

# *Business Model*

## THE GREEN LABEL : ASOS

The ASOS logo is displayed in a large, bold, black, lowercase sans-serif font.

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**In the fashion market**, where sustainability and environmental responsibility become such important elements, ASOS positions itself as an accelerator of change in the industry. We are proud to present our boldest project : the Green Label. This ambitious project represents much more than just a new collection. It marks a strategic turnaround and a resolute commitment to promoting fashion that respects our planet. The ASOS Green Label is an answer to a complex question: how to reconcile the love of style and novelty with the strong environmental imperative of our time? This new tab, designed on our e-commerce platform, will be the meeting point between fashion, innovation and sustainability. By highlighting items made from recycled materials and refined second-hand clothing, we see ourselves as producers of a space where each purchase is a conscious act, a declaration of support for greener practices.

Our goal for Green Label is to be a big part of changing how people think about and buy fashion. We don't see sustainability as something that gets in the way, but as a chance to come up with new ideas and be creative. It's like an invitation to rethink fashion so it fits with what we believe in and where we want the world to go, towards a more sustainable future.

ASOS aspires to redefine the boundaries of fashion by becoming an icon of sustainability and eco-friendly fashion in the market. Our goal is to prove that it is possible to combine avant-garde style, important quality and ethics. With the launch of the Green Label, we aim to introduce a new standard in the fashion industry, where sustainable fashion no longer represents a niche, but a standard. We are committed to continuous innovation, pushing boundaries, and inspiring our customers and other brands to practice sustainability.

Our mission goes far beyond just selling eco-friendly products; it represents a broader and more ambitious vision of reducing the ecological footprint. This includes reducing textile waste by using recycled materials, optimizing supply chain logistics to reduce carbon footprint, and accelerating the reuse economy through second-hand clothing sales. hand. We are committed to implementing practices that preserve and regenerate the natural resources and ecology that sustain our world.

The Green Label would be a vehicle for change, not just in the products it represents, but also in the education and awareness it offers. We realize that change for the better must begin with a better understanding of the issues.

We would therefore create transparent and accessible information for our consumers on the origins, manufacturing processes and environmental impact of each item. Through educational campaigns, partnerships and other engaging content, we want to provide our customers with the knowledge to make conscious-based fashion choices. The path to sustainable fashion is a path of innovations. At ASOS, we believe there is power in

working together to solve the environmental issues of the day. The Green Label provides a platform to develop strategic partnerships with eco-responsible designers, green technology start-ups and fashion brands who share our vision of a more sustainable fashion industry.

## What are the goals of Green Label ?

The main goal of the Green label is to promote durable fashion that merges fashion and sustainability. To do that we have to work on the materials used to produce the clothes but also reduce carbone emission at every stage of the value chain. We are going to see how our new idea allows that.

With the development of the Green Label, most of the products of that category are going to be made from sustainable and recycled materials. So, ASOS must invest in technologies that allow a perfect and efficient textile and recycling but also enhance sustainability at every phase of the product life. By doing that, ASOS promotes a new way of consumption in the slow fashion, buying less products but with a better quality. The consumers must opt now for more thoughtful purchases leading to less consumption, less waste, and less pollution.

Secondly, the transparency and the traceability of ASOS' products are also a key objective. By increasing these elements, ASOS allows the consumers to have a better idea of what they are buying and have better information in order to make better decisions.

Lastly, the Green Label doesn't promote only a new way of consumption. But also promise a better working environment. Every product labeled as Green Label, meets high ethical standards, ensures workers' rights and fair labor practices throughout its supply chain.

To conclude this part, by achieving these goals, ASOS hopes to not only reform its own practices but also to inspire positive changes on the fashion market by becoming an icon of the eco-friendly and slow fashion.

## Fashion Market

**The fashion market**, recognized for its dynamism and considerable influence, faces numerous criticisms, mainly due to its environmental and social impact. Among the main concerns, the environmental impact stands out. The numerous criticisms are about the massive consumption of water needed in order to make clothes such as the hundred liters of water used just for one pair of jeans, but also the important emission of CO<sub>2</sub> and the huge waste of resources by the fashion market.

And as we said before, the popularity of the culture of “fast fashion”, which promotes unbridled consumption and waste, leads to tons of waste. Accelerated trend cycles encourage consumers to purchase new clothing frequently, often at the expense of product quality and longevity.

