

Business Project on ASOS Plc

By Dular Tufail

Dular's Portfolio

Contents

Executive Summary	3
1. Introduction	5
2. Challenge of ASOS plc in the UK Market	7
2.1 Background of the problem.....	7
2.2 Current Challenge	7
3. Purpose of the Report	10
4. Stakeholder Analysis	11
4.1 Stakeholder Specification.....	11
4.2 Stakeholders Prioritisation	12
4.3 Stakeholder Mapping	15
4.4 Stakeholder Engagement.....	16
4.4.1 Communication.....	17
4.4.2 Consultation.....	17
4.4.3 Collaboration.....	17
5. Analysis and Evaluation of Secondary Data	19
5.1 Analysis.....	19
5.1.1 Analysis of economic and social environment.....	19
5.1.2 Analysis of inadequate corporate tactics.....	20
5.2 Evaluation.....	30
6. Recommendations	32
7. Conclusion	36
References.....	37
Appendices.....	53

Executive Summary

ASOS plc is a global online retailing store for young adults that love fashion. This report focuses on the inadequate corporate strategies of ASOS plc in the UK market. In 2023, the sales of company's apparel and cosmetics is low in the UK market. In fact, ASOS plc's sales were also weak in 2022. Therefore, 2022 and 2023 are down years for ASOS plc's Sales. The sales issue of ASOS plc in the UK market is caused by the changing economic environment and customer sentiments as well as the implementation of inadequate corporate strategies of ASOS plc. Therefore, the question in this business report for ASOS plc is "how ASOS plc can increase sales during the down year due to inflation hike, changing consumers behaviour in post-pandemic situation, inadequate business growth strategies.

In this consultancy report, two related frameworks will be provided to evaluate what are the reasons behind the constant decline in ASOS plc's sales. PESTEL model will be analysed and evaluated from the perspective of economic and social factors. ASOS plc's sales are declining due to high inflation and costumers shift to high street stores for shopping during post-pandemic situation in UK. Ansoff Framework will be evaluated from the perspective of market penetration. Therefore, 7Ps of ASOS plc will be analysed. ASOS plc provides high quality products to customers, but fault lies in product designing and innovation, caused by low own-brand manufacturing. The company offers free next day delivery as it has a fully automated Barnsley Warehouse, but the closure of Lichfield warehouse and over-dependency on third-party suppliers is leading to stockout or inventory issues during inflation hike. ASOS plc is a premium brand offer high price products, while its rivals adopt cost leadership strategy which gives them a competitive advantage in the UK market. ASOS plc's business model of e-commerce is not appropriate for sales growth in post-pandemic condition in UK. Despite of the fact that ASOS plc promotes good customer experience via its user-friendly website and mobile-application, ASOS plc's still needs to

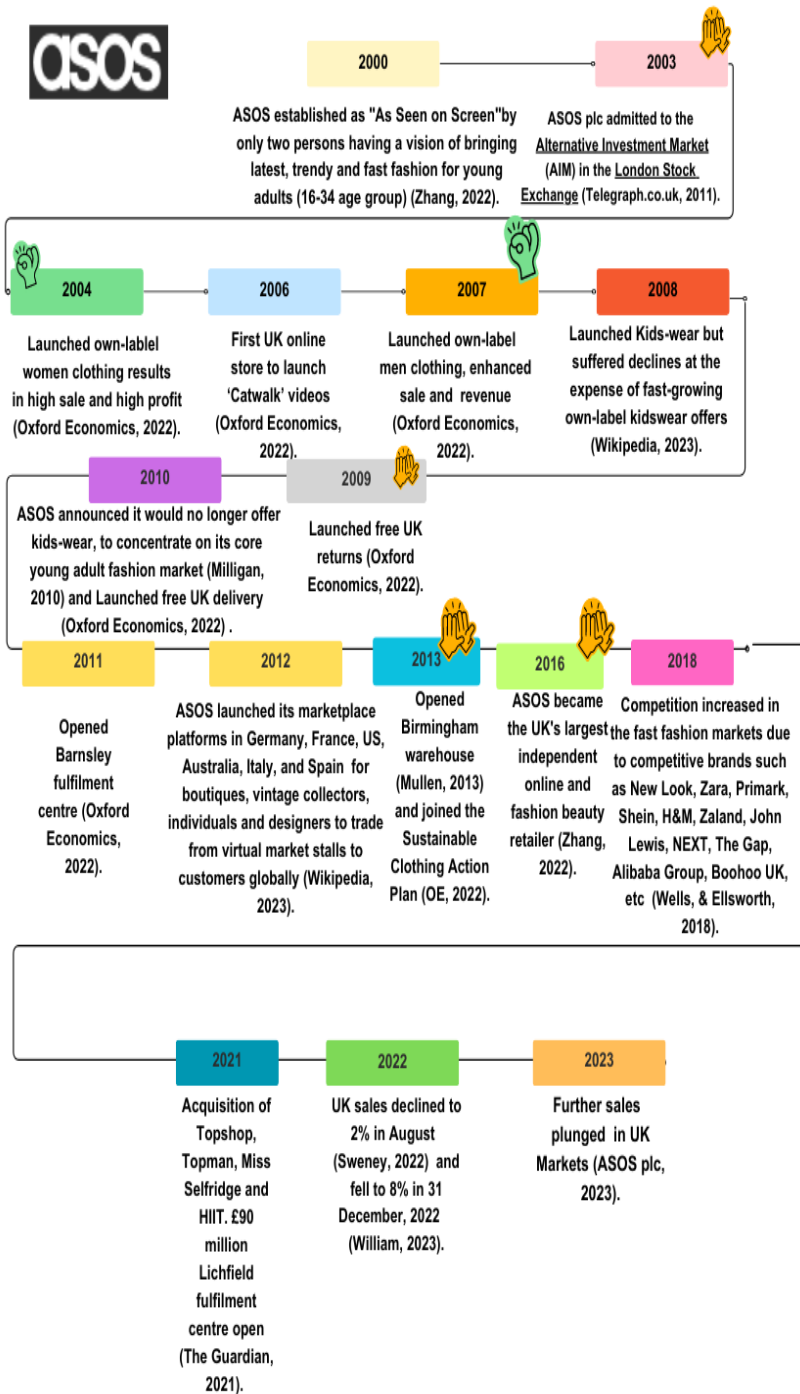
open physical stores in the famous high streets or shopping malls of UK to compete with its rivals and boost sales. ASOS plc's is investing in the personal development of employees by providing online training to enhance productivity, but low labour wages are adversely affecting the company's reputation and sales. Asos plc is using effective means of promotions such as e-mails, social media groups, leaflets, and others, but the commercial model is not adequate as it is focusing on the promotions of acquisitions and other brands instead of brand building, leading to sales decline.

Eventually, six solutions are suggested in this report to minimise the causes of ASOS plc's sales decline. ASOS plc should resolve supply chain crisis and product designing and innovation issues by promoting own-brand manufacturing. ASOS plc should learn from its rivals and adopt Porter's cost leadership strategy as well as open physical stores in UK. Like its rival Zara, ASOS plc should increase the wages of the labours to improve brand image and gain customer loyalty. Furthermore, ASOS plc should spend more on brand building to attract more customers in UK.

1. Introduction

ASOS plc is a British global e-commerce company of fashion and cosmetics. It was established in London in 2000. The brand mostly targets young individuals. ASOS Plc, an investment holding firm, conducts online sales via its fully owned subsidiary, ASOS.com Ltd. The firm sells other-brands and private label goods, such as clothing for men and women, shoes, jewellery, accessories, and cosmetics. ASOS plc offers many regional shipping and return alternatives, such as Next-Day Shipping and Same-Day Shipping, are sent out from the UK's automated Barnsley warehouse (ASOS plc, 2023). 3,150 employees work for the firm in the UK,

Timeline of ASOS plc History



(Source: Author's creation)

at its four offices: corporate office in Camden, customer care office in Leavesden, e-commerce fulfilment centre in Barnsley, and warehouse in Birmingham (Oxford Economics, 2022).

Moreover, ASOS plc faced weak UK sales because of market turbulence (due to inflation) and elevated returns in 2022 (Iddenden, 2022). ASOS plc could not address the issue; therefore, ASOS plc is still facing substantial fall in UK sales because of rapidly increasing inflation, changing consumers attitude owing to post- pandemic (Race, 2023). Furthermore, another reason of sales decline is the inadequate corporate tactics implemented by ASOS plc in the high inflation and post- pandemic situation in UK (Shares News, 2023).

This report will discuss ASOS plc's current biggest problem, which is a sales downturn. Also, it will identify the key stakeholders that have an influence on this issue and will describe how to enhance these stakeholder's participation and manage them effectively. In addition, this report will highlight the major causes of ASOS plc's sales decline by analysing and evaluating the current growth tactics of ASOS plc. For this purpose, market penetration strategy framework of Igor Ansoff will be used. Lastly, the report will recommend some solutions to grow ASOS plc's sales as well as conclude the findings and suggestions.

2. Challenge of ASOS plc in the UK Market

2.1 Background of the problem

ASOS plc initially named as "As Seen on Screen" and was established in London in 2000 by just two persons with the goal of bringing the latest fashion trends to customers as rapidly as possible. ASOS plc had merely a five percent market share, while NEXT UK had a share of seven percent in 2000 (Zhang, 2022). However, ASOS plc surpassed NEXT UK and thereafter expanded to become the UK's largest independent online apparel retailer in 2016 (Asosplc.com, 2016). In 2018, ASOS appeared as one of the largest fashion retailers in the world (Wells, & Ellsworth, 2018). Kollewe (2019) reported that ASOS plc's sales drastically suffered as a result of supply chain problems brought on by IT instability in its warehouses. The company again enjoyed a sudden 24% increase in sales in early 2021 as ASOS plc focused on the agility of the products. It introduced many agile products such as activewear, new face and body products (Kohan, 2021). But ASOS plc faced weak UK sales because of inflation and high product returns rate in 2022 (Iddenden, 2022; BBC, 2022). Moreover, Linsell and Meddings (2023) states that ASOS plc's sales plummeted in 2022 because of deteriorating customer satisfaction and delays in UK inbound and outbound deliveries. This logistics delay is due to rising cost facing by the third-party brands and postal strikes. The workers stroked against wage agreements that do not keep up with inflation (Timmins, 2022).

2.2 Current Challenge

ASOS plc's UK sales drop caused by inflationary pressure on costumers, changing consumer behaviour in post-pandemic situation, unprofitable and trouble causing third-part suppliers, and inadequate corporate tactics such as inefficient inventory management, etc

(Hodgson, 2023). ASOS plc's rival, NEXT UK, sales increased to 9.3% in 2023 as compared to last year sales (Partridge, 2023).

