ASOS
OPENING THE HEARTS AND WALLETS OF THE MILLENNIALS THROUGH SOCIAL MEDIA

BY: KEN KWAN
The birth of ASOS
The inspiration behind AsSeenOnScreen (ASOS, pronounce as ACE-OSS) arose out of the popular American sitcom “Friends”. ASOS CEO Nick Robertson was amazed by the 28,000 calls asking the National Broadcasting Company (NBC) where they could buy the lamp featured in the sitcom. He was struck by how consumers were obsessively interested in products and clothes used by celebrities. The idea of combining celebrity style and fast fashion was born, giving birth to ASOS. In Robertson’s words,

It's really, really simple. It's ASOS, as seen on screen. It is exactly what it says on the tin. All we do is replicate what every women’s magazine has done since the start of time. Here's a celebrity wearing a lovely dress. You can't afford the original, so here's where you get it cheaper.

A United Kingdom (UK) website was registered in August 1999 and www.asseenonscreen.com went live in March 2000. It was launched in June 2000 under ASOS, an online retail website where people can find and buy clothes or accessories they had seen celebrities wearing.

The success of ASOS was fast and furious. By the end of that first trading year, the company had won the Best Trendsetter Award by *The Sunday Times*.

In October 2000, ASOS acquired a simpler domain name — www.asos.com. Very soon, ASOS began to sell more fashion than just clothes ‘seen on screen’.

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<thead>
<tr>
<th>Vision</th>
<th>Mission</th>
<th>Target</th>
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<tr>
<td>Be the online fashion destination for young adults: Inspire and power fashion discovery</td>
<td>Provide the best online shopping experience for fashion through one of the largest offer (branded &amp; own label products in womenswear, menswear, etc) for all prices and enriched with social platforms</td>
<td>Young adults (16 to 34 years old) Men and women Fashion forward Digital natives</td>
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Figure 1: ASOS’ vision, mission, and target market

ASOS’ perfect timing and success
Since its birth, ASOS has been able to leverage the growing popularity of online shopping. According to an online sales research by Interactive Media in Retail Group UK, the following were documented in 2007:

- About 50 per cent of 16- to 24-year-olds buy clothes online more than once a month.
- Thirty per cent of UK women have bought clothes online.
- The total UK online spending in 2007 was GBP 42 million.
- There were more than 26 million UK online shoppers.
ASOS’ target market was the extremely Internet-savvy young customers who took pleasure in making online purchases wherever they go. ASOS became an instant hit when these young customers got hooked on the well-curated collection of diverse fashion choices, complemented by authentic fashion editorials on the easy-to-navigate ASOS website.

ASOS delivered extremely strong growth since it started. Growth had been driven by a variety of factors, but the most important was the explosion in Internet retailing in the United Kingdoms, the company’s core market. Distribution of apparel via online sales rose from five per cent to 13 per cent between 2006 and 2011. It had a Compounded Annual Growth Rate (CAGR) of 21 per cent compared to 0.5 per cent for the overall market.

Following the success of the ASOS Internet retailing model, it rolled out other market-specific websites for Australia, Spain, Italy, Russia, and China driving international sales. ASOS aimed to be the world’s number one online fashion retailer and expected sales to hit GBP 1 billion by 2015.

For the financial year ending 31 March 2014, the net sales of ASOS increased by 26.8 per cent compared to 2013, hitting GBP 975.5 million. Its gross profit grew by 21.7 per cent, reaching GBP 485 million. By 2014, 8.8 million active ASOS customers across 190 countries were browsing through more than 60,000 labels, buying to their hearts’ content — anywhere, anytime.

**ASOS’ main competitors**

ASOS’ main competitors are online retailers of affordable fast fashion which include Boohoo, N Brown, New Look, Topshop, and River Island. They have similar philosophies of providing a wide array of trendy fashion products at reasonable prices targeting the 20-something fashion-conscious consumers.