Another point that we need to change is the working conditions in the industry. Most companies made their products in Asian countries where many workers are facing inadequate wages, long working hours and poor safety conditions.

Referring one again to a point in the previous part, the lack of transparency and traceability make it difficult for the consumers to know where their products are made, with what kind of materials they are made and how they are made. So this issue needs to be changed so people can make better decisions when they want to purchase something.

Finally, the fashion sector suffers from a low recycling rate. Many textiles end up in landfills or are incinerated, with only a small percentage actually recycled. The complexity of recycling mixed materials and the degraded quality of recovered textiles exacerbate this problem.

## Market Gap

**The concept of the market gap**, as part of the ASOS Green Label initiative, is indicative of uncharted territories or unmet needs in the fashion industry, particularly when it comes to sustainable and ethical clothing styles. Faced with consumers' growing awareness of the environmental and social impact of their choices, the search for sustainable alternatives is becoming very common, but the actual offer is often limited, too expensive, or simply does not meet the needs. expectations in terms of style and variety. This gap shows an opportunity for ASOS to offer sustainable and diverse, yet affordable clothing that meets current trends and target markets. With this in mind, many consumers are expressing concern about the lack of transparency in fashion product supply chains. They want proof of their origin, working conditions and environmental impact for each ASOS product. ASOS can close this gap by introducing robust traceability programs and openly communicating these guarantees for all ASOS Green Label products.

These days, second-hand fashion is growing dramatically, but consumers often face problems finding quality, authentic and well-maintained pieces. Here, ASOS can capitalize on this gap by introducing an official, credible and curated platform for second-hand fashion that ensures consumers have access to quality products without losing the fashion experience.

Although consumer interest in eco-friendly materials and innovations is increasing, the availability of these items in the mainstream fashion retailer market remains limited. Thus, ASOS can differentiate itself by partnering with innovative producers and introducing more recycled, organic or eco-friendly materials into Green Label products.

Increasingly, there is a desire among consumers to understand and engage in sustainable fashion but often there is a lack of opportunities tailored to this. This created a pathway for ASOS to fulfill through Green Label engagement and education platforms, through educational campaigns, workshops and content classes that would make consumers better informed and more proactive about sustainability. By filling the gaps identified in the fashion market, ASOS Green Label therefore has immense potential to transform the fashion industry by offering sustainable solutions that directly meet the needs of consumers and supporting ethical and responsible practices in terms of the environment.

## Stakeholders

**The ASOS Green Label project draws on the commitment and collaboration of many key stakeholders**, each making a unique contribution to its success. The party who has the most important role in this project are the customers. Through their purchasing choices, the customers have the most important impact on the fashion market. By buying products from a sustainable company, the customers directly support a sustainable and environmental fashion. Suppliers and manufacturers play a crucial role in sourcing sustainable materials and manufacturing clothing to strict ecological and ethical standards. Second-hand fashion partners add an extra dimension by sorting and selecting quality second-hand clothing to be resold under the label.

Eco-responsible employees and brands, including designers and companies who share ASOS's commitment to sustainable fashion, enrich the project with their special collections or products. ASOS employees, at all levels and departments, are fully invested in the success of the Green Label, emphasizing the importance of each role in this initiative. The community and civil society, including local groups, NGOs, ethical fashion influencers and the general public, also play an important role in promoting more sustainable practices.

ASOS investors and shareholders, while focusing on profitability, also value the company's commitment to social and environmental responsibility. Regulatory bodies and standards organizations establish the standards that the Green Label must meet to ensure its credibility and integrity. Logistics partners ensure product transportation and delivery in a sustainable manner, while academic and research institutions provide expertise and innovations in sustainable fashion and ethical manufacturing practices.

The collective interaction and commitment of all these stakeholders is essential for the Green Label to achieve its ambitious goals of sustainability and integrity, demonstrating the power of close collaboration for a more sustainable future in the world of fashion.

## Value Proposition

**The Green Label promises clothing made to high ethical standards**, reassuring consumers that their purchases support fair labor practices and contribute to improving the living conditions of workers in the fashion industry.