Table: ASOS Plc's sales in the UK market (Adapted from ASOS plc, 2023)

Year	Sales (Millions)	Change (%)
2021	1652	36
2022	1620	-2
2023	1426	-12

Table: ASOS Plc's year-over-year sales decline in the UK market (Adapted from ASOS plc, 2023)

Year	Sales (Millions)	YOY_Change (%)	Previous_Year_Sales (Millions)	Change (Millions)
2021	1652	36	NULL	NULL
2022	1620	-2	1652	-32
2023	1426	-12	1620	-194

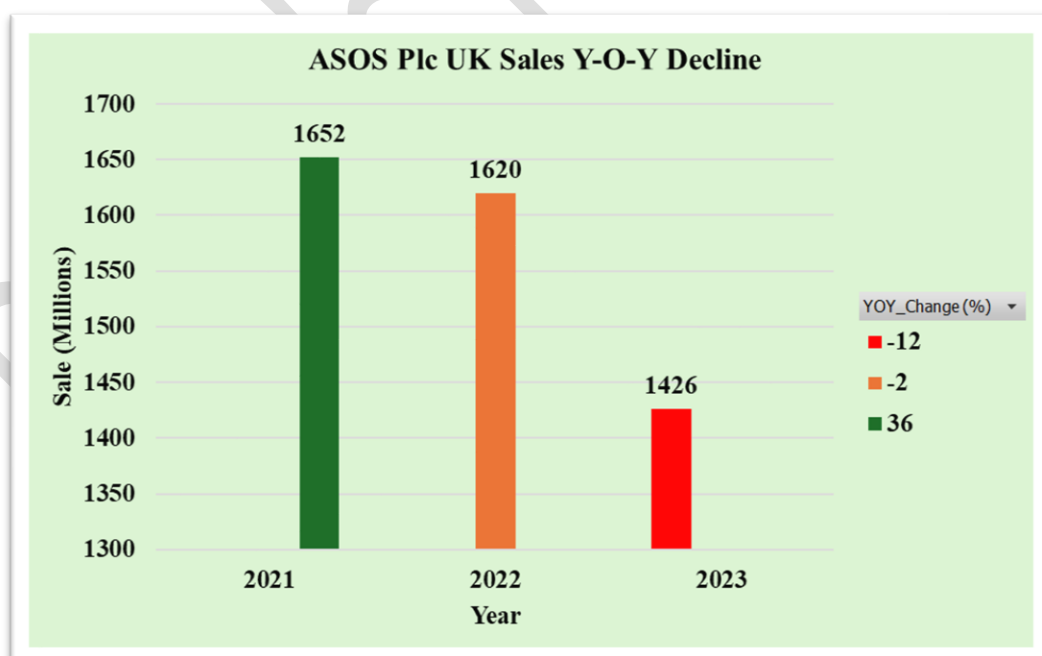


Figure 1: Depicts a continuous decline in the sales of ASOS plc (Adapted from ASOS plc, 2023)

Butler (2023) reports that Asos's new CEO, José Antonio Ramos Calamonte, claims the company's own policies and tactics, i.e., inefficient discounts on products, and reducing marketing, etc., are responsible for 50% decline in sales and a shift in customer behaviour due to inflation hike in UK, is responsible for the other fifty percent.

Race (2023) also informs on BBC that ASOS plc's sales are plunging because consumers' purchasing power has been impacted by the subsequent increase in living expenses, such as increased energy bills and food costs. Moreover, costumers are not preferring online shopping as the High Street stores are opened now.

3. Purpose of the Report

A fall in sales lowers the organization's reputation and shortens the organization's lifespan. This issue can bankrupt or collapse the firm. Additionally, the investors, workers, and business owners are all impacted by this problem. Therefore, it is seen as a serious threat to the organisation and needs to be resolved (Auff, 2018). Owing to the scope of the problem, this consultancy report will identify the major causes of ASOS plc's sales decline. For this, the report will analyse and evaluate the economic and social environment of UK market as well as ASOS plc's current inadequate tactics. Another purpose of this report is to discuss the possible solutions to address the actual causes of the problem. Also, it will suggest an effective growth strategy to increase ASOS plc's sales.

4. Stakeholder Analysis

Stakeholder analysis is a method for evaluating the interest of different stakeholder groups in a project, as well as interest groups power to effect or be impacted by the project's outcome. It involves four stages: stakeholder specification, stakeholder prioritisation, stakeholder mapping (visualisation), and stakeholder engagement (Yawson, & Greiman, 2018).

4.1 Stakeholder Specification

It involves stakeholders' identification regarding the problem being taken into consideration. The effectiveness of this analysis depends greatly on this step (Yawson, & Greiman, 2018). There are seven key stakeholder groups of ASOS plc: BOD, management team, customers, ASOSers, shareholders, suppliers, and community (ASOS plc, 2023; ASOS Annual Report, 2022). These interest groups can be categorized into internal and external stakeholders.

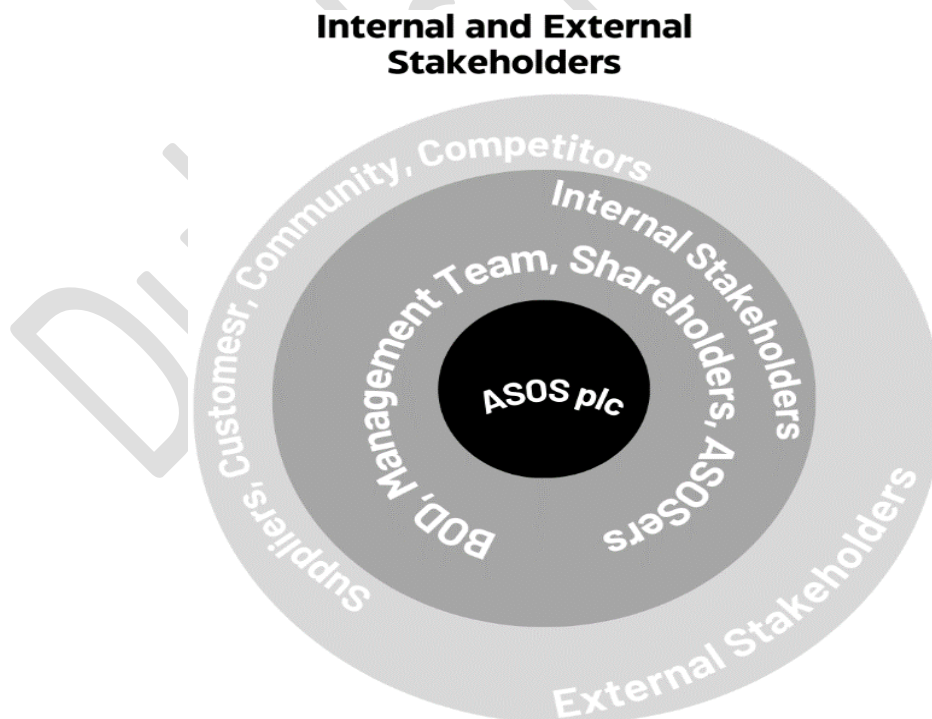


Figure 2: Internal and external stakeholders of ASOS Plc (Adapted from Ajaleen et al., 2023; Benn, Abratt, & O'Leary, 2016)


BOD	It involves Chair, Chief Executive, Senior Independent Director, Non-executive Directors, Audit Committee, Nomination Committee, Remuneration Committee, and ESG Committee (ASOS plc, 2023).
Management Team 	It involves Chief Executive, Interim Chief Financial officer, Chief Technology Officer, Interim Chief, People Officer, Senior Creative Director, Senior Global commerce and channels director, Technical Advisor to CEO & Senior Director of Operations, Senior Director Global Logistics & Supply Chain, Senior Director of Strategy & Corporate Development, Director of Corporate Transformation, and General Counsel & Company Secretary (ASOS plc, 2023).
Shareholders	These are Camelot Capital Partners LLC, T. Rowe Price International Ltd., Schroder Investment Management Ltd., T. Rowe Price Associates, Inc. (Investment Management), Ignis Investment Services Ltd., DWS Investment GmbH, Capital Research & Management Co. (World Investors), BlackRock Fund Advisors, Hargreaves Lansdown Asset Management Ltd., IG Markets Ltd. (Financial Times, 2023). Aktieselskabet AF, and Frasers Group PLC are also ASOS plc shareholders (Financial Times, 2023).
ASOSers	These are 3,351 employees (ASOS plc Annual Report, 2022).
Suppliers	It includes Suppliers of Raw Materials, and Third-Party Brands (ASOS plc Annual Report, 2022).
Customers	8.9m UK consumer base (ASOS plc, 2023).
Community	UK national government, UK local government, and ASOS Foundation (ASOS plc Annual Report, 2022).

Figure 3: Stakeholders of ASOS Plc (Author's creation)

4.2 Stakeholders Prioritisation

The ASOS plc's stakeholder prioritisation depends on three variables in order to determine the stakeholders' relative value. These variables are power, influence, and interest (Yawson, & Greiman, 2018).

INTERNAL STAKEHOLDERS	POWER	INTEREST	INFLUENCE OF PROJECT OUTCOME	EVIDENCE
BOD	HIGH	HIGH	HIGH	<ul style="list-style-type: none"> • It can set the Group's purpose, strategy and values. It controls financial and audit processes to ensure ASOS operates effectively and sustainably in the long term (ASOS plc, 2023). • The BOD announced the replacement of previous CEO as he failed to raise ASOS plc's sales. Moreover, the board has stated that we will make decisions and efforts to right-size our stock; to generate cash; to reduce our net debt; and to structurally improve our profitability. Also, we will make decisions about how to grow in the changing external environment (ASOS plc, 2023). • The project's outcome (increase in sales) will help the BOD to satisfy the shareholders and to attract more investors (ASOS plc, 2023).
Management Team	HIGH	HIGH	HIGH	<ul style="list-style-type: none"> • It is led by the CEO. The Management Team has the authority to develop and implement the strategy, operational plans and budgets; monitor overall operational and financial performance; oversee key risks; and management development. Management Team can increase sales by using this authority (ASOS plc, 2023). • José Antonio Ramos Calamonte, the chief executive of Asos, who took over last summer, said half the fall in sales was down to Asos's own actions, such as cutting marketing, and the other to changing consumer behaviour. We are looking to take some actions to address the issue (Butler, 2023). • BOD has terminated many employees such as previous CEO and Director of Supply Chain were terminated, because they could not raise the company's sales (ASOS plc, 2023): therefore the project's output (Increased Sales) will enable the CEO and The entire management team to satisfy BOD and save their jobs.
Shareholders	HIGH	HIGH	HIGH	<ul style="list-style-type: none"> • Shareholders provide finances, do voting on key decisions, and monitor the performance of the company. As of June 2023, ASOS has 119,216,298 ordinary shares with equal voting rights ASOS plc, 2023). • ASOS plc raised £75m by providing the same deal to all of its institutional shareholders. ASOS plc also provided shares to independent retail investors for a further £5m fund. Moreover, £270m three-year loan facility granted by Bantay Bay, an ASOS plc's shareholders (Butler, 2023). • The shareholders have given this financial support to ASOS plc to grow sales of the company for the long-term benefit of shareholders (Butler, 2023).
ASOSers	LOW	HIGH	HIGH	<ul style="list-style-type: none"> • ASOSers follow the directions and strategy set by the management team. They have low power but their productivity can enhance the ASOS plc performance (ASOS plc, 2023). • ASOS plc is paying less to ASOSers (Hammet, 2019) and ASOS plc's CEO has decided to lay off 10% staff due to financial crisis (Hunt, 2023). The project's outcome (increased sales) will lead to an increase in ASOSers' wages.

