

# Strategic marketing plan assignment

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## Strategy Marketing Plan As Seen On Screen (ASOS) Table of Contents

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Executive Summary ASOS is one of the most recognized online clothing store

in the United Kingdom. It offers products that people often see worn by celebrities.

As such, many people are encouraged to try out their items. In addition, the prices of their products are relatively lower compared to high street fashion. Because of these along with other factors, ASOS was able to grow. With the growth of ASOS over the years, it is important to ensure that it can be sustained. The fact that online shoppers and traditional shoppers differ in terms of concerns and behavior, it is critical for ASOS to study the purchasing behavior of their market segment to determine the kind of strategy that they need to ensure success now and in the future.

This research focuses on the various aspects of online retailing in the hopes of investigating the purchasing behavior of ASOS customers and formulating recommendations on how to keep the profit margin of the company on increasing side. For the past 50 years, the retail industry has been under numerous changes. For example, the 1950's saw downtowns as the center of retailing. People would often go downtown to avail the various products and services. These products and services included clothing, food, hardware supplies and banking services.

A decade later, a group of retailers started offering their products and services in large departmental stores. The idea is to provide convenience to the shoppers. By creating a place where various retailers can offer their products and services, shoppers will no longer have to make several trips to different locations in order to purchase the things that they need. This means that retailers hoped to create a one-stop shop for their customers. As

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a result, big names such as Wal-Mart and K-Mart made big names in the retail industry.

On the other hand, downtown or small scale and specialized retail outlets experienced a decline in the 1970s and 1980s. From the later part of 1980s to the early years of 1990s, a new kind of retailing came in being. Home TV shopping networks as well as warehouse clubs became very popular among consumers. If one-stop department stores aimed to provide convenience to their customers, home shopping networks brought the idea of convenience to a completely new level. Instead of encouraging customers to drive to their stores, retailers brought the stores inside homes and purchasing the desired products is as easy as calling a toll free number.

On the other hand, warehouse clubs offered customers the opportunity to buy products in bulk and at discounted prices. Costco and Sam's Club are some of the warehouse clubs that earned success. The changes within the retail industry continued well into the late part of the 1990s. Along with the success of internet, retailers were quick to recognize the importance of surfing the web, also use of other internet applications was fast becoming incorporated in the lives of many people around world. For this reason existing retail shops and new genres of entrepreneurs have grown up and have decided to bring their stores online.

The move to utilize the internet was a good decision in terms of marketing. Cable television took 25 years to reach approximately 10 million people, while computers took 7 years to do the same. However, the internet was able to manage that feat in just six months. This means that retail store will

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have more chances of exposure if they have their own website. Since the utilization of the internet for retailing purposes, many companies have been able to experience the benefits of bringing their businesses online. With this, a need was created to formulate strategies that focus on maximizing the potentials of internet.

Nowadays, ecommerce, ebanking and other forms of ebusinesses are becoming a popular choice among the consumers and as such, it is also becoming a popular form of business for companies. Increase in sales are usually expected by companies when they launch an online store on host websites that offers their products and services. In the retailing industry, etailing is also fast becoming the choice of companies. One of the companies that concentrate in advancing their etailing endeavor is As Seen On Screen Or ASOS.

They offer clothing and other fashion related items that are similar to designer fashion worn by celebrities but at a lower price. They have a website where they post the products that they currently have. In addition, they show actual photos of celebrities wearing a similar item of clothing that are being sold on their site. Case Study Despite the degree of success that ASOS was able to achieve over the years of their operation, there are still problems that they need to resolve in order to ensure the survival of their business.

This is the rationale behind this paper. This paper will be presenting the conditions that ASOS are operating in as well as the various aspects that they need to focus on in order to maintain?? steady or increasing flow of

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profit. Statement of the Problem : The problem of ASOS is generally related to the problem faced by most online retailers: the online consumer buying behavior. Attracting consumers with the limited resources available on the internet is a big challenge to online retailers like ASOS.

Knowing the online consumer behaviors will let the retailers and managers of these companies formulate and develop effective strategies that will help increase the popularity and sales of clothing online. According to a study of users who have bought products online, there are five main reasons why people shop through the Internet. These are convenience and ease of use; greater selection; better prices; easier comparison-shopping; and no sales pressure. On the other hand, there are also reasons why people are not attracted to making purchases online especially when it comes to clothing.

The top four most frequently identified reasons why consumers are not purchasing online are ability to judge quality, security, privacy, and easier to purchase locally. Product Strategy The product line of ASOS is very well defined. The company knows exactly what they want to show in their website. As the former name of the company suggests, the product line of ASOS is composed of clothing articles as well as other fashion related items that have been seen on celebrity fashion icons or trendsetters. The company's decision to extend their product line to include beauty products have paid dividends to the company.