As stated on Boohoo’s website (2016), its philosophy is to let its customers “keep one step ahead of the trends by combining cutting-edge design with an affordable price tag”. Boohoo has positioned itself as the “24/7 global fashion” website, with up to 100 pieces added every day and a new collection added each week.
ASOS’ successful business strategies against its competitors
ASOS rose to the top amid competition through its focused and consistent business strategies. The strategies to achieve its aim of becoming the fashion destination for its target market were succinctly summarised on its website as “Great fashion, great price”, “Engaging content and experience”, “Awesome on mobile”, and “Best-in-class service”. The successful implementation of ASOS’ strategies is discussed in the following subsections.

ASOS’ customer value proposition: One-stop fashion destination at irresistible prices
ASOS offers the 20-somethings trendy clothing and accessories at reasonable prices, with great customer service and free shipping (both ways, if returns were required). ASOS customers are spoilt for choice — thousands of branded and exclusive private label products offer endless innovative styling options. There are about 50,000 products (a combination of branded lines and ASOS private umbrella brand) at ASOS websites, with an average of 1,800 new products added per week.

ASOS typically carried around 1,000 third-party brands across its various websites, specially curated by the multi-talented ASOS team of 20- and 30-somethings. The average age of the employees at ASOS is 26. These brands reflect the company’s core 20-something demographic. There was a solid representation of streetwear brands such as Nike and Puma, and other “younger” brands like American Apparel, Pretty Green, and Diesel. For designer-aligned products, ASOS carried brands like Issey Miyake, Alexander McQueen and Vivienne Westwood.

In order to establish its fashion credentials, ASOS also represented a wide range of small boutiques or independent labels including The Left Bank, Terra Dea, Unknown NY, Never Fully Dressed, and HandPicked.

The diverse brands reflect the ASOS strategy of positioning its website as an inspiring destination for all fashion-conscious and fashion-forward consumers, and a strong alignment to the “high-and-low” fashion trend of combining designer or high-end brands with fast or low-end fashion. The “high-and-low” trend was spotted on celebrities — Taylor Swift (garbed in Miu Miu with Aqua and featured at WhoWhatWear website), Miranda Kerr (wearing A.L.C. with Zara), and Kendall Jenner (wearing Balenciaga and Topshop).

ASOS offers a full range of prices (an outfit can cost as low as USD 20 and as high as USD 600), lauding itself as the fashion destination that suits every fashionista’s budget.

In October 2014, ASOS launched a breakthrough in its pricing model. Its innovative “zonal pricing” model allowed it to easily adjust prices in different regions, not fixed on UK prices but competitive and in line with the local market. It also gave ASOS the ability to adjust prices as local currencies fluctuated in value. The positive sales impact of this breakthrough was summed up in Nick Robertson’s quote,

With our continued investment in our international price competitiveness gaining traction, momentum in the business is building. This gives us confidence in the outlook for the second half and that full year profit and margin will be in line with expectations.
Delivering convenience at zero cost to its customers

In 2015, ASOS offered free shipping to 234 countries from its distribution centres in the United Kingdoms, United States, Europe, and China, complemented with prompt and reliable delivery, and other high levels of customer service. With heavy investment in ASOS web technology, ASOS customers could track their orders online. In its attempt to drive international sales, ASOS built a new 1.1 million square feet distribution centre in Barnsley, a town in South Yorkshire in 2011.

In 2014, ASOS collaborated with CollectPlus to deliver convenience to its customers, granting them the freedom to send and receive ASOS parcels at a time that suited them. ASOS customers no longer need to wait hours for deliveries. The partnership with CollectPlus allowed ASOS to use the CollectPlus’ network of more than 4,500 supermarkets, corner-shops, and newsagents as pick-up or drop-off points. Customers used the service by clicking on the CollectPlus link when they checked out on the ASOS website. They will receive emails or text with a seven-digit code to alert them to collect the orders from their local pick-up points within 10 days. They only need to show the code and their proof of identity.

According to the ASOS website, the service will help shoppers overcome the frustration of missing a delivery:

You can choose from thousands of local shops for your parcel to be delivered to you so you can pick it up whilst you’re popping out for a pint of milk, grabbing a late-night snack or simply when it’s most convenient for you.