ASOS products, offered under the Green Label, are designed to last, using high-quality sustainable and recycled materials. This not only reduces environmental impact, but also assures consumers that they are investing in pieces that stand the test of time. ASOS promises to provide full transparency on the origin, manufacturing and environmental impact of each Green Label product. This allows consumers to make better purchasing decisions and feel confident in supporting sustainable practices. Sustainability doesn't mean compromising on style. ASOS Green Label offers fashionable collections that follow the latest trends, while incorporating sustainable innovations. This allows consumers to stay stylish while adhering to their ethical principles. Each purchase under the Green Label contributes to a positive impact on the environment and society. This includes reducing waste, supporting a circular economy and promoting a greener fashion industry.

Joining the Green Label isn't just about buying clothes, it's about becoming part of a group of people who care about sustainable fashion and want to see things change for the better. ASOS Green Label is all about blending fashion, sustainability, and ethics to give shoppers a shopping experience that lines up with their values, while still delivering great quality and style

## Resources

**First** we need skilled project managers to lead the way, making sure everything gets done right from the beginning to the end, and keeping an eye on how things are going. Sustainability experts are super important too. They make sure everything we do follows strict rules about being ethical and good for the environment. And we can't forget about the designers and buyers who are great at picking out and designing products that fit with our Green Label values.

For technology resources, the strong e-commerce platform is required to seamlessly integrate the new Green Label tab, ensuring an impeccable user experience. Traceability and transparency systems, such as blockchain, provide full visibility into the origin and manufacturing process of products, which is a major asset. Data analytics tools are also essential for understanding consumer preferences, measuring environmental impact and evaluating the performance of Green Label products.

About the materials resources, it's important to have good-quality sustainable materials that are recycled for making clothes, accessories, and packaging. We also need a good system for getting all these materials, storing them, shipping them out, and dealing with any returns.

As for financial resources, an initial investment is required for the launch of the project. This includes money for doing research, making the platform, and promoting it. We also need to plan for ongoing costs like making the stuff, advertising, paying salaries, and keeping the platform running smoothly.

Partnership resources are crucial. It is essential to partner with eco-responsible suppliers who share ASOS's commitment to sustainability and can supply materials and products that meet Green Label standards. Collaborating with fashion designers and sustainable brands will enrich the offering of unique products under the Green Label. It is also wise to work with organizations specializing in sustainability and NGOs to validate Green Label practices and carry out awareness and education campaigns together.

The synergy of all these resources is fundamental for the ASOS Green Label project to not only be viable, but also to serve as a catalyst for a positive transformation towards more sustainable practices in the fashion industry, thus meeting consumer expectations while preserving our planet.



## Profit Formula

**The profit formula** for ASOS's Green Label project is based on several key elements that contribute to revenue generation while supporting sustainability goals. This formula must balance the costs associated with implementing sustainable practices with the pricing and sales strategies that attract and retain consumers.

Revenue streams for ASOS's Green Label initiative are diversifying to include the sale of sustainable clothing, made from eco-responsible materials, as well as the resale of second-hand fashion, carefully selected and restored where necessary. Additionally, collaborations with eco-friendly designers and brands offer limited editions and special collections, contributing to additional revenue.

On the cost side, the structure encompasses production expenses, including the purchase of sustainable materials, manufacturing, and environmentally friendly packaging. Operational costs cover project management, salaries, technology and logistics costs. In addition, significant investments are allocated to marketing and awareness to promote sustainability in fashion. The pricing strategy aims to establish fair prices, reflecting the quality and ethics of the products, while remaining competitive. Loyalty programs are considered to encourage repeat purchases and build customer loyalty. To optimize costs, supply chain efficiency is paramount, aiming to reduce waste, improve logistics, and lower emissions. Investing in sustainable technologies also promises to reduce expenses in the long term, improving efficiency and reducing the ecological footprint.

The diversification of income extends to additional services, such as product customization, clothing repair, or even the rental of exclusive fashion pieces. The success of the Green Label model relies on balancing the costs inherent in ethical and ecological practices and the ability of consumers to invest in sustainable products. The aim is to create a brand that is not only financially viable but also inspires trust and loyalty among its customer base, embodying the values of sustainability and social responsibility.

