

## ASOS.com - Brief

# The product life cycle and online fashion

### Introduction

ASOS.com is the UK's leading online fashion retailer. It offers own-label, branded and designer fashion goods. Its up-to-date fashions are available to buy through the internet. ASOS.com uses the product life cycle to make sure products always meet customer needs.

### The product life cycle

The product life cycle shows the stages a product goes through over time with regard to its sales. In the fashion industry, product life cycles can be short because trends and tastes change quickly. An ASOS.com own-brand dress may follow this cycle:

- Introduction. The dress is put on the website and advertised. For instance, links to new products are put on the home page.
- Rapid growth. The product tends to promote itself as people see the item in magazines and newspapers. ASOS.com must ensure it has enough stock to meet demand.
- Maturity. ASOS.com reminds people of the product through features on its website or in its magazine.
- Saturation. ASOS.com may cut prices to clear stock and allow new products to take over.
- Decline. People become tired of the item. Trends move on.

### Purpose of the product life cycle

ASOS.com has to plan a season ahead to have the items designed and made in time for the launch. ASOS.com products can have extended life cycles as it sells worldwide. In the southern hemisphere seasons are opposite to the UK. People also now take more winter holidays. This means that items such as swimwear sell all year round. Product life cycle knowledge provides greater control.



It helps ASOS.com to:

- predict revenue and work out the profitability of products
- plan when products are to be added to the website or withdrawn
- support products through the whole life cycle. It can plan pricing strategies to earn the most revenue at every stage.

## Promotion

Promotion helps ASOS.com inform potential customers of its products with the view to making a sale. ASOS.com is market-orientated. This means the company bases its activities on customer needs. It uses a Customer Relationship Management system to help work out the buying patterns of its customers. By working out what customers buy and when, it can target promotions at key sectors of the market. ASOS.com measures how well promotion works through Key Performance Indicators. These include, for example, how many personalised promotional emails are opened.

## Extension strategies

ASOS.com seeks to beat rivals and increase its market share. It must be aware of how the life cycle of a product can be managed or extended to make more sales. The Boston Matrix helps ASOS.com assess the value of individual products and manage them. The Matrix puts products into certain 'slots':

High	<b>Question mark</b> A good market but will the product do well in it?	<b>Star</b> Doing well in a growing market
Market Growth		
Low	<b>Dog</b> Struggling in a slow market	<b>Cash cow</b> Continuing to do well in an established market
	Low	High
	Market Share	

ASOS.com must manage the Dogs by getting rid of them or cutting costs. It must convert Question Marks and Stars into Cash Cows. It does this through promotion.

## Conclusion

Fashion is a fast moving market. ASOS.com targets its customers through personalised communications. This is a key aspect of its promotion. ASOS.com continues to improve its range of products and services to stay competitive. ASOS.com knows its customers' needs and the life cycle of its products. It markets products that ensure high volume sales.