Figure 4: Prioritisation of ASOS Plc's stakeholders (Author's creation)

EXTERNAL STAKEHOLDERS	POWER	INTEREST	INFLUENCE OF PROJECT'S OUTCOME	EVIDENCE
Suppliers	HIGH	HIGH	HIGH	<ul style="list-style-type: none"> ASOS plc excessively depends on 900 global third-party brands that supply products to the company (ASOS plc, 2023), ASOS plc has manufacturing factories in different countries, with the highest number in China (231), followed by India (134) and Turkey (116) (Chevalier, 2023). ASOS plc also has its own design team that creates its own brands, such as ASOS Design, ASOS Edition, ASOS 4505 and more (ASOS.com, 2023). Raw material suppliers has high influence on the supply chain and ASOS plc's sales (ASOS plc, 2023). Therefore they have the power to influence the success of the project. Suppliers are cutting off ties with ASOS plc because credit insurers have withdrawn from ASOS plc due to its sales decline (Halliday, 2023). The company announced that this suppliers move will not make any difference as they have raised funds and ,many suppliers are interested to work with us (Halliday, 2023). when the sales will grow company will able to do upfront payment to the suppliers (Halliday, 2023). Moreover, their product will be sold more and business will grow.
Government (Community)	HIGH	LOW	HIGH	<ul style="list-style-type: none"> Government has increased labour wages, energy bills, logistics expense that cause supply chain disruption, which in turn leads to sales decline (Butler, 2023). This shows Government has low interest in the project, under consideration. Government will get the benefit from the project's outcome (increased sales) through business tax policy and worker taxes.
Customers	LOW	HIGH	HIGH	<ul style="list-style-type: none"> 8.9M UK customers shop every 2 months from ASOS plc (ASOS plc, 2023). To achieve the project's outcome, ASOS plc is planning to improve the customer experience (ASOS plc, 2023). Customers will not be involved in the project (Kim, 2020).
ASOS Foundation (Community)	LOW	HIGH	HIGH	<ul style="list-style-type: none"> ASOS Foundation will not be involved in the project (Kim, 2020). ASOS plc gives charities through ASOS Foundation (ASOS plc Annual Report, 2022). When ASOS plc's sales will increase, it could give more charities through ASOS Foundation.
Competitors	LOW	LOW	HIGH	<ul style="list-style-type: none"> They are powerless and don't appear interested in the project but managers should keep an eye on them (Ajaleen et al., 2023). They are affected by the Project's outcome (increased sales) as the competition will increase for them (Feliz, & Maggi, 2019).

Figure 5: Prioritisation of ASOS Plc's stakeholders (Author's creation)

4.3 Stakeholder Mapping

ASOS plc's Stakeholders mapping, based on the above given stakeholder prioritization, is as follows:

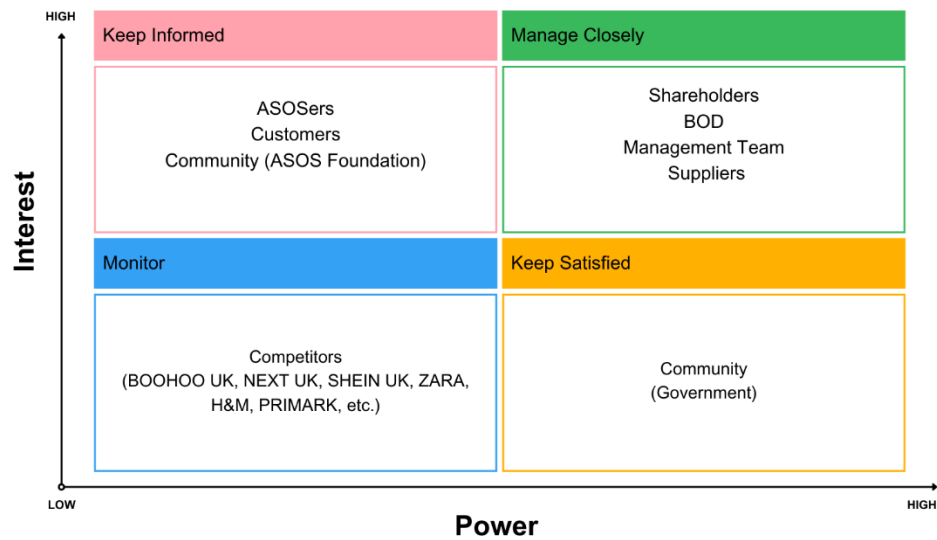


Figure 6: Represents the Mendelow Matrix for mapping ASOS plc's Stakeholders (Adapted from Berényi, 2017).

	Stakeholders	Point Person	Plan of Action
Keep Informed	<ul style="list-style-type: none"> • ASOSers • Customers • Community (ASOS Foundation) (ASOS plc, 2023) 	Management Team (ASOS plc, 2023)	<ul style="list-style-type: none"> • Regular Townhalls hosts by members of the Executive Committee, to connect ASOSers with company strategy, and 'CEO Insider' comms shares the latest news from our CEO (ASOS plc Annual Report, 2022). • ASOS plc informs the customers about the new initiatives via leaflets, ASOS magazines, emails, social media groups (ASOS plc, 2023). • ASOS plc is actively working with ASOS Foundation to derive a positive change in communities via charities. (ASOS plc Annual Report, 2022).
Manage Closely	<ul style="list-style-type: none"> • Shareholders • BOD • Management Team • Suppliers (ASOS plc, 2023) 	CEO (ASOS plc, 2023)	<ul style="list-style-type: none"> • Aims to fully engage these people for the success of the project and make the greatest efforts to satisfy them (ASOS plc, 2023).
Monitor	Competitors (ASOS plc, 2023)	Management Team (ASOS plc, 2023)	<ul style="list-style-type: none"> • Keep an eye on them to get an idea of who your competitors are and monitoring their strategies can hugely help with how you can present your marketing, products and services to potential customers and clients. Knowing your competitors is just as important as knowing your industry (Gray, 2021).
Keep Satisfied	Government (ASOS plc, 2023)	BOD (ASOS plc, 2023)	<ul style="list-style-type: none"> • Put enough work in with these people to keep them satisfied. i.e. ASOS Plc promoted its international growth and investment by hosting a visit to Atlanta fulfilment centre by the UK Minister of Exports(ASOS plc Annual Report, 2022). Similarly, ASOS plc can host the visit by local government at the opening of its physical stores to grow sales.

Figure 7: Explanation of Mendelow Analysis (Author's creation)

4.4 Stakeholder Engagement

According to Kumaraswamy, Wong, and Chung (2017), engaging stakeholders increases productivity and helps organisations accomplish their goals. Stakeholder engagement is the process of including all relevant parties in a discourse so that the organisational mission may be perfectly accomplished. Following are the ways to engage stakeholders in this project:

4.4.1 Communication

It entails sharing details of fresh projects with the BOD and shareholders to enhance the company current performance (Mandongwe, & Murairwa, 2020) e.g., the CEO announced a meeting with the BOD and shareholders to discuss the strategy to improve the company's performance (ASOS plc, 2023). To improve clients' loyalty and long-term connections, the organisation should tell clients about the new plans (Mandongwe, & Murairwa, 2020). ASOS plc, for example, uses channels such as website, social media, leaflets, e-mails, mobile applications, and so on to successfully distribute information among customers.

4.4.2 Consultation

A firm consult with stakeholders to make well-informed choices that are advantageous to the business and company's stakeholders (Mandongwe, & Murairwa, 2020). For example, Karen Geary, Non-executive Director for staff engagement, met with ASOSers representatives throughout the year to address topics such as inflation, salary, the ASOS plc culture, and ASOS plc equity, and current strategy. The Board was informed about the important views, gathered from representatives, to make decisions for the betterment of the company (ASOS Annual Report, 2022). Moreover, in order to improve product relevancy to customers, ASOS plc have further improved the penetration of its personalised product results pages and further localised its catalogue selection, as well as creating more entry points for customers to discover products (ASOS plc Annual Report, 2022).

4.4.3 Collaboration

It involves the organisation and stakeholders working together for common goals, minimising uncertainty and risk, assigning roles based on competencies, and accomplishing

continuous goals (Mandongwe, & Murairwa, 2020). i.e., ASOS plc's BOD and shareholders has appointed new CEO to improve company's performance by effective leadership and to build a productive culture in the company (ASOS plc, 2023).

Dular's Portfolio

5. Analysis and Evaluation of Secondary Data

5.1 Analysis

Companies that want to satisfy consumer expectations should often concentrate on being aware of changing economic environment, shoppers changing preferences and creating effective tactics to boost performance and grow sales (Dhanuandra et al., 2022; Long, 2020). Therefore, ASOS plc needs to analyse its changing economic and social environment, and current inadequate corporate tactics to find competent and efficient business tactics to grow sales in the UK market (existing market).

5.1.1 Analysis of economic and social environment

For the analysis of ASOS plc's economic and social environment, economic and social factors of PESTEL analysis will be used. Alanzi (2018) has described the PESTEL analysis as:



Figure 8: A general description of PESTEL analysis (Adapted from Alzani, 2018).

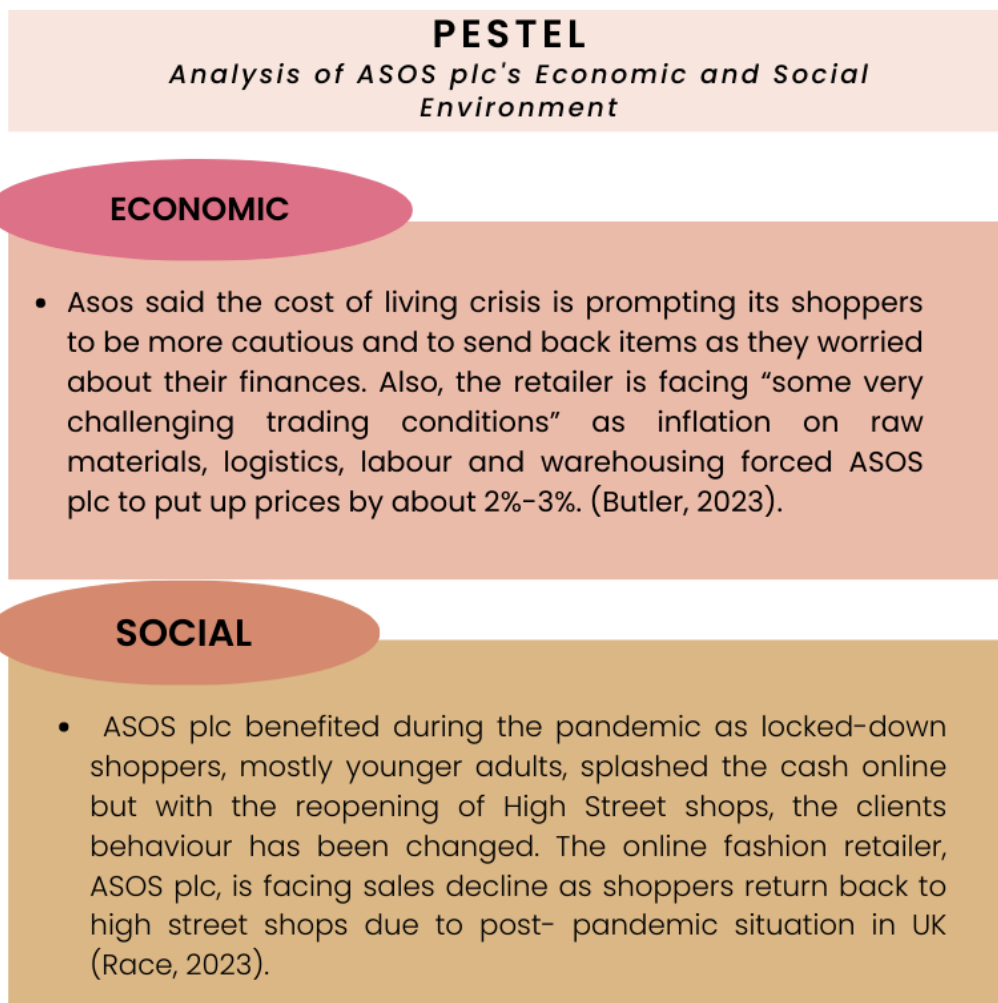


Figure 9: Explains the analysis of ASOS plc's economic and social environment (Author's creation).