CollectPlus’ research showed that the average person wasted a total of 31 hours and 48 minutes in waiting for deliveries every year, with almost half of the people taking time off work to stay at home to wait for a parcel. Of those who had waited in for a delivery, more than 75 per cent complained that a package had turned up late, with 61 per cent claiming it never arrived at all.

Neil Ashworth, chief executive of CollectPlus, said,

The Internet has given people the ability to browse and purchase goods whenever and wherever they like. However, the research shows that inflexible deliveries can make shopping online much less appealing. Customers want to access their online purchases as easily as they buy them and not waste their valuable time waiting around.
Serving specific customer segments and occasions

Besides third-party brands and independent labels, ASOS created a number of sub-brands under the ASOS umbrella brand:

Table 1: ASOS women’s sub-brands

<table>
<thead>
<tr>
<th>Women’s</th>
<th>Focus</th>
<th>Description on ASOS website</th>
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</thead>
<tbody>
<tr>
<td>ASOS Salon</td>
<td>Vintage style, heavily feminine line</td>
<td>This season, ASOS Salon goes all out with a super-girly collection of evening dresses. Look out for 3D floral embellishment, oh-so pretty prints, and floor-sweeping maxis for the ultimate in occasion dressing.</td>
</tr>
<tr>
<td>ASOS Reclaimed</td>
<td>Pre-owned vintage pieces</td>
<td>Levi’s denim, pre-loved leather, and vintage fabrics get reworked in this limited-edition collection. Upgrade your festival swag in cool co-ords and 70s wide-leg cuts.</td>
</tr>
<tr>
<td>ASOS Black</td>
<td>More fashion forward</td>
<td>Taking its lead from contemporary luxe items, ASOS Black refreshes cocktail dressing with its love affair with separates. Super-sized crystals, sparkling bomber jackets, and up-scaled sweatshirts all give a new take on evening embellishment.</td>
</tr>
<tr>
<td>ASOS White</td>
<td>More minimal and sculptured</td>
<td>ASOS White gives us the right stripes this season with bold prints stamped across its minimalist aesthetic and limited-edition collection. Perfect your premium vibes in oversized silhouettes and super-soft cashmere knits.</td>
</tr>
<tr>
<td>ASOS Petite</td>
<td>Specially designed for small build, below 1.60m</td>
<td>5’3”/1.60m and under? We’ve taken your fave pieces and cut them down to size. Prep[are] for the party in perfectly proportioned dresses, jumpsuits, and occasionwear by Glamorous Petite and John Zack Petite, or stock up on cool coats and 26” leg jeans.</td>
</tr>
<tr>
<td>ASOS Curve</td>
<td>Specially designed to embrace the beautiful curves</td>
<td>Plus-size babes take occasionwear to new lengths with maxi dresses and jumpsuits from Lovedrobe and Truly You. Work longline tunics and simple shifts in (UK) sizes 18 to 30 for Monday-to-Friday fly.</td>
</tr>
<tr>
<td>ASOS Maternity</td>
<td>Specially designed to embrace the beautiful bump</td>
<td>Dressing for two? Our maternity midi dresses, skirts, and tops from Club L Maternity and Mamalicious flatter your growing bump and new curves in UK sizes 6-20, while our nursing selection ticks all your pre- and post-baby boxes.</td>
</tr>
<tr>
<td>ASOS Tall</td>
<td>Specially designed for the 1.75m and over girls</td>
<td>Say goodbye to fashion awks with our Tall edit, 5'9”/1.75m and over girls. Instead, say hello to longer-length jeans in a 36” leg, jumpsuits, and occasion dresses from Noisy May Tall and Jarlo Tall, or work longline with our tailoring and outerwear.</td>
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Table 2: ASOS men’s sub-brand

<table>
<thead>
<tr>
<th>Men’s</th>
<th>Focus</th>
<th>Description on ASOS website</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASOS</td>
<td>A broad range of men’s clothing</td>
<td>ASOS provides all the answers for any man’s wardrobe. From t-shirts, suits, and jeans to directional pieces and innovative cuts, ASOS offers the very best in style, with a versatile range of men’s clothing.</td>
</tr>
</tbody>
</table>