Since the products of the company focuses on products that must be appealing to the eye of the customers in order to be bought, visual merchandising is important in conveying the aesthetics of the products that

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they are being offered. Customers need to see that the clothing items that are being offered in the website were indeed “as seen on screen”. Like the conventional retail clothing outlets, ASOS does have a window to display their products. The pages of their website serve as the windows where their customers can see the products. Communicating their Identity.

Being both in the fashion and retail industry, ASOS needs to be able to meet the requirements of both industries in order to succeed. In relation to the fashion industry, ASOS must ensure that the items they are offering are according to the season and also in sync to the latest styles. Another objective of ASOS is to provide a pleasant online shopping experience to their customer. It is important to associate shopping with being online. It is a fact that being physically involved in shopping brings about a different experience compared to shopping online.

Competitor Analysis Competition is important since it affects the success of a business venture. Competition is about the company’s capability in positioning itself in the market so that they could stand out among the rest in the perception of the consumers. In the case of ASOS, they do not have any direct competitors when it comes to clothing associated with celebrities. However, it competes with?? other clothing retailing stores such as Topshop.com and Figleaves.com. Positioning Strategy The target market segment of ASOS is as defined as their product line.

They target people who are eighteen to thirty years of age and who are internet savvy. Based on the questionnaires prepared and used for this research, the biggest bulk of ASOS customers are eighteen to twenty-two

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years. This age group represents fifty-five percent of the total ASOS customers. It is followed by people who belong in the age brackets twenty-four to twenty-nine and thirty to thirty-five which are twenty percent of the ASOS customer population each. Lastly, people who are thirty-six to forty-two years old complete the population representation five percent of the total. ASOS customer population by age groups

The result of the survey concluded that ASOS targeted the right age group for the products. This is the case since the survey revealed that eighteen to thirty year old customers are more open to buying the products that ASOS offers. Another reason for the bulk customers on the said age bracket can be attributed to the fact that people within this age group are more apt at using computers as well as navigating the internet. In addition, they are also the ones who are part of the corporate world where everything is fast-paced that they do not have the time to go down town and shop for the clothes and other fashion items.

ASOS customer population by gender In relation to gender, eighty percent of ASOS shoppers are women, while only twenty percent are male. This may be the case since most of the items that are being offered online are for women. In addition, the marketing activity of ASOS focuses on disseminating information to more women than men. 500, 000 emails are sent to females twice a week compared to 100, 000 emails sent to males only once a week. Offer Strategy The success of ASOS is being owed to their ability to offer trendy clothes at significantly lower prices. However, there are still other actors that needs to be considered when discussing the success of ASOS as



an online retail clothing store. Aside from the price of the products, the seasonability of the products being offered is also crucial. It is a fact that the fashion industry is always on its toes when it comes to innovation. Various collections come out on a regular basis depending on the season. There are winter and summer collections as well as spring and fall collections.

Conceived Identity Corporate identity is a valuable management resource because it affects every aspect of corporate life.

A company's image, reputation and management perception, the three components of corporate identity. Establishing a clear identity has become a difficult task due to the trend towards cross-border mergers, the growing importance of environmental concerns and the increasing similarities between products and services. In the current situation of ASOS, it affects its corporate reputation in the US. However, there are some strategies which can be done to build up the ASOS reputation and credibility. The brand of the company is an important part of the company.

Marketing communication vehicles such as advertising, direct mail, public relations, trade shows, seminars, and collateral material play an important role in communicating brand. Thinking of these activities as brand conveyors is important to understand their role. Consistent with its objective to build up their reputation and credibility towards the customers, ASOS would develop a solid message platform that clearly and consistently communicates their product features and benefits in a way that incorporates its brand principle, personality, and associations.

Secondly, ASOS would communicate with its customers by using third parties to send its messages and in order to establish credibility with all target audiences. Third parties include analysts, media, award givers, happy customers, and online newsgroups/list serves. Public Relations By its nature, public relations is devoted to serving particular interests by presenting them to the public in the most favorable light. The earliest form of public relations and still the most widely practiced is publicity. The principal instrument of publicity is the press release, which provides the mass media with the write up material and news stories.

The growth of modern public relations is generally attributed to the development of the mass media, which accelerated the spread of ideas and increased the importance of public opinion by giving more people access to current events. Timing Strategy The sales of ASOS increases significantly during the holiday season. This is the case because orders for products that will serve as gifts were in demand. In addition, a series of events take place during the holidays. Family reunions and countless parties are set to happen during this time of the year.

