guide employees in their objective fulfilling to achieve goal in business Green energy in alteration of excess energy demand and water conservation for increasing energy efficacy is needed to be adopted. s

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INTRODUCTION

ASOS is such an organization which offers lifestyle products. It includes a wide range of cosmetic and clothing products including shirts, dresses, jackets and related beauty products and accessories. Hence, for a better understanding, the business background and at the same time the present state of the company have been discussed in this report. Besides this, environmental marketing analysis along with the internal environment also has been discussed which plays a significant role in the organizational business. This includes PESTLE, SWOT and VRIO analysis of the company.

BUSINESS BACKGROUND AND CURRENT STATE

This is well known to everyone that ASOS is “*an online retailer*” along with the purpose of providing all its consumers enough confidence whatever they want to. This is a British cosmetic as well as an online fashion retailer that mainly focuses on the promotion of labor rights, social impacts, and equality and so on. ASOS was founded in the year 2000 and aimed at young adults, in London. The very name of ASOS is mainly the acronym of “*As Seen on Screen*”.

	Year to 31 August 2022						
	UK £m	EU £m	US £m	RoW £m	Total £m		
Retail sales ²	1,703.3	1,142.6	472.7	454.0	3,772.6		
Income from other services ³	59.5	27.4	58.7	18.3	163.9		
Total revenue	1,762.8	1,170.0	531.4	472.3	3,936.5		
Cost of sales					(2,219.0)		
Gross profit					1,717.5		
Distribution expenses					(523.7)		
Administrative expenses					(1,224.2)		
Other income					20.6		
Operating loss					(9.8)		
Finance income					0.9		
Finance expense					(23.0)		
Loss before tax					(31.9)		
Adjusted Performance Measures⁴							
Operating loss					(9.8)		
Adjusting items ⁵					53.9		
Adjusted EBIT					44.1		
Net finance expense					(22.1)		
Adjusted profit before tax					22.0		
KPIs excluding Russia ⁶	Year to 31 August 2022	Year to 31 August 2021	Change	KPIs including Russia	Year to 31 August 2022	Year to 31 August 2021	Change
Active customers ⁷ (m)	25.7	25.3	2%	Active customers ⁷ (m)	26.4	26.4	0%
Average basket value ⁸	£37.85	£39.52	(4%)	Average basket value ⁸	£37.85	£39.75	(5%)
Average basket value CCY ⁹	£38.22	£39.52	(3%)	Average basket value CC ⁹	£38.21	£39.75	(4%)
Average order frequency ¹⁰	3.88	3.70	5%	Average order frequency ¹⁰	3.78	3.61	5%
Total shipped orders (m)	99.7	93.7	6%	Total shipped orders (m)	99.7	95.2	5%
Total visits (m)	3,019.8	2,976.3	1%	Total visits ¹² (m)	3,030.5	3,102.7	(2%)
Conversion ¹¹	3.3%	3.1%	20bps	Conversion ¹¹	3.3%	3.1%	20bps
Mobile device visits	87.9%	85.9%	200bps	Mobile device visits ¹³	87.9%	86.0%	190bps

Figure 1: Financial review of the ASOS

(Source: Annualreports.com, 2022)

This is well known to everyone that ASOS is considered as well-positioned and regards succeeding and thereby creating a long-term value for the stakeholder. The financial statement of this company exhibits a greater state of financial stability which helps in fixing its position in the business market. The report indicates its current revenue which is nearly "\$4.58 B" in 2022 (Asos.com, 2023).