5.1.2 Analysis of inadequate corporate tactics

Ansoff Matrix, developed by Igor Ansoff, has suggested four corporate growth strategies: Market Penetration, Product Development, Market Development, and Diversification (Ansoff, 1957, cited in Ramadas et al., 2019; Chetty, 2020). By Analysing the current market penetration strategy of ASOS plc in the UK market during inflation hike, we can identify the causes of the main issue, ASOS plc is facing.

5.1.2.1 Market Penetration

It is the most straightforward, widely utilised, and basic approach that will enable the ASOS to increase its sales in an established UK market by offering existing items (apparel

and cosmetics) to the clients. The strategy is beneficial as ASOS plc is already active in the UK market, which means it has knowledge about the UK market, with own-brand and other brands current products (whose results are well-established). The strategy will direct ASOS plc to achieve its goal of increasing sales overall and sales volume (Kukartsev et al., 2019). This strategy involves a set of marketing tools refer as 7Ps of marketing or marketing mix (Dhanuandra et al., 2022).

Dular's Portfolio

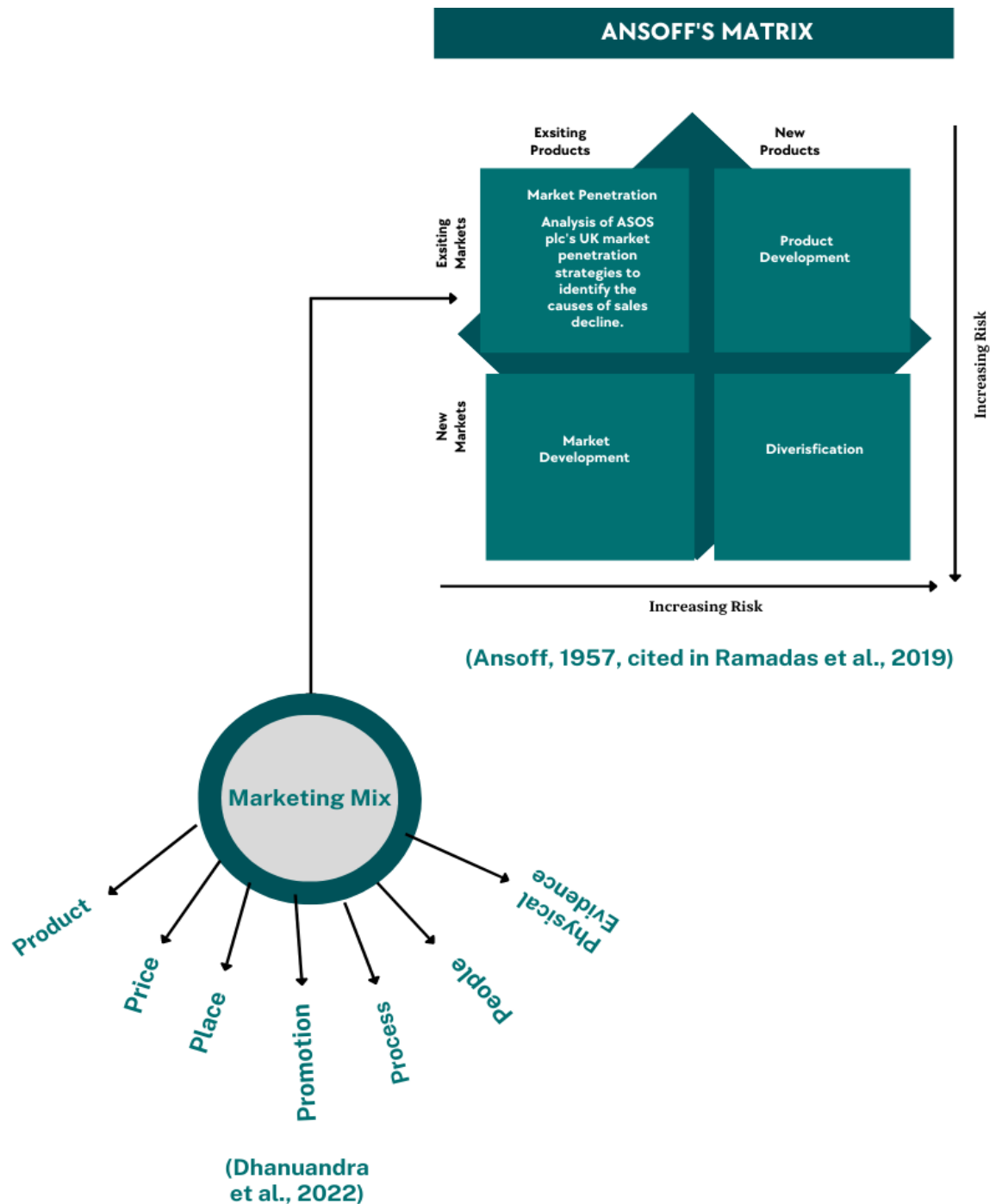


Figure 10: ASOS plc analysis model (Author's creation)

Marketing mix is the variables that have a great influence on customer purchase choices and company's sales growth (Dhanuandra et al., 2022). ASOS plc's marketing mix analysis is significant to make recommendations that will help ASOS plc to adequately respond to

changing economic environment (inflation) by improving business growth tactics and ultimately accomplish company's goal- which is increase in sales (Saha, 2020).

5.1.2.1.1 Product

ASOS plc offers popular clothing labels like Nike, Adidas, Calvin Klein, and others, and Bourjois manufactured cosmetic items. They may serve a diverse variety of customers based on the size of their products catalogue on their website (ASOS, 2023).

ASOS plc's products are less agile does not focusing on the changing shoppers' preferences. Sales fell due to a higher number of merchandises are being returned as consumers shifted away from the jogging bottoms and sweatshirts they had been wearing while at home under Covid restrictions and now prefer gown or more fitting clothing to wear on special occasions (Butler, 2023).

With the tagline "Cropped polo shirts, discuss!" Asos uploaded a picture of a man wearing a lime green polo shirt which was criticised by huge number of customers by commenting remarks such as Awful, ridiculous, etc (Hammet, 2019). ASOS plc got criticism on tweeter as it branded its 14-size dress as XL-size (Pugh, 2019). Customers at ASOS disliked the jeans commented that jeans design is some joke and ideal for IBS patients (Fenton, 2021; Javed, 2021).

Furthermore, ASOS plc is manufacturing less own-brand products and excessively outsourcing other-brand products (ASOS plc, 2023), and invested 100m pounds on unwanted other-brand products (Butler, 2023) while its rivals while Zara, and H&M, these companies are producing and expanding their own-brand products, delivering distinctive and agile products that set them apart from rivals and maximise sales. As a result of losing this competitive edge, rivals are attracting ASOS's clients, which lowers sales and revenues

(Jangid, 2022; Jangid, 2022). Primark's sales growth is supported by increased productions of seasonal and own-label products during cost-of-living crisis in UK (Sweney, 2023).

5.1.2.1.2 Process

In late 2021, ASOS plc sale plunged due to stock and delivery issues in supply-chain management. ASOS plc experienced stock reduction in UK fulfilment hub and delay in deliveries, partially caused by its overdependence on third-party brands for services like other apparel brands, shipping and product vendors. It outsources nearly 60,000 products from almost nine hundred global brands. The third-party brands could not transport the stock to ASOS plc UK warehouse on time attributable to increased cost of inbound logistics (transport products from multiple brands to UK fulfilment centre) and outbound logistics (product delivery to the UK customers), and salary hikes (BBC, 2021; Sweney, 2021; Roberts, 2021; ASOS plc, 2023). Boohoo took the advantage of this drawback and attracted ASOS plc's customers and boosted its sale to almost 43% (BBC, 2021; Sweney, 2021; Roberts, 2021).

ASOS plc sales growth also suffered in 2022 amid constant supply-chain delays and changing consumer demand because of rapidly increasing inflation in UK (BBC, 2022; Davey, 2022; Holton, 2022; Phillips, 2022). In late 2022, the UK warehouse was over-filled because the stock bought for 2021 transported late and the stock ordered for 2023 delivered earlier. Due to high inflation the purchasing power of customers was low, therefore, ASOS plc offered excessive discounts to sale its over stock (Phillips, 2022; Race, 2023). In 2023, ASOS plc stock again dropped to more than 6% while trading in London due to high inflation in UK and inadequate inventory management of firm. Asos had enjoyed high sales and earnings for several years, which made it a stock market star. The firm is currently one of the most reduced UK equities and investors predict further stock and sales decline (Linsell, 2023).

5.1.2.1.3 Pricing

Customers hesitate to buy products from ASOS plc because it is an expensive brand and charges greater costs for its own items and those of other brands as compared to competitors. The reason behind this is ASOS plc don't have control over third-party suppliers, resulted in low efficiency and high prices, which in turn leads to low sale and revenue. Moreover, ASOS plc manufacturing ability is low, and it does not invest much in the advertisement of its own-label products. On contrary to this, its bigger rival like Zara and even small rivals like Boohoo produce enormous number of their own-label products rather than outsourcing them. Also, these brands are focusing on the promotion of their own-brand products (Togoh, 2019; Shastri, 2022; TSS, 2023).

Armstrong (2022) reported in “The Times” that ASOS plc sales is suffering in the cost-of-living crisis due to unreasonable prices of products. The company offers this non-strategic cost of items mainly because of high labour wages, high transport and energy cost, free UK delivery policy, and corporate own commission.

5.1.2.1.4 Place

ASOS plc has four offices: corporate office in Camden, customer care office in Leavesden, e-commerce fulfilment centre in Barnsley, and Lichfield warehouse in Birmingham (Oxford Economics, 2022). Fully automated Barnsley warehouse enables company to deliver next day delivery to the customer base in UK (ASOS plc, 2023), while the underdeveloped Lichfield warehouse infrastructure is causing trouble for the company in managing inventory results in reduced sales and profitability. The company has decided to stop the Lichfield warehouse automation operation and close this warehouse because of increasing expenses and rising inflation (Helps, 2023). This decision can cause stock availability.

ASOS plc works as an e-commerce fashion retailer without any physical storefronts. This restricts its ability to offer in-person client interactions and better customer experience, which some rivals use to foster client loyalty and boost sales (Shastri, 2022; Race, 2023; Butler, 2023; Smith, 2023).

Eley (2021) in “Financial Times” reported young people all around the world flocked to ASOS and its competitor Boohoo to buy their quick styles, and consumption spiked once more when high street competitors such as Primark, Zara, and H&M were compelled to close their shop due to the coronavirus outbreak.

But now, Butler (2023) stated in “The Guardian” that ASOS plc saw a £291 million loss in sales as customers turned to physical stores of competitors (like Zara, and H&M who have efficient supply-chains and better in home production capabilities offers more agile products than ASOS plc) and cut back on non-essential purchases owing to inflation. Unlike ASOS, Next, Zalando, and Zara has both online and physical stores that supports high sales and great revenue (Holton, 2022).

5.1.2.1.5 People

ASOS plc 20-something Costumers needs, demands are changing as inflation has decreased the purchasing power of customers. Now costumers want low price and high-quality apparel. In post- pandemic, customers shopping habits are changing they are again preferring shopping from physical stores rather than online shopping (Butler, 2023).

