



# THE TIMES 100

## Asos.com summary

### Introduction

asos.com is the UK's leading online fashion store, aimed at 16-34 year old men and women. There are over 9,000 products on line and the site attracts 3.3 million shoppers a month. It has 250 employees and over 32,000 square metres of storage space. The site has continued to grow 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, so helps smaller companies to raise capital through the sale of shares. asos.com is run by a board, with three directors and two non-executive directors, who are there to provide advice and expertise.

### Growth

Most businesses seek to grow so that they can gain from economies of scale. Growth from within the business - through finding new markets, for example - is called organic growth. Firms can also grow by merging with other firms. This is called integration. There are different kinds; if two businesses merge

- at the same level of production, this is horizontal integration e.g. two fashion stores
- at a different level of production, this is backward vertical integration (to a previous level) or forward vertical integration (to a later level). Examples could be a manufacturer buying a raw material supplier (backward) or retail outlets (forward).

asos.com has grown organically by increasing its customer base and range of brands and products. It has also managed to grow rapidly without having the problems that this often brings.

### Improving the business

The strategy of organic growth has led to an increase in sales and market share. asos.com chose to use the web as a channel as research shows that online sales have been increasing faster than any other sector.

asos.com has targeted young people as these represent around 20% of online shoppers. To attract these it offers a diverse range of brands and products.

Above all, it offers shoppers a pleasurable shopping experience by ensuring that the website adds value, 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 example, customers expect to be able to track orders online. The website is kept current by constantly adding new products and product lines. The business has also increased the size of the images used on the web pages to give customers a clearer picture of what they are buying. asos.com also uses other communication channels to drive growth. These include a monthly magazine of 116 pages and an email newsletter that goes out to 1.8 million users each week. In addition, it places PR pieces in other publications and encourages word-of-mouth recommendation

### Conclusion

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