## Link to the SDG

The ASOS Green Label project, through its nature focused on sustainability and ethics in fashion, has a direct link with several United Nations **Sustainable Development Goals (SDGs)**. Here is how the project relates to some specific SDGs:

### SDG 12: Responsible Consumption and Production

Significantly reduce waste generation through prevention, reduction, recycling and reuse. The Green Label contributes to this target by promoting the reuse of clothing through its second-hand fashion collection and the use of recycled materials for the production of new clothing.

Encourage companies, especially large and transnational ones, to adopt sustainable practices and integrate sustainability information into their reporting cycle. ASOS, as a major player in online fashion, is leading by example by adopting sustainable fashion practices and openly communicating its efforts.

### SDG 8: Decent Work and Economic Growth

Protect labor rights and promote a safe and secure working environment for all workers. The Green Label is committed to ensuring that all products are produced under ethical conditions, supporting workers' rights in the supply chain.

### SDG 13: Measures Relating to the Fight Against Climate Change

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters. By reducing the carbon footprint through sustainable production and distribution practices, the Green Label helps mitigate the impacts of climate change.

### ODD 15: Terrestrial Routes

Promote sustainable management of all forests, stop deforestation, restore degraded forests and substantially increase reforestation globally. By choosing sustainable materials and avoiding those that contribute to deforestation, the Green Label indirectly supports this target.

By aligning its practices with these SDGs, ASOS is not only contributing to a more sustainable fashion industry, but also participating in global efforts to create a more sustainable and equitable future for all.

## Process

As part of the project, it is crucial to understand **how the company manages production**, storage, transfer and other aspects of its value chain while having a positive impact on the ecology. Here is an additional part for your project, which highlights ASOS's efforts to preserve the environment in its process:

The company attaches great importance to adopting sustainable and environmentally friendly production practices at every stage of its value chain. Here are some key elements of their production process that contribute to preserving the ecology:

ASOS is firmly committed to an approach to sustainability and eco-responsibility, integrating environmentally friendly principles at each stage of its production chain. The company places particular importance on the choice of materials, favoring the use of recycled and sustainable resources to reduce the consumption of virgin raw materials, minimize its carbon footprint and limit the production of textile waste. In the interests of responsible management, ASOS is adopting measures to reduce its water and energy consumption, through the use of efficient technologies and the improvement of dyeing and washing processes, while raising awareness among its suppliers. to these issues.

The company is also a strong supporter of the circular economy, actively encouraging the recycling and reuse of materials through clothing collection and recycling programs, thereby extending the life of its products and reducing textile waste. Logistically, ASOS aims to optimize its supply and distribution chain to reduce its environmental impact, by favoring environmentally friendly means of transport, refining routes and consolidating shipments to lower CO2 emissions.

Transparency and traceability are central pillars of ASOS's strategy, which puts in place systems allowing consumers to trace the origin of products, understand manufacturing conditions and assess the associated environmental impact. This approach aims to inform consumer choices and encourage more responsible purchasing decisions. The e-commerce site works closely with its suppliers to encourage them to adopt sustainable and ethical practices, thereby ensuring safe and fair working conditions for workers. This global approach illustrates the commitment to promoting more sustainable fashion, thus reducing its ecological footprint while offering quality and ethical products.

ASOS's commitment to a sustainable production process demonstrates its desire to reduce the environmental impact of the fashion industry while providing quality products. By highlighting these efforts in your project, you underline the importance given by the company to more environmentally friendly fashion.

ASOS' Green Label Project represents an ambitious initiative to reshape the fashion industry by aligning style, sustainability and ethics. With a focus on recycled materials, second-hand fashion and responsible production, ASOS is committed to reducing its ecological impact while promoting more conscious consumption practices. This move illustrates the company's effort to bridge the market gap by offering options that are both trendy and eco-friendly. Collaborations with diverse stakeholders and the adoption of innovative technologies underline ASOS' holistic approach towards a greener future. Ultimately, ASOS Green Label strives to redefine fashion by proving that luxury and sustainability can coexist harmoniously.

## Conclusion

**The ASOS Green Label project is an ambitious initiative** aimed at rethinking the fashion industry through a commitment to sustainability, ethics, and style. Focusing on recycled materials, second-hand fashion, and responsible production practices, ASOS aims to reduce its environmental impact while promoting more conscious consumption. By collaborating with various stakeholders and adopting innovative technologies, ASOS seeks to fill a market gap by offering trendy and eco-friendly options, thereby redefining luxury and sustainability as compatible and harmonious.