Suppliers (third-party brands) causing inventory issues such as excessive inventory or stock shortage. Company sold excessive products by offering excessive discounts that leads to low profitability while stock shortage cause decline in ASOS plc sales. Therefore, ASOS plc is planning to stop working with 30 brands that cause inventory issues, reduce company’s profitability and sales (Hunt, 2023). Moreover, some suppliers do not want to

work with ASOS plc anymore as the credit insurer have withdrawn from ASOS plc because of its constant sales decline (Fish, 2023).

3,150 employees work for the firm in the UK, at its four offices: corporate office in Camden, customer care office in Leavesden, e-commerce fulfilment centre in Barnsley, and warehouse in Birmingham (Oxford Economics, 2022). The BOD and The CEO committees overseeing various activities of firm and sets strategic goals and directions and makes key decisions about the operations but due to excessive reliance on third-party vendors, BOD and CEO of ASOS plc have less control over operations, logistics and sales.

Moreover, the company changed its CEO as sales plunged. The BOD thought that former CEO did not have those leadership qualities which were needed during inflation in UK in late 2021. The company appointed new CEO, supply chain director but ASOS plc is still struggling for right leadership, effective management of Supply chain and refresh ASOS plc culture (ASOS plc, 2023). In 2019, many people harshly slammed ASOS plc on Twitter for its poor worker salaries, unpleasant working conditions, and limited restroom breaks (Hammet, 2019). Instead of tackling this issue, the company's CEO has decided to cut salaries by 10% (Hunt, 2023). High salaries attract skilful labour which is required to enhance company's productivity and sales (OE, 2022).

ASOS plc provides online training to the employees (OE, 2022).

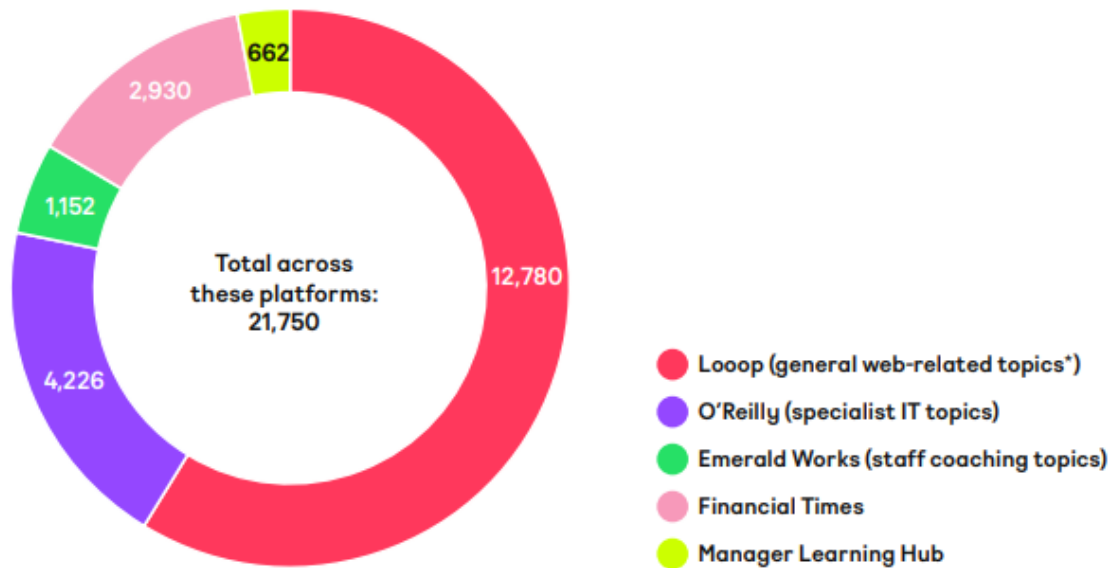


Figure 11: depicts the unique resources available at online training platform of ASOS plc for employees to enhance company's productivity (OE, 2022).

5.1.2.1.6 Promotion

ASOS plc promotes its items and offers via its website, smartphone app, own-magazine, electronic mails, pamphlet, and online social networking (ASOS plc, 2023; The Telegraph, 2017; Curiel, & Ferreira, 2017; ASOS, 2023).

In 2021, ASOS plc increased its marketing spend by promoting acquisition and other brands on digital platforms (TikTok, Snap Chat, etc) and social media (Instagram, etc), led to improved sales to 5.1% (Jefferson, 2021). Asos admits due to inadequate commercial model, ASOS plc is unable to attract high customer base, resulting to low sales. The brand is focusing on promotions of acquisitions (Topshop, Topman, Miss Selfridge and HIIT) or other brands rather than brand building since 2022 to till first half year of 2023 which is decreasing the sales and client base. Also 8% decrease in marketing spend, resulting in sales decline (Innes, 2023).

5.1.2.1.7 Physical Evidence

People may interact with ASOS at their convenience because it's an online business. The ASOS website and mobile app are incredibly simple to use. Their design and layout make shopping easier and straightforward for the costumers as they easily find what they want (The Telegraph, 2017). Adequate use of digital tools by ASOS plc, such as pictures, videos and, gifs, leads to better customer experience (Curiel, & Ferreira, 2017). New discounts and deals are presented to buyers on mobile-app and website, so consumers may take advantage of them as much as possible. Customers receive both product and bill upon delivery. The website and mobile app show several payment options to facilitate customers. Despite of all this, ASOS plc is facing huge returns due to lack of physical stores in UK (Kollewe, J., & Makortoff, 2022; Butler, 2023).

5.2 Evaluation

Evaluation based on the above given analysis is as follows:

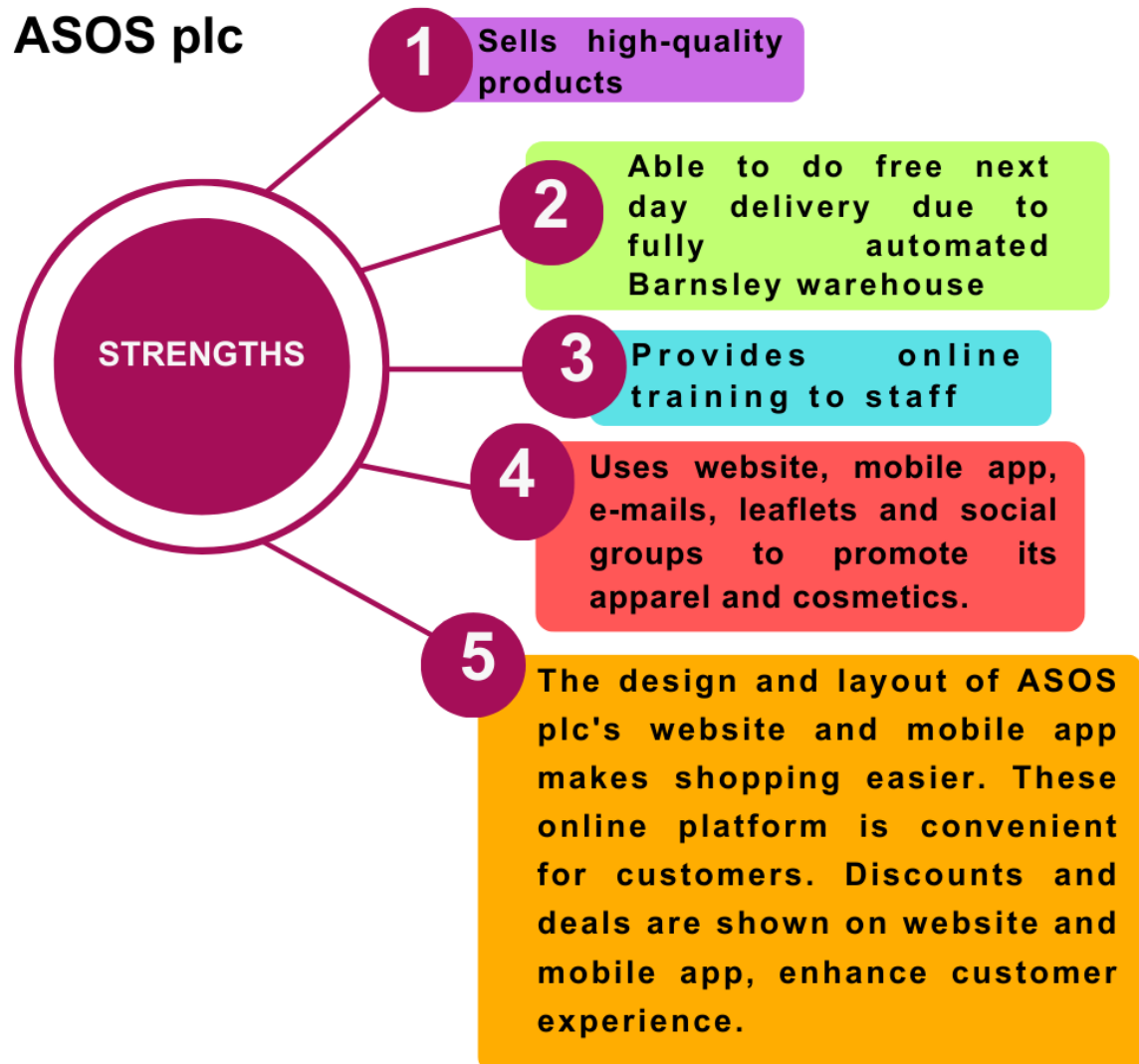


Figure 12: Strengths of ASOS Plc (Source: Author's creation)

INADEQUATE TACTICS/ CAUSES OF THE ISSUE



Figure 13: Weaknesses of Asos Plc or Causes of ASOS Plc's Sales decline (Source: Author's creation).

6. Recommendations

- Rivalry is now acknowledged as it is between supply chains rather than between corporations. Supply chain that operates effectively and provides higher quality services to the costumers, outperforms its competitors. It is believed that the level of incorporation of company operations within the supply chain -that can occur at any stage of the supply chain- i.e., from vendors to consumers, influences the firms' competing abilities, sales, and profitability. Enterprises that govern or manage with great efficiency, have great control over supply chain and make sure to apply the right resources and tactics to satisfy market demands, won't fall behind in the race for success (Hassan et al., 2015). Moreover, the more a company depends on outsourcing inventory, the greater its reliance on its suppliers and the far more critical it is to handle the third-party vendors to gain and boost advantages of inventory outsourcing (Li et al., 2017). Therefore, ASOS plc needs to less outsource products from third-brand suppliers and should do more focus on its own-brand products manufacturing to reduce inventory issues or supply-chain delays. ASOS has twenty-four manufacturing factories in UK (Chevalier, 2023) and has raised £80m fund and £275m loan from the shareholders to buy resources (Butler, 2023). By using these resources, ASOS plc can manufacture large quantity of its own- brand products. Also, own-brand products manufacturing will reduce dependence on middlemen (third-party brands) in the SC, will lead to decrease in delivery time and shipping cost (Rai, 2019).
- In terms of client requirements, innovation in apparel and cosmetics is essential for maintaining a competitive edge in a continually shifting industry. Nowadays client is mobile, always linked to online resources, easily get information about worldwide fashion trends, conscious of product quality, yet price-conscious and shows less loyalty towards a fashion brand (Vasiliu, & Cercel, 2015). Therefore, ASOS plc needs to focus

on providing agile products to the costumers as well as focus on customer- centred product designing. Increase in own-brand manufacturing will enable Asos plc to swiftly adjust to shifting client demand in post- pandemic situation and changing UK market trends. Also, it will support ASOS plc to become more efficient and customer-oriented by improving its products designing as the company will have an overall control over the designing process; therefore, it can consider customer preferences via data analytics while designing the product ((Rai, 2019). Shein focuses on its own-brand products manufacturing and data analytics that allows Shein to employ a “test & repeat strategy” to rapidly and inexpensively make and sell what clients desire (Luo, & Chen, 2021). Shein is successfully targeting Gen-Z consumers that are design and price conscious (Jones, 2021).