The ASOS umbrella brands are aimed at segmenting its offer as much as necessary, allowing the company to reach the widest possible consumer base. ASOS invested heavily in trend spotting and in understanding consumer’s fashion attitudes to grow its own label with great success. Celebrity endorsement with Drew Barrymore, Lana Del Ray, and Zac Efron in 2011 and 2012 proved to be a powerful strategy for its impressionable consumers. As reported in the 2012 financial year, the sales of ASOS brand products were up by 45 per cent year-on-year.

With an understanding that its customers bought and wore fashion for occasions, ASOS launched its occasion-wear hub in the first quarter of 2015. A fashion blogger wrote, “Just when we thought ASOS couldn’t get any more addictive, they’ve gone and launched an amazing occasion wear hub that’s packed full of to-die-for frocks...”. The hub is filled with show-stopping pieces to be worn to different occasions including weddings, races, proms, and summer parties. Bloggers who viewed the pieces at the press preview were raving about them, using phrases like “insane attention to detail”, “we couldn’t believe they weren’t designer”, “simple but statement”, “full-blown glamour”, and “fulfilling your desire, so good that you’ll need your own personal red carpet”.

One important occasion that ASOS focused on was wedding. Although the ASOS 20-something customers were too young to be the bride, they were more often than not, the bridesmaids. As ASOS Womenswear design director put it,

We noticed a gap in the market to supply our 20-something customers with contemporary bridesmaid dresses with a fashion approach. And having seen dresses from our mainline collection bought as bridesmaid dresses, we felt like this was a natural addition to our occasion-wear offering.

ASOS bridesmaid collection offers gorgeous bridesmaid dress styles in complementary fabrics, colours, and prints for customers to mix and match the bridal party look to their heart’s content, and best of all, prices start from GBP 38. ASOS bridesmaid dresses are designed to suit varying body shapes with different styles in the same prints and colours. ASOS understands that not every girl would like to wear the same style. However, dresses are designed to complement each other to create a beautiful ensemble. On top of that, ASOS bridesmaid dresses could also be worn as contemporary pieces on a daily basis after the big day.

As one fashion blogger noted,

Gone will be the days of trawling shops looking for something that everyone likes, that suits everyone’s size, colours and that all-important strapless versus sleeved preference. You’ll now be able to click and clash floral prints with solid colours, maxi lengths, and minis
without the stress of trying to scramble the perfect combo look together yourself.

ASOS has not only revolutionized the shopping experience for bridesmaid dresses, but has also reinvented the bridesmaid experience. The ASOS line-up now has flattering bridesmaid dresses to match any body and skin tone, and bridesmaids can look forward to an enjoyable shopping experience before the occasion.

**Combining editorial and e-commerce to create value for its customers**

In an interview with Flash and Flames (2015), ASOS CEO Nick Robertson explained the importance of content and e-commerce:

> The first pound of marketing an online business goes into delivery and returns, and we spend GBP 100 million a year on making that free. The second pound goes into how best to represent ASOS. So we use content: our emails, the fashion magazine and the mobile app. The convergence between retail and media, this is it. The business model for magazines, ...[which] was made up of advertising revenue, is now clothes sales.

ASOS aims to provide rich and colourful fashion content to inspire its customers, adding value to its customers other than the wide fashion choices that it offers. It has successfully created visible, searchable, and compelling fashion content that has converted browsers into shoppers. According to the Department Stores Study carried out in August 2015, ASOS went beyond the Index average for search visibility (defined as the number of first page results for which the brand link appears) in seven different geographical locations (United States, United Kingdoms, Spain, Russia, Italy, Germany and France).

The achievement of such high-search visibility is a result of strategically placing an Alt tag on each photo, allowing images to be easily indexed on Google’s search crawlers. Graphics displayed in the lifestyle content on ASOS web pages are embedded with “scannable” and “copyable” text, easily picked up by Google’s search engine. Additionally, ASOS used Structured Data Markup — rich snippets wrapped in span and div tags — to enhance click-through rate and occupy search real estate on broad category searches.

