



THE TIMES 100

asos.com brief

Introduction

asos.com is the UK's leading online fashion store. There are over 9,000 products online. The site attracts 3.3 million shoppers a month. It is aimed at young men and women aged 16-34. asos.com has 250 employees and over 32,000 square metres of storage space. The company has had large growth since it was founded in 2000.

Ownership

asos.com is a plc, quoted on the AIM (Alternative Investment Market) part of the London Stock Exchange. AIM is not as strict in its rules as the main market. This helps smaller companies to raise money through the sale of shares. asos.com is run by a board of directors. Two non-executive directors are there to provide advice and expertise.

Growth

Most businesses seek to grow so they can buy and sell on a bigger scale. Growth can come from within the business. This is called organic growth. An example is finding new markets for products. Firms can also grow by merging with other firms. This is called integration. There are different kinds of integration. If the merger is:

- at the same level of production, this is horizontal integration - for instance, the merging of two fashion stores
- at a different level of production, this is vertical integration. This can be backwards to a previous part of the supply chain, for instance, a manufacturer buying a raw material supplier. Or it can be forward integration to a later level, for example, a chain of shops.

Asos.com has gone for organic growth. It has increased its customer base. It offers a wider range of brands and products. It has also grown rapidly without having the problems that this often brings.

Improving the business

asos.com looked at where and how it might grow. Research showed that online sales have been growing faster than any other sector. Around 20% of online shoppers are young people. Asos.com made these its target group. To attract them it offers a diverse range of brands and products. Above all, it offers online shoppers a good shopping experience. It makes sure that the website adds value, by providing more than a customer would expect from a shop. The site provides a wider choice, good prices, new styles and, above all, convenience.

Communication

As it has grown, asos.com has developed a more complex structure of departments. It also has to work hard to keep up with changes in technology. For instance, customers expect to be able to track orders online. The website is kept current by constantly adding new products and lines. Asos.com has increased the size of the images used to give customers a clearer picture of what they are buying. It also uses other communication channels to drive growth. These include:

- a monthly magazine of 116 pages
- an email newsletter that goes out to 1.8 million users each week
- PR pieces in other publications
- promotion to encourage people to recommend the brand to friends.

Conclusion

asos.com has achieved fast growth since 2000. Part of its success is due to it growing organically. Part is due to its high investment in both people and technology.