- Stevic et al. (2017) emphasis that the essential qualities for vendors selection are pricing of goods, quality of products, products shipping, and vendor services or support. Therefore, ASOS plc should also connect with those suppliers that can provide agile and low-price products to the company as well as do not compromise on product quality, will lead to more customer base and increased sales. In addition to this, Zara is a fashion store that uses a pricing approach based on value to sell low-cost items. This implies that Zara takes into account customers' pricing requirements and delivers clothing that is in line with current trends in fashion. Zara can provide low price products to the customers because it focuses more on own-brand production and less on inventory outsourcing than its competitors (Jangid, 2022). Like its rival, ASOS plc should adopt Porter’s cost leadership strategy, a technique tries to offer products at the low price while maintaining adequate standards of quality. According to the research, Porter's cost leadership strategy holds a significant value in predicting competitive

advantage, meaning that this business tactic will directly enhance competitive advantage and enhance company's sales (Ali, & Anwar, 2021).

- ASOS plc's brand interactions, and hence brand awareness, are restricted to online because the company has yet to build a physical store in UK. Due to the high trend of omnichannel commerce- where both Physical outlets and online channels are converging- and customers shift to shops due to post pandemic situation in UK, ASOS plc needs to tackle the issue of lack of in-person consumer interaction with the company by way of its retail outlets in order to develop its omnichannel strategy, consistent interactions, a long-term reputation, and generate high sales- an opportunity ASOS plc now appears to be considering (Parker, & Alexander, 2021; Huang et al., 2022). ASOS plc and Nordstrom have partnered to offer Topshop items in US outlets. This relationship is possibly result in the sale of ASOS plc own-brand products in Nordstrom outlets, bringing US consumers and perhaps boosting its US sales. It suggests that a physical ASOS plc store will be successful in the UK (Parker, & Alexander, 2021). Shein plans to establish 30 stores this year, some of which will be in the UK. It comes after the popularity of a temporary storefront in Bullring and changing customer behaviour due to post pandemic situation and inflation (Grimshaw, & Collis, 2023). Like Shein, ASOS should also adapt its business model, to deal with the changing consumer behaviours. Physical stores will also reduce the products return rate as costumers can check their sizes in the fitting room and improve company's sales.
- Eight most efficient advertising strategies are social media advertisement, promotion on websites, advertisement via email, marketing through bloggers and influencers, live streaming, displaying deals on mobile applications, and TV advertisements (Slaton et al., 2021). ASOS plc is using all these advertising tactics, to promote acquisition more rather than own-brand building, except live streaming (Innes, 2023). Shein uses live-

stream advertising to promote discount offers and sell products. Customers earn points by watching Shein's Live-streams or commenting. These points can then be spent on eligible items like apparel and delivery (Chen, 2023). ASOS plc should spent more in marketing and increase its sales by using all the above mentioned eight advertising tactics for own- brand building to grow sales like its rival Shein. Shein's innovative marketing approach is partly responsible for its astounding success. Millions of dollars have been invested in internet advertising campaigns on Facebook and Google, and many famous people have been hired to represent the brand (Li, 2022; Chen, 2023).

- ASOS plc has spent £100m on unprofitable brands (Butler, 2023). Instead of this, if ASOS plc will invest more money in its own-brand production, the company can save some money to attract more skilful labour by providing high wages and to provide fair wages to the ASOSers in order to improve brand image (OE, 2022). ASOS plc has appointed new CEO to create a pleasant organizational culture in ASOS plc (ASOS plc, 2023). ASOs plc is planning to appoint more members with good leadership skills to work with CEO in improving the organizational culture (ASOS plc, 2023).

7. Conclusion

To sum up, ASOS plc was the largest online retailer in UK in 2016. The company has lost this title now as its sales are declining for two years. The reasons behind this issue is rapidly increasing inflation and consumer return to physical outlets due to post-pandemic situation in UK. Moreover, the inadequate business practices of ASOS plc have made the situation more challenging for the company. To address this issue, it is suggested that ASOS plc should Asos plc should more invest in the manufacturing of own-brand products rather than investing in unprofitable and non-reliable third-party brands. Additionally, ASOS plc should offer more agile and customer-centric designed products. ASOS plc needs to offer low but quality products to the customers like its rivals to grow sales. Also, needs to modify its business models according to the current social macroenvironment and open physical outlets in all famous high streets and shopping malls of UK. ASOS plc should also alter its inadequate commercial model and focus own brand building and brand awareness rather than promoting acquiring brands. Furthermore, ASOS plc needs to increase employees' wages as it can motivate current employees to work more efficiently and high wages can attract more skilful labours, ultimately will improve brand image.

References

- Ajaleen, Y. et al. (2023) *The impact of stakeholder behavior on decision making and sustainability*. [online] ResearchGate. Available at https://www.researchgate.net/publication/368634683_The_Impact_of_Stakeholder_Behavior_on_Decision_Making_and_Sustainability. (Accessed: 16 August 2023).
- Alanzi, S. (2018) *PESTLE analysis introduction*. [online] ResearchGate. Available at https://www.researchgate.net/publication/327871826_Pestle_Analysis_Introduction. (Accessed: 17 August 2023).
- Ali, B., and Anwar, K. (2021) *Porter's Generic Competitive Strategies and its influence on the Competitive Advantage*. [online] ResearchGate. Available at https://www.researchgate.net/publication/352181915_Porter%27s_Generic_Competitive_Strategies_and_its_influence_on_the_Competitive_Advantage. (Accessed: 22 August 2023).
- Armstrong, A. (2022) *Why has Asos fallen out of fashion?: For a retailer that was a big lockdown winner, coming down to earth has been tough*. [online] The Times. Available at <https://www.thetimes.co.uk/article/why-has-asos-fallen-out-of-fashion-757qd6swk>. (Accessed: 21 August 2023).
- ASOS PLC. (2022) *ASOS Plc annual report and accounts 2022*. Available at https://asos-12954_s3.s3.eu-west-2.amazonaws.com/files/1816/6807/7015/ASOS_AR2022_Interactive_3November.pdf. (Accessed: 16 August 2023).
- Asos Plc. (2023) *ASOS announces Board changes: José Antonio Ramos Calamonte appointed Chief Executive Officer Jørgen Lindemann to become Chair*. [online] asosplc.com. Available at <https://www.asosplc.com/news/asos-announces-board->

changes-jose-antonio-ramos-calamonte-appointed-chief-executive-officer-jorgen-lindemann-become-chair/. (Accessed: 23 August 2023).

ASOS Plc. (2023) *ASOS unveils multi-territory advertising campaign*. [online] asosplc.com. Available at <https://www.asosplc.com/news/asos-unveils-multi-territory-advertising-campaign/>. (Accessed: 21 August 2023).

ASOS plc. (2023) *Board of Directors*. [online] asosplc.com. Available at <https://www.asosplc.com/this-is-asos/our-leadership/board-directors/>. (Accessed: 23 August 2023).

ASOS Plc. (2023) *Interim Results for the six months to 28 February 2023*. [online] Asosplc.com. Available at https://asos_12954_s3.s3.eu_west_2.amazonaws.com/files/8216/8369/7899/HY23_Results_Statement__FINAL_10.05.23.pdf. (Accessed: 20 August 2023).

ASOS plc. (2023) *Management committee*. [online] asosplc.com. <https://www.asosplc.com/this-is-asos/our-leadership/management-committee/>. (Accessed: 23 August 2023).

ASOS Plc. (2023) *Our Brands*. [online] asosplc.com. Available at <https://www.asosplc.com/this-is-asos/our-brands/>. (Accessed: 18 August 2023).

ASOS plc. (2023) *Results centre*. [online] asosplc.com. Available at <https://www.asosplc.com/investor-relations/results-centre/>. (Accessed: 23 August 2023).

ASOS plc. (2023) *Stakeholder engagement*. [online] asosplc.com. Available at <https://www.asosplc.com/investor-relations/corporate-governance/>. (Accessed: 16 August 2023).

ASOS plc. (2023) *Trading Statement for the three months ended 31 May 2023*. [online] asosplc.com. Available at <https://www.asosplc.com/news/trading-statement-three-months-ended-31-may-2023/>. (Accessed: 15 August 2023).

ASOS Plc. (2023). *Our footprints*. [online] asosplc.com. Available at <https://www.asosplc.com/this-is-asos/our-footprint/>. (Accessed: 21 August 2023).

ASOS. (2023) *The ASOS Brands*. [online] asos.com. Available at <https://www.asos.com/about/asos-brands/>. (Accessed: 18 August 2023).

ASOS. (2023) *The ASOS experience*. [online] Asos.com. Available at <https://www.asos.com/about/asos-experience/?ctaref=aboutus|asosexperience>. (Accessed: 21 August 2023).

Asosplc.com (2016). *ASOS annual reports and accounts*. Available at: https://www.asosplc.com/~/_media/Files/A/Asos-V2/2016-in-review/financial-review/28-10-2016-ar.pdf. (Accessed: 15 August 2023).

Auff, A. (2018) *Sales reduction in ABC Company*. [online] ResearchGate. Available at https://www.researchgate.net/publication/328732068_Sales_Reduction_in_ABC_Company. (Accessed: 16 August 2023).

BBC. (2021) *Asos boss exits as firm warns profits to plunge*. [online] BBC News. Available at <https://www.bbc.co.uk/news/business-58867906>. (Accessed: 19 August).

BBC. (2022) *Asos sees big loss as shoppers cut back on fashion*. [online] BBC News. Available at <https://www.bbc.co.uk/news/business-63311825>. (Accessed: 15 August 2023).

BBC. (2022) *Asos shoppers return more as rising prices hit*. [online] BBC News. Available at <https://www.bbc.co.uk/news/business-61822539>. (Accessed: 19 August).

Benn, S. Abratt, R., and O’Leary, B. (2016) *Defining and identifying stakeholders: Views from management and stakeholders*. [online] SEMANTIC SCHOLAR. Available at DOI:10.4102/SAJBM.V47I2.55.

Berényi, L. (2017) *Stakeholder management: connecting project and corporate level*. [online] ResearchGate. Available at https://www.researchgate.net/publication/342882877_Stakeholder_management_connecting_project_and_corporate_level. (Accessed: 16 August 2023).

Butler, S. (2023) *Asos raises funds as it seeks turnaround after £291m loss*. [online] The Guardian. Available at <https://www.theguardian.com/business/2023/may/26/asos-raises-funds-as-it-seeks-turnaround-after-291m-loss>. (Accessed: 24 August 2023).

Butler, S. (2023) *Asos falls £291m into the red as shoppers return to high street: Challenging trading backdrop' for online fashion retailer, with sales down more than expected*. [online] The Guardian. Available at <https://www.theguardian.com/business/2023/may/10/asos-falls-291m-into-the-red-as-shoppers-return-to-high-street>. (Accessed: 15 August 2023).

Chen, J. (2023) *Analysis of successful marketing mode in the background of e-commerce—taking Shein as an example*. [online] ResearchGate. Available at https://www.researchgate.net/publication/369431275_Analysis_of_Successful_Marketing_Mode_in_the_Background_of_E-commerce--Taking_SHEIN_as_an_Example. (Accessed: 23 August 2023).

Chen, X. (2023) *SWOT Analysis of Shein’s marketing strategy*. [online] ResearchGate. Available at https://www.researchgate.net/publication/369524693_SWOT_Analysis_of_Shein's_Marketing_Strategy. (Accessed: 23 August 2023).