Beyond its ingenious content distribution, ASOS is also a master at content creation. ASOS content skewed towards fashion guidance, rather than advertisement of its products. ASOS has a philosophy of providing fashion advice that customers could trust. It tells customers what is best, even if it would mean promoting a product or a trend that would not generate sales for ASOS. This made ASOS’ content authentic and it generated a high return rate. Most importantly, ASOS has always allowed customers to contribute, participate, co-create and share content.

According to the Department Stores Study in August 2015, ASOS was the leader in community size, interactions per post, and total interactions on Instagram, surpassing Nordstrom, Harrods, Selfridges, NET-A-PORTER, and Tsum (Zaryouni, 2015).

ASOS’ online fashion editorial “Tombabe Style”, “Rule the Pool”, “Style Blog”, “Catwalk Trend”, as well as interviews with celebrities including Azealia Banks, appeared on the company’s websites.
alongside new product arrivals; other retailers tend to keep their content — blog posts, fashion write-up, and video — under a separate domain. ASOS has kept its websites updated by adding articles of interest to the fashion-conscious shoppers, refreshing its content every week to retain its customers’ attention.

The ASOS Magazine (both online and in print) was launched in 2007, and ASOS eventually became a fashion authority on fashion and style by posting articles and taking part in fashion-related conversation across its social media channels.

Lucie Greene, the worldwide director of the Innovation Group at J. Walter Thompson Company, said, ASOS Magazine is a credible fashion and lifestyle magazine, and the brand’s online content continues to be authoritative and full of personality. The thing that sets them apart is the execution. It feels like a credible magazine; it has a tone of voice; it’s not too heavily branded and features tons of culture.

“We want to be more than just a shop,” said ASOS’ head of commercial, Kate Whitelock. “We want to offer great products to our customers but also inspire them with content across lots of different verticals — fashion and beauty, as well as entertainment and lifestyle.”

Applying social commerce within e-commerce

Social media is at the heart of the company’s business strategy and its social media strategy is centred on its customers’ wants and needs. All ASOS social channels have a clear direction and personality that is consistent across the board. ASOS’ Facebook and Twitter posts are focused on sharing entertainment and lifestyle news while its Instagram is led by fashion content, and Tumblr is filled with celebrity fashion for style inspirations. ASOS has accounts on LinkedIn, Pinterest, and Google+, amongst others. They are most active on Facebook, Twitter, and Instagram.

Facebook
The ASOS Facebook is one of the most popular retail brands on Facebook as of January 2016, with over 3.7 million fans, in comparison with other online retailers such as Boohoo’s 2.2 million and NET-A-PORTER’s 1.3 million.

On a typical day, ASOS would post one to two visual updates, including weekends. Posts are mainly utilised to promote new products or sale items. A post typically obtains a few hundred likes and a handful of comments. Fashion and beauty news are also posted in an “upbeat tone” that appealed to the 20-somethings. Photo albums with curated ASOS products are also uploaded to showcase “putting fashion items together” for inspiration.

The most popular updates amongst their fans are those that involved celebrities. Posts on competitions and similar posts that encourage fan involvement are also popular. An example was the AsSeenOnMe campaign — customers tag photos of themselves wearing their ASOS purchases, with the opportunity of being featured in a gallery on the ASOS website. An album of photos uploaded by ASOS customers is also added to their Facebook page to showcase the latest entries. Through this highly effective marketing technique of valuing
customers’ taste and style, ASOS has established a strong relationship with their customers. Besides, the photos also encourage purchases on ASOS.com.

Customers often use the ASOS Facebook website as a means of enquiries about purchases. ASOS staff, striving for 24/7 customer engagement, have swiftly responded to all their questions in a helpful and polite manner.

**Twitter**

ASOS has been exceptionally active on Twitter, with multiple accounts to cater to different markets and purposes. By maintaining separate Twitter accounts for fashion updates and customer service enquiries, ASOS has kept potential unhappy customer from interfering with their marketing success. This is a clever strategy to protect its positive brand position.