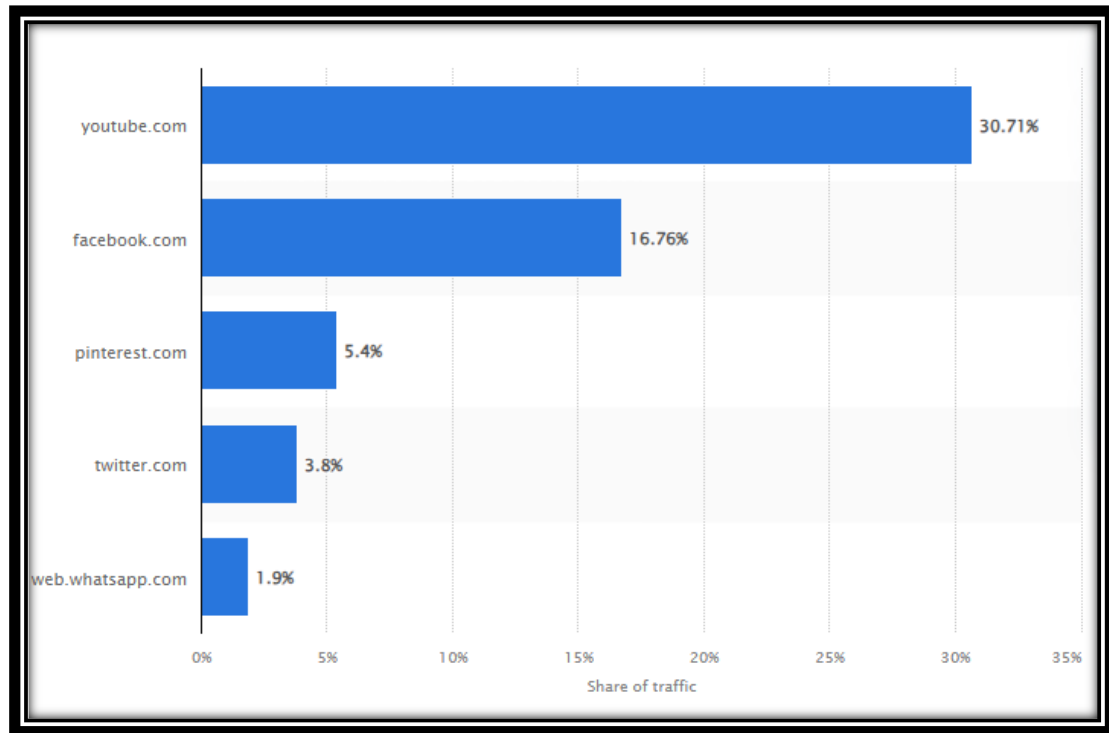


Figure 2: Worldwide social media traffic of ASOSIN 2023

(Source: Statista.com, 2023)

From the above figure, it has been noticed that social media platforms like YOUTUBE and Facebook were in the top position which were accounting for nearly 31% as well as 17% respectively by referring to the online marketplace of the UK in 2023 (Statista.com, 2023). A wide range of products along with good quality helps in traffic to its social media platforms.

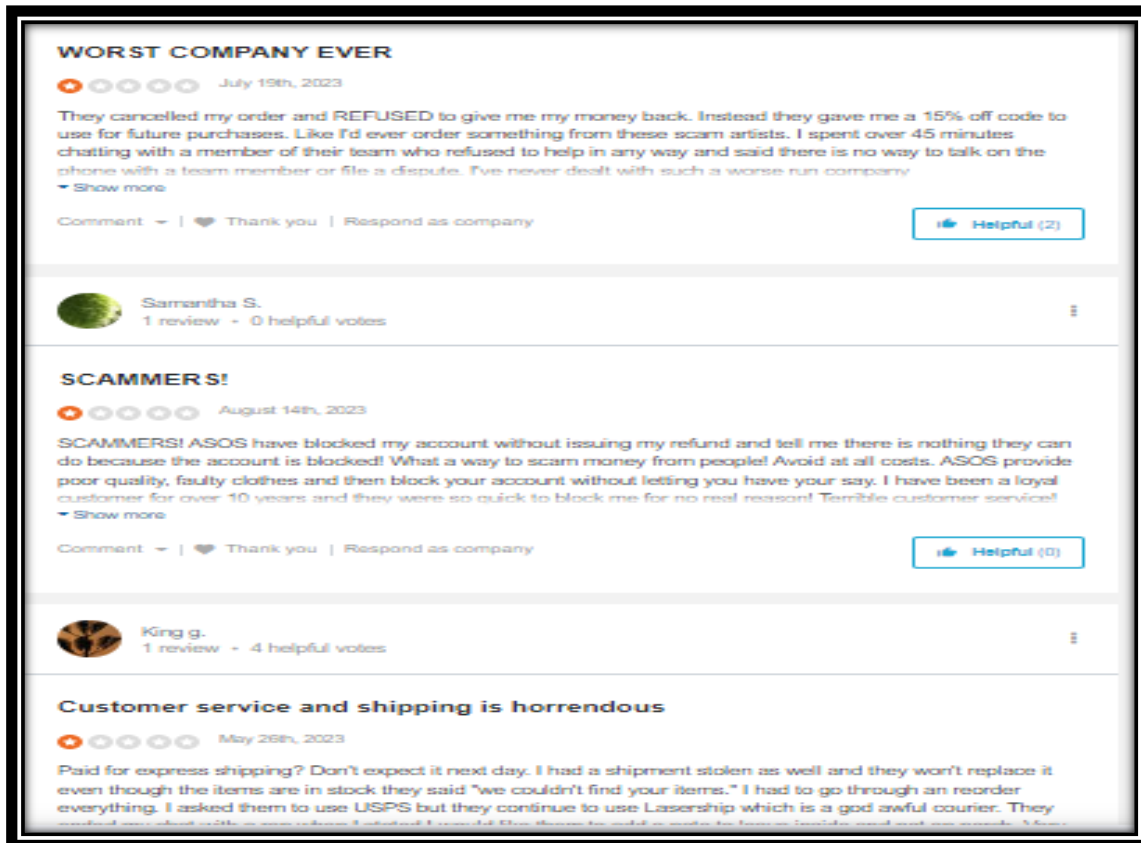


Figure 3: Customer reviews

(Source: Asos.com, 2023)