Chetty, M. (2020) *Implementing an alternate payment method in the South African minibus taxi industry A Business Venture Proposal*. [online] ResearchGate. Available at https://www.researchgate.net/publication/341671277_Implementing_an_alternate_payment_method_in_the_South_African_minibus_taxi_industry_A_Business_Venture_Proposal. (Accessed: 20 August 2023).

Chevalier, S. (2023) *Number of supplier factories of ASOS as of May 2021, by country*. [online] ResearchGate. Available at <https://www.statista.com/statistics/1100017/number-of-suppliers-of-asos-by-region/>. (Accessed: 21 August 2023).

Curiel, C. L., and Ferreira, P. C. (2017) *Communication and social media in Fashion Companies: ASOS as case of study*. [online] ResearchGate. Available at https://www.researchgate.net/publication/319041525_Communication_and_Social_media_in_Fashion_Companies_ASOS_as_case_of_study. (Accessed: 21 August 2023).

Davey, J. (2022) *Britain's ASOS to overhaul business model after profit slump*. [online] Reuters. Available at <https://www.reuters.com/business/retail-consumer/asos-warns-outlook-consumers-feel-inflation-pain-2022-10-19/>. (Accessed: 20 August 2023).

Dhanuandra, K. et al. (2022) *INFLUENCE of 7p mix marketing strategy on BUSINESS SKY GARDEN*. [online] ResearchGate. Available at https://www.researchgate.net/publication/361526939_INFLUENCE_OF_7P_MIX_MARKETING_STRATEGY_ON_BUSINESS_SKY_GARDEN. (Accessed: 17 August 2023).

Eley, J. (2021) *Asos and Boohoo rip up centuries of British retail heritage: Online rivals benefit from high street woes as they snap up Topshop and Debenhams brands*. [online]

Financial Times. Available at <https://www.ft.com/content/db4109db-2a03-446e-9b66-90dca1ce1176>. (Accessed: 21 August 2023).

Feliz, S., & Maggi, C. (2019) *What is the impact of increased business competition?* [online] ResearchGate. Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3523149. (Accessed: 24 August 2023).

Fenton, R. (2021) *ASOS customers baffled by jeans as some joke they're 'perfect for people with IBS'*. [online] Mirror. Available at <https://www.mirror.co.uk/news/weird-news/asos-customers-baffled-jeans-joke-24195379>. (Accessed: 18 August 2023).

Financial Times. (2023) *ASOS PLC*. [online] FT. Available at <https://markets.ft.com/data/equities/tearsheet/profile?s=ASC:LSE>. (Accessed: 23 August 2023).

Fish, I. (2023) *Asos suppliers cut ties over insurance and profits fears*. [online] The Times. Available at <https://www.thetimes.co.uk/article/asos-suppliers-cut-ties-over-insurance-and-profits-fears-dskqbhlt2>. (Accessed: 21 August 2023).

Gray, N. *Keeping an eye on your competitors*. [online] LinkedIn. Available at <https://www.linkedin.com/pulse/keeping-eye-your-competitors-nik-gray/>. (Accessed: 24 August 2023).

Grimshaw, E., and Collis, E. (2023) *Shein to open 30 shops this year - including some in the UK*. [online] BirminghamMail. Available at <https://www.birminghammail.co.uk/whats-on/shopping/shein-open-30-shops-year-26934541>. (Accessed: 22 August 2023).

Halliday, S. (2023) *Some ASOS suppliers cut links with e-tailer for now, Frasers raises stake.* [online] Fashion Network. Available at <https://uk.fashionnetwork.com/news/Some-asos-suppliers-cut-links-with-e-tailer-for-now-frasers-raises-stake,1524011.html>. (Accessed: 24 August 2023).

Hammet, E. (2019) *Asos must tackle brand criticisms to reignite profit: Another profit warning and Twitter flogging shows the former darling of the fast-fashion world has a lot of ethical and operational issues to address.* [online] MarketingWeek. Available at <https://www.marketingweek.com/asos-brand-growth/>. (Accessed: 18 August 2023).

Hassan A. H. et al. (2015) *A model for evaluating and improving supply chain performance.* [online] ResearchGate. Available at https://www.researchgate.net/publication/287331491_A_Model_for_Evaluating_and_Improving_Supply_Chain_Performance. (Accessed: 21 August 2023).

Help, L. (2023) *ASOS to close UK warehouse.* [online] Logistics Manager. Available at <https://www.logisticsmanager.com/asos-to-close-uk-warehouse/>. (Accessed: 21 August 2023).

Hodgson, J. (2023) *Asos losses swell and firm sees UK sales fall 10%.* [online] Evening Standard. Available at <https://www.standard.co.uk/business/asos-uk-sales-cost-of-living-crisis-revenue-loss-fashion-b1079997.html>. (Accessed: 15 August 2023).

Holton, K. (2022) *ASOS hit by supply chain disruption, volatile Christmas demand.* [online] Reuters. Available at <https://www.reuters.com/world/uk/asos-hit-by-supply-chain-disruption-volatile-christmas-demand-2022-01-13/>. (Accessed: 20 August 2023).

Huang, X. et al. (2022) *Research on the Online Marketing Strategy of ASOS's Young Customer Market.* [online] ResearchGate. Available at https://www.researchgate.net/publication/366331491_Research_on_the_Online_Mark

eting_Strategy_of_ASOS%27s_Young_Customer_Market. (Accessed: 22 August 2023).

Hunt, S. (2023) *Asos to slash office space and shut storage warehouses after sales fall: The retailer will also withdraw 35 brands as part of cost-saving measures.* [online] Evening Standard. Available at <https://www.standard.co.uk/business/asos-to-shut-offices-and-storage-warehouses-after-sales-fall-b1052456.html>. (Accessed: 20 August 2023).

Iddenden, G. (2022) *The rise and fall of Asos: Has fast fashion lost its appeal?* [online] CHARGED Retail Tech News. Available at <https://www.chargedretail.co.uk/2022/10/21/asos-fast-fashion-appeal/>. (Accessed: 15 August 2023).

Innes, M. (2023) *Asos insists its move away from promotions is paying off, despite heavy losses: Asos's CEO is confident the brand can turnaround its losses in the long-term, as it sets sight on marketing activity that drives profitable returns.* [online] MarketingWeek. Available at <https://www.marketingweek.com/asos-insists-its-move-away-from-promotions-is-paying-off-despite-heavy-losses/>. (Accessed: 21 August 2023).

Jangid, M. (2022) *H & M Supply Chain management: A case study.* [online] ResearchGate. Available at https://www.researchgate.net/publication/363091106_H_M_Supply_Chain_management_A_case_study. (Accessed: 19 August 2023).

Jangid, M. (2022) *ZARA'S CASE STUDY -The strategy of the fast fashion pioneer the strategy of the fast fashion pioneer.* [online] ResearchGate. Available at https://www.researchgate.net/publication/362568585_ZARA'S_CASE_STUDY_-

the_Strategy_of_the_Fast_Fashion_Pioneer_The_Strategy_of_the_Fast_Fashion_Pioneer. (Accessed: 18 August 2023).

Javed, S. (2021) *ASOS customers mock jeans that come with a zip down the rear*. [online] *INDEPENDENT*. Available at <https://www.independent.co.uk/life-style/fashion/asos-jeans-zip-back-bum-b1855119.html>. (Accessed: 18 August 2023).

Jefferson, M. (2021) *Asos credits marketing's role in record results: The online fashion retailer grew its sales by 24% over the first half of its financial year, after boosting digital marketing spend to raise brand awareness and drive traffic to the platform*. [online] MarketingWeek. Available at <https://www.marketingweek.com/asos-marketing-sales/>. (Accessed: 21 August 2023).

Jones, L. (2021) *Shein: The secretive Chinese brand dressing Gen Z*. [online] BBC News. Available at <https://www.bbc.co.uk/news/business-59163278>. (Accessed: 22 August 2023).

Kim, K. S. (2020) *Advanced mathematical business strategy formulation design*. [online] ResearchGate. Available at https://www.researchgate.net/publication/344575865_Advanced_Mathematical_Business_Strategy_Formulation_Design. (Accessed: 24 August 2023).

Kohan, E. S. *ASOS delivers 24% sales and 275% profit increases-beyond the numbers*. [online] Forbes. Available at <https://www.forbes.com/sites/shelleykohan/2021/04/09/asos-delivers-24-sales-and-275-profit-increases-beyond-the-numbers/?sh=49073fff4582>. (Accessed: 15 August 2023).

- Kollewe, J. (2019) *Asos profits plunge 68% after tumultuous year of IT chaos*. [online] The Guardian. Available at <https://www.theguardian.com/business/2019/oct/16/asos-profits-plunge-70-after-tumultuous-year-of-it-chaos>. (Accessed: 15 August 2023).
- Kollewe, J., and Makortoff, K. (2022) *ASOS warns on profits amid 'significant increase' in customer returns: Sharp share sell-off as retailer says inflation is giving customers second thoughts about purchases*. [online] The Guardian. Available at <https://www.theguardian.com/business/2022/jun/16/asos-warns-on-profits-amid-significant-increase-in-customer-returns>. (Accessed: 21 August 2023).
- Kukartsev, V. V. et al. (2019) *The analysis of methods for developing the marketing strategies in agribusiness*. [online] ResearchGate. Available at https://www.researchgate.net/publication/335366665_The_analysis_of_methods_for_developing_the_marketing_strategies_in_agribusiness. (Accessed: 17 August 2023).
- Kumaraswamy, M., Wong, W. K. K., and Chung, J. (2017) *Focusing megaproject strategies on sustainable best value of stakeholders*. [online] ResearchGate. Available at https://www.researchgate.net/publication/319017598_Focusing_megaproject_strategies_on_sustainable_best_value_of_stakeholders. (Accessed: 24 August 2023).
- Li, S. et al. (2017) *The effect of supplier development on outsourcing performance: the mediating roles of opportunism and flexibility*. [online] ResearchGate. Available at https://www.researchgate.net/publication/317060988_The_effect_of_supplier_development_on_outsourcing_performance_the_mediating_roles_of_opportunism_and_flexibility. (Accessed: 21 August 2023).
- Li, Y. (2022) *The analysis of the marketing strategy of Shein and accompanying word of mouth on social media*. [online] ResearchGate. Available at https://www.researchgate.net/publication/366298193_The_Analysis_of_the_Marketing

g_Strategy_of_Shein_and_Accompanying_Word_of_Mouth_on_Social_Media.

(Accessed: 23 August 2023).

Linsell, K. (2023) *ASOS loss grows as fast-fashion Retailer Attempts Turnaround*. [online]

Bloomberg. Available at <https://www.bloomberg.com/news/articles/2023-05-10/asos-loss-widens-as-fast-fashion-retailer-attempts-turnaround#xj4y7vzkg>.

(Accessed: 20 August 2023).

Linsell, K., and Meddings, S. (2023) *Asos sales fall, hurt by UK delivery disruptions in*

December. [online] Bloomberg. Available at

<https://www.bloomberg.com/news/articles/2023-01-12/asos-sales-fall-hurt-by-uk-delivery-disruptions-in-december#xj4y7vzkg>. (Accessed: 15 August 2023).

Long, B. T. (2020) *Sustainable business strategy*. [online] ResearchGate. Available at

https://www.researchgate.net/publication/332414437_Sustainable_Business_Strategy.

(Accessed: 17 August 2023).