ASOS’ main global fashion page has nearly 800,000 followers; Boohoo’s page has 155,000 followers and NET-A-PORTER’s page has 24,300 followers. In addition, ASOS also has pages for ASOS Australia/US/Canada/ES/DE/Italia, ASOS Menswear, ASOS Careers, ASOS Fashion Finder, ASOS Marketplace, and ASOS Greenroom.

In November 2013, Twittercounter.com documented that ASOS was averaging 457.5 tweets per day. Ninety per cent of the tweets were replies to customers and followers. Constant engagement with young customers is extremely important to target young customers. Twitter’s short and snappy real time updates accelerate the speed of ASOS’ response to customers, fostering a more personal relationship.

In July 2012, ASOS was at the top of the Institute of Customer Service’s UK Customer Satisfaction Index. In the following year, the company was awarded the “Best in UK — Customer Service Award”, demonstrating ASOS’ success in providing personal service to its customers in the digital environment.

**Instagram**

With more than one million followers on ASOS’ two separate Instagram accounts — ASOS and ASOS studio in January 2016 — sales bargains, fashion inspirations, and trend updates are posted two to three times a day to the ASOS account, while behind-the-scenes happenings at the ASOS photo studio are posted to the ASOS studio account. A clever move by ASOS is to include product codes with images at the ASOS studio account so that customers can easily locate the desired items online for purchase.

*Engaging customers both online and offline*

ASOS customers communicated and shared their favourite outfits and fashion style inspirations through ASOS’ digital platform, Fashion Finder. Fashion Finder helps ASOS to pick up the fashion sentiments of its customers to curate its product offerings more effectively. In addition to Fashion Finder, ASOS launched hashtags on their social media for people to share their experiences. This included #ASOSsloves, #ASOSPups, #Today, and #ASOSUnbox. As an example, #ASOSUnbox encouraged ASOS customers to shoot “Vines” (short videos) of themselves opening their ASOS
parcels and upload to Twitter.

Another ASOS strategy to stay in touch with what its customers are excited about involved regularly convening millennial focus groups to uncover new insights for fashion innovations. One insight picked up at such focus group discussion is that ASOS customers are greatly interested in shared experiences, especially in the summer. This led to the partnership with Good Play Music, collaborating on “Soundtrack Your Summer,” a group of playlists inspired by staple summer events — music festivals, pool parties, and beach days — complemented by ASOS collections for men and women, curated with fashion products for men and women to wear for each event.

The ASOS unique customer experience
All of ASOS’ business strategies are crafted to engage its 20-something millennial customers, who have a different set of expectations of a good online shopping experience. ASOS has been quick to adapt its business offerings to its hyper-connected young customers who expect a unique online experience to shop for inspirations, and engage in personal conversations with fashion communities, anytime and anywhere. The following subsections describe the customer experience journey of a typical ASOS customer.

ASOS’ young, net-savvy, fashion-forward and price-sensitive customers
As summarized on the ASOS website, ASOS customers are “20-something fashion lovers everywhere who want fashion and want it now”. These fashion-lovers are avid shoppers and communicators who are inspired by friends, celebrities, and the media. They search for fashion online, read about fashion and talk about fashion on social media with their friends on their phones, tablets, or laptops.

The ASOS shopping experience
The following illustrates the five stages that a typical ASOS customer (let’s call her Alicia) goes through:

Pre-purchase experience
Before purchasing from ASOS, Alicia gets to know ASOS from her friends and fashion blogs. Alicia loves fashion. She takes time to check out the latest trends online and finds ASOS on many fashion blogs, fashion-related websites, Instagram, and Twitter. On Instagram, she often sees pictures of ASOS clothes as outfit-of-the-day on stylish, fashionable people.

Comparison
There is an upcoming party and Alicia wants to buy an outfit to impress her friends at the party. She hopes to get inspiration from her favourite fashion blogs so she checks out some posts on Instagram. She is attracted to certain ASOS designs, and searches for similar designs in the websites of Boohoo, N Brown, New Look, Topshop, and River Island to compare prices. Her shopping time is mixed with her social activities because she gets opinions from her friends and online reviews.