On the other hand, from the customer's review, ASOS has been rated approximately **“1.69 stars from 1,965 reviews”** which demonstrates that the purchasing experience of the consumer is not satisfying. But nowadays, ASOS operates various dedicated websites and thereby ships to around 196 countries, especially from the fulfilment centers in Europe, the US and the UK (Asos.com, 2023). Moreover, it also employed nearly 40000 employees throughout its six locations. It has been noticed that the quest especially for robust growth resulted in an excessively capital-intensive, overstretched worldwide lack of the proper scale and meaningful growth, especially in the international market including France, Germany and the US.

a) Environment marketing analysis

PESTLE analysis

PESTLE	Analysis	Impacts
Political	Political stability plays a great role in shaping the business	Positive

	environment • Constitutional Monarchy and Modern Parliamentary democracy plays a significant role in promotion of business • Political Parties operates political structure of government significantly in UK (Swotandpestleanalysis, 2023)	
Economical and Financial	• <i>Annual GDP rate of UK is 2.79 trillion US dollars in 2020</i> and rank for 9th in global context • <i>Inflation rate in 2019 was 1.79 and it decreased in 2020 accounts for 0.77%</i> (Swotandpestleanalysis, 2023) • Corporate Tax rate of UK in 2020 was 19% in 2020 that decreased in 2021 with 17%.	Negative
Socio-cultural	• Diverse work cultures can prove efficient to manage employees greatly • <i>Total population of UK in 2039 will be 74 million higher than exiting population</i> that helps in significant drive fur business (Swotandpestleanalysis, 2023) • Multicultural diversity of population helps in successful development if business chain	Neutral
Technological	• UK is generally known for its technical advancement along with greater innovation • As per the study of Guardian, UK sector business has been technologically updated and record for investment of <i>15 billion dollar in 2020</i> (Swotandpestleanalysis, 2023) • The advanced mobile technology has a huge fan base area for advertisement	Positive
Legal	• UK's labor law and legislation is very potential for business simulation of the business industry • <i>Equality Act 2010</i> has been established in UK to protect employees from any kind of discrimination, such pay, leave and other business related issues (Swotandpestleanalysis, 2023) • Governmental laws and investment programs are	Positive

	beneficial for fashion industrial help	
Environment	• Environment and climate of UK is very helpful and the climate also beneficial • Positive measures has been taken to decrease several kinds of environmental pollution through business (Swotandpestleanalysis, 2023) • People and business community of UK has taken initiative to create eco-friendly environment	Neutral

Table 1: PESTLE analysis of UK

A brief analysis about the PESTLE study of UK has been illustrated here with the aspect of political, economic, social and environmental contexts. It has been accepted that during after covid business community of UK has faced 19 period several issues with financial stability and environmental perspective. UN employment, tax and inflation rate needed to be significantly addressed with economical analysis of UK in business industries including fashion sectors like brand of ASOS (Swotandpestleanalysis, 2023). One of the leading sectors of world in technology is considered as UK and political system is positive in the context of business promotion successfully. GDP of UK annually has been evaluated at 2.79 trillion dollar in end of 2020. Here annual per capital is 44,288 dollars that is accepted as 26th highest capital investment country in business. Decline in revenue generation addressed during pandemic situation as result of lack of customer engagement (Wilk, 2023). Technologically advanced country UK has developed its market again in fashion sector with proper competitive market analysis and strategic approach of business chain development.

SWOT analysis

Strengths	Weaknesses
• Strong performances throughout the market segments • Robust logistic management • Supply chain • Digital Marketing (Olson <i>et al.</i>	• Technologies • Customer experiences • Intense competition (Sivaprakkash, 2019) • Sustainability challenges

2021) • Diversified workforce • Strong brand reputation	• More dependency on the UK business market • Organizational structure
Opportunities	Threats
• Growing demands • Globalization • Products diversification • A good supply chain management (Griffith and Van Reenen, 2023) • Fostering the state of the customer's loyalty	• Competitors • Changing preferences of the consumers • Economical fluctuation • Disruption in the supply chain • Cybersecurity threats • Technological disruption