Luo, S., and Chen, G. (2021) *SHEIN vs. Zara: Digital transformation in the fast-fashion*

industry. China: University of Hong Kong.

Mandongwe, L., and Murairwa, S. (2020) *Stakeholder engagement: Achieving wholesome*

profitability in manicaland province companies, Zimbabwe. [online] ResearchGate.

Available at

https://www.researchgate.net/publication/344440207_Stakeholder_Engagement_Achieving_Wholesome_Profitability_in_Manicaland_Province_Companies_Zimbabwe.

(Accessed: 24 August 2023).

Oxford Economics. (2022) *The economic & social impact of ASOS*. [online] Oxford

Economics. Available at <https://www.oxfordeconomics.com/resource/the-economic-and-social-impact-of-asos/>.

(Accessed: 15 August 2023).

Parker, L. G., and Alexander, B. (2021) *Digital only retail: Assessing the necessity of an ASOS physical store within omnichannel retailing to drive brand equity*. [online] ResearchGate. Available at https://www.researchgate.net/publication/365811056_Digital_Only_Retail_Assessing_the_Necessity_of_an_ASOS_Physical_Store_within_Omnichannel_Retailing_to_Drive_Brand_Equity. (Accessed: 22 August 2023).

Partridge, J. (2023) *Pay rises and warm weather drive surprise rise in Next sales*. [online] The Guardian. Available at <https://www.theguardian.com/business/2023/jun/19/next-upgrades-profit-forecast-warm-weather-helps-sales-retailer-consumer-spending-pay-raises>. (Accessed: 15 August 2023).

Phillips, W. (2022) *Why Asos is writing off inventory worth £100m: Fashion retailer Asos has posted a loss in the 12 months to 31 August due to inefficient supply chains and inventory management*. [online] CIPS. Available at <https://www.cips.org/supply-management/news/2022/october/why-asos-is-writing-off-inventory-worth-100m/>. (Accessed: 20 August 2023).

Pugh, R. (2019) *ASOS criticised by shoppers for labelling size 14 as 'extra large'*. [online] Manchester Evening News. Available at <https://www.manchestereveningnews.co.uk/news/fashion-news/asos-slammed-size-14-xl-16785367>. (Accessed: 21 August 2023).

Race, M. (2023) *Asos widens losses as shoppers cut back*. [online] BBC News. Available at <https://www.bbc.co.uk/news/business-65542205>. (Accessed: 15 August 2023).

Rai, P. (2019) *A research paper on "a study on production development and management"*. [online] ResearchGate. Available at

https://www.researchgate.net/publication/334537363_A_Research_Paper_on_A_Study_on_Production_Development_And_Management. (Accessed: 21 August 2023).

Ramadas, S. (2019) *How to win markets? The need for strategic planning, implementation and control*. [online] ResearchGate. Available at https://www.researchgate.net/publication/334965141_How_to_Win_Markets_The_Need_for_Strategic_Planning_Implementation_and_Control. (Accessed: 24 August 2023).

Roberts, L. (2021) *ASOS supply chain issues to last until the new year as growth slows*. [online] The Industry Fashion. Available at <https://www.theindustry.fashion/asos-supply-chain-issues-to-last-until-the-new-year-as-growth-slows/>.

Saha, M. (2020) *Customer engagement with 7 Ps of marketing*. [online] SSRN. Available at <http://dx.doi.org/10.2139/ssrn.3540310>. (Accessed: 18 August 2023).

Shares News. (2023) *ASOS's half-year loss widens to almost £300 million as fashionistas cut back on spending*. [online] SHARES. Available at <https://www.sharesmagazine.co.uk/news/shares/asos-half-year-loss-widens-to-almost-300-million-as-fashionistas-cut-back-on-spending>. (Accessed: 15 August 2023).

Shastri, A. (2022) *Elaborative SWOT analysis of ASOS – one of the top leading fashion & cosmetic retailers company*. [online] IIDE. Available at <https://iide.co/case-studies/swot-analysis-of-asos/>. (Accessed: 20 August 2023).

Slaton, K. et al. (2021) *Best practices for targeted marketing for fashion entrepreneurs*. [online] ResearchGate. Available at https://www.researchgate.net/publication/358077983_Best_practices_for_targeted_marketing_for_fashion_entrepreneurs. (Accessed: 22 August 2023).

Smith, S. (2023) *Industry reacts to ASOS results: "Simplify the business and refocus on core strengths"*. [online] The Industry Fashion. Available at <https://www.theindustry.fashion/asos-four-month-results-industry-experts-offer-their-reaction/>. (Accessed: 21 August 2023).

Stevic, Z. et al. (2017) *Supplier evaluation criteria: AHP rough approach*. [online] ResearchGate. Available at https://www.researchgate.net/publication/320467393_SUPPLIER_EVALUATION_CRITERIA_AHP_ROUGH_APPROACH. (Accessed: 22 August 2023).

Sweney, M. (2021) *Asos chief Nick Beighton resigns as it warns over supply chain pressures: Fashion retailer says its costs are rising, including freight, staffing and Brexit duties*. [online] The Guardian. Available at <https://www.theguardian.com/business/2021/oct/11/asos-chief-nick-beighton-steps-down-supply-chain-costs>. (Accessed: 19 August).

Sweney, M. (2022) *Asos sales weaker than expected as cost of living crisis bites: August slump forces online fashion retailer to downgrade annual growth forecast to about 2%*. [online] The Guardian. Available at <https://www.theguardian.com/business/2022/sep/09/asos-sales-weaker-than-expected-as-cost-of-living-crisis-bites>. (Accessed: 23 August 2023).

Sweney, M. (2023) *Primark owner upgrades profit outlook as shoppers seek holiday outfits*. [online] The Guardian. Available at <https://www.theguardian.com/business/2023/jun/26/primark-owner-associated-british-foods-upgrades-profit-outlook-inflation-sales-revenue>. (Accessed: 19 August 2023).

The Guardian. (2021) *Asos buys Topshop and Miss Selfridge brands for £330m*. [online]

The Guardian. Available at <https://www.theguardian.com/business/2021/feb/01/asos-buys-topshop-topman-miss-selfridge-arcadia>. (Accessed: 20 August 2023).

The Strategy Story. (2023) *ASOS SWOT analysis*. [online] The Strategy Story. Available at

<https://thestrategystory.com/blog/asos-swot-analysis/>. (Accessed: 20 August 2023).

The Telegraph (2011) *ASOS profits jump 41pc on international expansion*. [online] The

Telegraph. Available at

<https://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/8551844/ASOS-profits-jump-41pc-on-international-expansion.html>. (Accessed: 20 August 2023).

The TELEGRAPH. (2017) *How ASOS saw the future*. [online] The Telegraph. Available at

<https://www.telegraph.co.uk/business/digital-security/how-asos-saw-the-future/>.

(Accessed: 21 August 2023).

Timmins, B. (2022) *Post Office strike: Workers to walk out overpay dispute*. [online] BBC

News. Available at <https://www.bbc.co.uk/news/business-61300417>. (Accessed: 15

August 2023).

Togoh, I. (2019) *ASOS profits tumbled 68% in a 'disappointing' year. what happened?*

[online] Forbes. Available at

<https://www.forbes.com/sites/isabeltogoh/2019/10/16/asos-profits-tumbled-68-in-a-disappointing-year-what-happened/?sh=3570dc797519>. (Accessed: 20 August 2023).

Vasiliu, C., and Cercel, O. M. (2015) *Innovation in retail: Impact on creating a positive*

experience when buying fashion products. [online] ResearchGate. Available at

[https://www.researchgate.net/publication/282312054_Innovation_in_retail_Impact_o](https://www.researchgate.net/publication/282312054_Innovation_in_retail_Impact_on)

[n_creating_a_positive_experience_when_buying_fashion_products](https://www.researchgate.net/publication/282312054_Innovation_in_retail_Impact_on). (Accessed: 22

August 2023).

Wells, R. J., and Ellsworth, Gabriel. (2018) *ASOS PLC*. Harvard Business School Case 716-449.

Wikipedia. (2023) *ASOS (Retailer)*. [online] Wikipedia. Available at [https://en.wikipedia.org/wiki/ASOS_\(retailer\)](https://en.wikipedia.org/wiki/ASOS_(retailer)). (Accessed: 21 August 2023).

Williams, H. (2023) *Asos sees sales drop amid delivery and consumer spending woes*. [online] Evening Standard. Available at <https://www.standard.co.uk/business/business-news/asos-sees-sales-drop-amid-delivery-and-consumer-spending-woes-b1052472.html>. (Accessed: 23 August 2023).

Wright, G. (2022) *Asos plunges to loss due to stock availability issues*. [online] Charged Retail Gazette. Available at <https://www.retailgazette.co.uk/blog/2022/04/asos-profits-plunge-reveals-14m-expected-hit-from-exiting-russia/>. (Accessed: 20 August 2023).

Yawson, M. R., and Greiman, B. (2018) *Stakeholder analysis as a tool for systems approach research in HRD*. [online] ResearchGate. Available at https://www.researchgate.net/publication/329577039_Stakeholder_Analysis_as_a_Tool_for_Systems_Approach_Research_in_HRD. (Accessed: 16 August 2023).

Zhang, Y. (2022) *Evaluating the effectiveness of loyalty programmes in the fashion industry: A case study of ASOS UK*. [online] ResearchGate. Available at https://www.researchgate.net/publication/361785305_Evaluating_the_Effectiveness_of_Loyalty_Programmes_in_the_Fashion_Industry_A_Case_Study_of_ASOS_UK. (Accessed: 15 August 2023).

Appendices

Appendix-A

The screenshot shows the SQL Server Enterprise Manager interface. The Object Explorer on the left displays the database structure for 'asospic_sales'. The main window shows a SQL query that creates a table 'ASOS_UK_Sales' with columns 'Year' (INT), 'Sales_Million' (DECIMAL(10,0)), and 'YoY_Change_Percent' (DECIMAL(5,0)). The query then inserts three rows of data for the years 2021, 2022, and 2023. The results pane at the bottom shows the executed query and the resulting data.

```
1 CREATE TABLE ASOS_UK_Sales (  
2     Year INT,  
3     Sales_Million DECIMAL(10,0),  
4     YoY_Change_Percent DECIMAL(5,0)  
5 );  
6  
7 INSERT INTO ASOS_UK_Sales (Year, Sales_Million, YoY_Change_Percent)  
8 VALUES  
9     (2021, 1652, 36),  
10    (2022, 1620, -2),  
11    (2023, 1426, -12);  
12 Select * from dbo.ASOS_UK_Sales;
```

Year	Sales_Million	YoY_Change_Percent
2021	1652	36
2022	1620	-2
2023	1426	-12

The screenshot shows the SQL Server Enterprise Manager interface. The main window displays a SQL query that uses the LAG and LEAD functions to calculate the previous year's sales and the change in sales for each year. The results pane at the bottom shows the executed query and the resulting data.

```
1 SELECT  
2     Year,  
3     Sales_Million,  
4     YoY_Change_Percent,  
5     LAG(Sales_Million) OVER (ORDER BY Year) AS Previous_Year_Sales,  
6     Sales_Million - LAG(Sales_Million) OVER (ORDER BY Year) AS Change_Million  
7 FROM ASOS_UK_Sales;  
8
```

Year	Sales_Million	YoY_Change_Percent	Previous_Year_Sales	Change_Million
2021	1652	36	NULL	NULL
2022	1620	-2	1652	-32
2023	1426	-12	1620	-194

Appendix-B



ASOS Plc UK Sales
Data Analysis.xlsx