This means that people will always be on the look out for clothes that they will be able to use during these events. However, it is also expected that during the holiday season discounts are in abundance. This means that consumers are also on the lookout for bargain deals. In the case of ASOS, they are able to meet the needs of their customers for ideal apparel at reasonable prices. As such, during the holiday season ASOS must be able to get the word going that they will be able to provide quality yet affordable

apparels for the people. Desired Identity Expanding New Values for customers worldwide

The ultimate goal of ASOS's sales activities worldwide is to satisfy their customers so that they will continue to come back for more ASOS quality products. That's why they put full effort into their services, responding to changing values and increasingly sophisticated needs. They're always working to improve the quality of customer relations providing friendly and attentive sales, responsive service support, thorough maintenance and repairs so customer satisfaction constantly grows. ASOS also continues to develop sales and service systems best suited to community needs. Customer Care and Service Total Quality Management is incorporated into all the functions and processes of the organization. With this, it can be stated that customer relationship management programs are included in total quality management. The need to develop an effective total quality management is important due to various reasons. It is also the case that total quality management views customer satisfaction in relation to customer retention and increase in the profits. These above points are considered by ASOS when they designed their website.

They wanted to give their customers the kind of shopping experience that would lead them back to the website and make more purchases. Misaligned Identities: actual and desired Mismatched in actual and desired identity could be cited from the following example : ASOS is one of the leading retailers existing in the corporate world today. One of its leading features is e-tailing. Due to the far reaching grasps of the internet, e-tailing has

flourished. However, ASOS has intended to further its influence in the retailing industry of the Far East by building a branch in one of Asia's key and remote cities.

But the fact remains that ASOS is primarily an e-tailing (relies much on the internet) corporation, and that many of the countries in the Far East do not have advanced computer and internet services as the rest of the world. ASOS presented a key solution to this problem, they would build a material retailing branch. But this would thoroughly conflict with their actual identity, which is e-tailing. SWOT Analysis Strengths The strength of ASOS is its utilization of the Internet. Through the Internet, it has formed a definite market segment that is composed of mainly Internet users.

A firm that limits its attention to fewer market segments can better serve those segments than those firms that influence the entire market. Moreover, its core focus, which is apparel, as worn by celebrities at affordable price gives them a marketing edge for it to attract customers right away. It also gives huge discounts and has broad category coverage. Weaknesses Online retailing in general is getting bad publicity nowadays such as poor delivery performance. Another weakness is that ASOS cannot guarantee specific product or brand presence.

Internet selling is unlikely to be successful, as consumers like to try on clothes and see the quality of fabric and workmanship. One issue that ASOS needs to resolve immediately, is that since its launch until this day, they only offer clothing items up to size 12. This means ASOS is excluding a segment of the market that can offer them additional profit. This may also cause some

customers to get turned off since this suggests that ASOS thinks only people upto size 12 bodies have the right to wear celebrity inspired apparel.

**Opportunities** Ecommerce channels now represent 11% of the total UK retail business, and record numbers of products are being procured via the internet. People are attracted by low prices and convenience. In addition, they have integrated their everyday activities to technology and the Internet, including shopping. As the number of working women, who are ASOS core customers, continues to increase, they will not only need more clothes for work but are also more likely to be financially independent to purchase clothes.

**Threats** Online clothing chains from overseas are successfully invading UK and at the same time, branded apparel such as Diesel, Guess and Zara are still popular among the market. Other purely online fashion etailers such as Yoox. co. uk, Brandalley. co. uk are also their main threats. Downturn in the economy could also cause buyers to cut back on overall spending.

**Recommendations** Improvements for ASOS. com The ASOS website could be improved through a variety of ways that would benefit both the company and the consumer.

For example if video and audio clips were added to some pages, this could increase the interest level for the browsing customer, which could result in increased sales figures. Customer services could be improved through the addition of a live chat service on the website, providing the opportunity for customers to interact with retail staff directly about any questions or concerns they may have about their shopping experience. ASOS can actually

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provide this kind of service if they outsource it to call centers in Asia for example. It will be cheaper to outsource it than to create an in-house call center.

Other issues that would need to be addressed within the ASOS. com website include increased contact with staff, faster processing of refunds and returns and an increase in transparency which could be achieved through more comprehensive information on the company itself. Based on the survey conducted for this research, ASOS customers consider the style, price and quality respectively before buying at ASOS . This means that ASOS must be able to meet these demands of their customers if they want to ensure continued patronage from them.