



THE TIMES 100

Edition 14

ASOS: The product lifecycle and online fashion

Answer sheet

Questions

1. What does ASOS stand for?
As seen on screen.
2. What does ASOS sell?
Own label and branded and fashion goods.
3. How many packages did ASOS send out to its customers each week?
70000 packages are sent out each week to its online customers.
4. Using the case study, explain how the Product life cycle works.
The product lifecycle has a number of stages, research and development, introduction, growth; maturity and decline. With ASOS being an international company, this means that its products can be sold continuously all year round as there are different seasons worldwide. E.g. in the UK it is winter, whereas in Australia it would be summer. Hence products lifecycle will be extended due to the all round selling opportunities for all of its products. Also as it is a warehouse based business, space is not an issue, unlike high street shops and therefore can make stock available to all customers all year round e.g. UGG boots which are considered a winter product but are now worn all year round.
Introduction stage . from the catwalk, ASOS adopt the new item which is then promoted heavily on its website and to its customers through its emails.
Growth . ASOS ensures that it has enough stock to meet demand as not to disappoint its customers . the promotion is done through newspapers and magazines which creates demand on the ASOS website for the products.
Maturity . ASOS will remind the customers that the stock is online through its emails and which will usually prompt repeat orders.
Saturation . at this point sales are gradually falling and ASOS will look at clearing that range of products through price cuts and bargain bins.
Decline . the product has been replaced by new products, however there may still be a few sales elsewhere in the world where time lags in fashion are evident.
5. How could ASOS use the product life cycle to its advantage?
It can maximise its sales all year round and will not really have any redundant and clearance stock due to the nature of the seasonal variations in the world.
6. What is the purpose of the Customer Relationship Management for ASOS?
They find out who the customer is, where they are, what their spending habits are and what influences their customers to spend money. This ultimately is for maximising sales and ensuring the correct stock is being held.



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7. How often does ASOS promote its products to its customers via email?
Twice a week to its 2.7 million customers.
8. What is a complimentary product?
A product that can be sold along side another e.g. jeans and a belt, shoes and socks, shoes and polish etc.
9. Using the case study explain what is involved in introducing a new product?
Introducing a new product involves . new stock needing to be purchased; the website images and ordering system need to be updated; the items need to be promoted in through the website, newsletter and magazine; the risk of these products not been sold at all, leaving the business with money tied up in stock.
10. Why might the Boston Matrix provide extra focus for ASOS?
The Boston Matrix merely highlights which of the products are struggling with sales, which ones are the main earners and which have huge potential for the future.
11. Which 2 products are classed as cash cows for ASOS?
T-shirts and Own label dresses.
12. Are the product life cycle and Boston Matrix similar? If so how?
Yes they are. The Boston Matrix reflects the product life cycle in terms of Introduction (Question Mark), Growth (Star), Maturity (Cash Cow) and Decline (Dog).