Alicia thoroughly enjoys her experience at the ASOS website. She is most captivated by the
“catwalk videos” function, which features stunning models wearing items on sale. Alicia can have a visual experience of the how the dresses fit and move. She is fascinated with the musical videos, infused with the “right vibes” (music) that make the fashion pieces come alive. The size of the product images is also larger than those featured on other websites.

The “Personal Stylist” function gives a real-time fashion consultation experience via live chat. As Alicia browses through the clothes, she receives “personalised recommendation” via a relevant product edit based on her browsing history. With a personal stylist to shower attention on her, she feels like a celebrity.

Alicia selects a few dresses and shares the images through Facebook and Twitter by a simple click at the product listings to find out how many likes and comments she will get before making a purchase decision. Charmed by the vibes of the ASOS website, Alicia is impressed with the fashion items. She downloads the ASOS smartphone apps to browse through the website when she is on the move.

**Purchase**
Alicia decides on the perfect ASOS dress “that is so me” at the price that she likes (no shipping charges). Most importantly, she thinks that she will “wow” her friends. One more round of going through the looks for the season at the different fashion blogs online and Instagram, she confirms that it is the “epic” dress for the party. At this point, she buys the ASOS dress.

**Reception**
While the order takes three days’ to arrive, Alicia checks out ASOS blogs and marketplace to learn how other fashionistas style the dress. Inspired, she decides on a unique way to accessorise the dress. When the order finally arrives, she plays with accessories to create different looks with the dress. She wears it to the party, wows her friends, takes many photos, and posts them on Facebook and on Instagram. She tweets about the dress and the party, enjoying the attention of her friends online and offline like a fashion celebrity.

**Post experience**
Alicia is hooked on ASOS. She feels that it is not only a great place to shop, but also a place to discover fashion. The more she visits ASOS, the more she likes the fashion world and the more the attachment grows.
Going beyond 2015

ASOS’ continued success is dependent on its innovation, its capacity to keep up with the ever-changing expectations of its millennial customers amid the fast evolving e-commerce landscape. Some directions that ASOS would be heading beyond 2015 include:

Growing customer base
ASOS has evolved rapidly from a UK-based company into a global retailer. In 2007, UK sales contributed 89 per cent of its sales compared to a mere 41 per cent in 2012. Although developed markets (the United Kingdoms and the United States) are still very important and hold great potential, ASOS identified emerging markets in Brazil, Russia, India, and China (BRIC) as targets to fuel its international growth. The changing consumption culture, characterised by a growing internet-savvy middle class, coupled with the mobile phone penetration in BRIC markets, presents ASOS with far-reaching opportunities.

ASOS’ proposition is likely to perform very well in the BRIC markets, where the mixture of recognised brands and lower-cost private label offered at regular sales promotions would appeal to price-conscious consumers. However, ASOS has difficulties with the underdeveloped e-commerce sector and distribution infrastructure, which makes fast delivery problematic and costly.

Developing its own brand
The potential of ASOS branded products is evident in its 45 per cent growth in sales year-on-year in 2012. That accounts for about 55 per cent of the total sales. The ASOS brand credibility is built on ASOS’ heavy investment in product development and strong engagement with its customers both online and offline. The continued popularity of the ASOS brand enables ASOS to respond to fast fashion trends with shorter lead times and in more cost-efficient ways unknown to commissioning and distributing third-party labels.

Staying on top of technology and new media formats
With ASOS’ focus on offering best-in-class customer experience across its strategic markets, it becomes imperative to invest in technology and in digital platforms to provide the capacity, capability, and resilience to deliver international growth. In 2014, ASOS launched localised Australian and US versions of its Android and iOS apps. In the following six months, localised apps in France, Germany, Italy, Spain, and Russia were rolled out. ASOS has continued to invest in back-end technology to improve the ease of use and increase the speed of its order-processing function, and shorten the response times of its international websites.