Table 2: SWOT analysis

The above table exhibits strengths, weaknesses, opportunities and threats to the business market of ASOS. ASOS is considered the leading company which has a wide range of strengths which help these firms to thrive in the marketplace. It can be well argued that all strengths of ASOS help to penetrate its new business market while protecting its market share to its existing markets. One of its biggest strengths is a strong brand presence as ASOS is well known for its affordable as well as trendy products that mainly appeal to the target market. As per the opinion of Mu and Zhang (2021), the strong reputation of the brand resulted in higher sales and thereby gained profit at the comparative level. Moreover, it has been seen that ASOS makes a place among the 10 most famous apparel brands across the world and competes with Zara, Adidas, and Nike and so on. Moreover, ASOS also offers various types of products which include footwear, accessories, clothing as well and beauty items (Zilinskaite and Spanellis, 2020). Hence, this allows all the consumers to find out what they need especially from the one marketplace. Besides this, ASOS also ships to over 200 countries and at the same time has localized websites regarding different kinds of markets. It helps to draw the attraction of consumers and thereby facilitate their shopping experience. The weaknesses have also been mentioned in the above table which needs to be mitigated as soon as possible for better outcomes. One of its biggest weaknesses includes its intense competition in the business market. It has been well said that the online fashion industry is

very competitive in nature along with different types of players like H&M, Amazon, Boohoo and many more. This is because the intention of competition in the business market leads to pricing pressures margin erosion and so on. Moreover, balancing sustainability along with the customer's demand and profitability remains a challenge. But globalization, product demand, good state of the supply chain management, growing demands and so on were bringing many opportunities to its business.

VRIO

Significant attributes	Valuable	Rare	Imitation capability	Organized
Creative Innovation	yes	No	No	Yes
Ethical business perspective	No	Yes	No	Yes
Relation with stakeholders	Yes	No	Yes	Yes
Knowledge of HRM	No	Yes	No	Yes
Quality of products	Yes	No	Yes	Yes

Table 3: VRIO analysis of ASOS

(Source: Asos, 2023)

The above VRIO table analysis reflects on the role of successful business factors in fashion industry including the perspective of ASOS about their performance in competitive market (Asos, 2023). As a project, team member of external business environment analysis of ASOS it can be said that quality product differing with creative innovation and consistent customer chain creation should be acknowledged by ASOIS as initialed aspect. Possession of essential competencies in developing handful of industry, firms can helps in manufacturing stability over the competitive advantages of Asus Plc. Problem solving ability and risk taking capabilities with proper calculation and measure is rare for ASOS. Digital promotion is one of the key strategies to develop supply that is taken as an initiative by ASOS to emphasize on

their effective business growth. Adaptation of proper manufacturing sectors, competitive pricing and engagement of positive customer experience intimated by others in better business structure development discussed here (Asos, 2023). Financial strength, Technological innovation, proper training of employees helps to motivate productivity with acknowledging Human resource management.

b) Future recommendations

There was a need to focus on effective initiatives to gain better results and thereby achieve full transparency. The re commendations were discussed following,

Technological implementation

Nowadays, technology plays a critical role in every type of business field and also helps in getting competitive advantages. Therefore, the usage of the technology would help ASOS in the expansion of the program of "*partner fulfils*". This is because it would be an effective strategy, especially for reducing the total stock amount which it holds mainly in its warehouses. Moreover, the implementation of technology would also animals ASOS regards delivering operational efficiency, especially going to predicting the demands of consumers, optimizing its logistics and thereby delivering efficiencies throughout the stock investments and pricing.

Target for self-sufficient Supply chain

Planning for transparent ethical business elongation need to adopt supply chain concept within 2030 by several strategic actions and proper employee hiring. Skillful employees motivate and influence work structure to be successful with attractive number of customer engagement and achievable economical balance for proper resourcing (Parker *et al.* 2023). Here to understand proper business structure of supply chain it is important to acknowledge aspects of manufacturing, and the operational drive to proper delivery of quality products towards the buyers and suppliers. Financial audit with approaches of 2030 make fashion destination of top fashion brand in UK (Li *et al.* 2021). Exploration of a competitive market with innovation, production, transportation and location for outlet is important to consider here.

Focusing on sustainability

Infrastructure for sustainability depends on imperative context of carbon emission management, and leadership to guide employees in their objective fulfilling to achieve goal in business context (Ahmed *et al.* 2021). Green energy in alteration of excess energy demand and water conservation for increasing energy efficacy is needed to be adopted. It will help in eco-friendly environment and organic incorporation of business structure to attract customer with strong economic stability (Ziginov, 2022). Sustainability can be broadly defined with actions for particular resources with proper knowledge of strategic management for human resources, economical and environmental context as well.

CONCLUSION

It can be concluded that business structure analysis of ASOS significantly reflects in the PESTLE, SWOT and VRIO analysis with discussion of strategic management in supply chain development in the global context. The company is mainly focused on manufacturing trendy fashion cloths, interesting cosmetic and other fashion items. The inclusion of eco-friendly environment concept with organic production can keep the company in proper brand image creation with maintenance of economical stability, The PESTLE, SWOT and VRIO analysis will helps in proper financial analysis and strategic measures in successful growth of company ASOS with formation of global supply chain and customer engagement.

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