Beyond 2015, ASOS has to tackle the challenges of keeping abreast of e-commerce development and social media, especially in emerging markets where Internet infrastructures are less developed.

Brand operators moving into online retail
In June 2012, SuperGroup announced that it would remove its Superdry clothing brand from the ASOS website in an attempt to develop its own e-commerce offer. This was a major blow to ASOS for two main reasons. First, Superdry had been a highly desirable brand for ASOS’ customers. Second, Superdry’s move could signal the beginning of further exits of brand operators who start to develop
their own e-commerce offers to take advantage of the strong online demand among the young customers. Nike and Adidas, the two largest apparel companies in the world, for example, had both invested heavily in e-commerce, and sought to reduce sales via third-party distributors such as ASOS. The latest product development from the brand operators is very likely to go through their own online stores, undermining the fashion credibility of ASOS in the long-term.

Conclusion
ASOS has captured its target audience with an exciting and up-to-date website of authentic fashion content and well-curated fashion products that reflect their customers’ lifestyle. ASOS pushed social media to its limits to engage its customers. One key strategy is to encourage co-creation of content with its customers through photo-sharing, blogging, and microblogging. Through its presence on multiple channels, ASOS is much more than a shopping website. Fashion-focused 20-somethings visit the ASOS website to search for fashion, to know the latest trends, and watch fashionistas share their fashion and lifestyle habits online with friends on phones, tablets, or laptops.

The crucial question is, Are ASOS’ social media-driven e-commerce strategies sufficient for ASOS to forge a deeper relationship with its constantly evolving millennial customers, to make them buy more and buy more often?
End-of-Case Questions

**Question 1**
What are the attributes and needs of ASOS millennial customers?

**Question 2**
What is ASOS’ value proposition to its millennial customers?

**Question 3**
Map out a typical ASOS customer’s experience journey, highlighting the key touchpoints. Discuss ASOS’ strategy in meeting the customer’s needs at these touchpoints.

**Question 4**
Apply the simplified model of conducting social commerce (as shown in Figure 3 below) to ASOS, listing (a) the process of “engagement”, “collaboration”, “information gathering”, and (b) “social analysis” leading to some e-commerce strategies and social media strategies that will make the evolving millennial customers buy more and buy more often.

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**Figure 3: Simplified model of conducting social commerce**

*Adapted from Social Commerce: Marketing, Technology and Management, by Efraim Turban, Judy Strauss, & Linda Lai. doi: 10.1007/978-3-319-17028-2."

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1 Social Analysis: The analysis of collected information, including those portions that are visible in the direct communication to consumers. The analysis outcome is used to support managerial decision-making regarding e-commerce and social media strategies.
References


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About Nanyang Technopreneurship Case Centre

With funding from both the National Research Foundation of Singapore and Nanyang Technological University, the Nanyang Technopreneurship Case Centre (NTCC) was one of the initiatives of the Nanyang Technopreneurship Centre (NTC) to enhance the quality of entrepreneurship education through the case pedagogy. These are part of NTC’s efforts to foster, promote and nurture enterprising mind-sets, skills and knowledge in entrepreneurship education.

There is a plethora of business cases but a general paucity of cases highlighting the specific problems faced by technopreneurs in growing their ventures. NTCC adds value to Technopreneurship education by developing a pool of cases on technology-based local and international enterprises. Through the cases, NTCC hopes to share the experiences, success stories and challenges faced by entrepreneurs/intrapreneurs in growing their organisations and how they overcome their problems to sustain growth.

The theme of this first compendium is “innovation through technology”. It features Singapore-based and global companies confronting issues and challenges due to technological shifts in the industry and changing market and competitive dynamics; when introducing new products in the marketplace; and in using technology to drive organizational change.

Online versions of these cases are available for complimentary downloads at www.ntc.ntu.edu.sg/ntcc.

Teaching notes are also available to faculty members for use as reference, reading and/or teaching materials in various academic and professional programs. For further information, please contact Ms. Denise Lee (deniseleecw@ntu.edu.sg) and Mr. Wu Chong Chuan (wucc@ntu.edu.sg).

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