

# The Asos model sets standard for international expansion

Asos did the double, taking home both the Wipro International Growth Initiative of the Year and Veredus Pure Play Etailer of the Year. Rebecca Thomson finds out how the etailer did it

## THE WIPRO INTERNATIONAL GROWTH INITIATIVE OF THE YEAR

International growth initiative was a difficult category for our judges to decide on – there have been several impressive overseas growth drives over the past 12 months.

But while it was a tough decision, Asos' Russian expansion emerged as the winner. Its approach to cracking the notoriously difficult market has provided a blueprint for others keen to trade in the country.

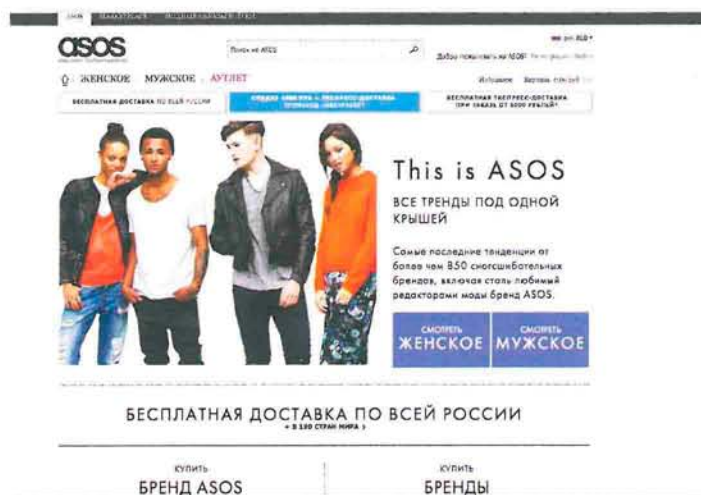
As one judge said, Asos' success in the Russian market is an impressive achievement.

"I have worked in Russia and what it has done is really complex, really difficult to do. It's almost easier to put down bricks and mortar than do what Asos has done," said the judge.

"Everything, from distribution to credit card access, is very difficult in that market. Asos has embraced it and become local. Russia is a mass of land, and going from region to region there are so many differences.

Unless you have seen it and been there you don't understand how difficult it is."

Another judge was equally impressed. "I can't believe how difficult it is to retail in Russia. I'm quite awed by what Asos has delivered. Plus, it has created a springboard to



Asos' Russian presence was consummately put together

get into neighbouring countries. It's very brave."

Another judge said: "I'm just so impressed by the way they tackled a difficult market and overcame problems. In typical Asos style, it has done it in an amazingly successful way. Asos ticks all the boxes."

So how did Asos do it? One key element was to approach Russia as a totally unique market – the retailer did not assume that just because its model has been wildly successful in countries such as the UK that a cookie-cutter approach would work in Russia. While this sounds simple, it's a mistake that has tripped up other retailers in the past.

One judge said: "Asos had to reinvent its formula to make a success of this." But it was crucial that it got it right. "Asos

had to get the Russia piece absolutely successful to open the doors to other countries. That is a long-term clear strategy of how it is going to be dominating the world."

Asos had to do a lot of work to adapt its offer. "It was so thorough and detailed in terms of understanding consumer behaviour and preferences," the judges said.

"It is pioneering and creating a way for retailers to go into Russia. Asos is a role model for Britain's retailers.

"It's something to be fantastically proud of, to go to an economy as difficult as Russia and make a success of it. It feels like a blueprint of how you would do that market brilliantly."

What Asos got right included the tone of the website – products aren't just translated, but the tone was worked on closely to ensure it was correct for 20-somethings in Russia. It

## WIPRO TECHNOLOGIES

Wipro Technologies, the global IT business of Wipro Limited is a leading Information Technology, Consulting and Outsourcing company, that delivers solutions to enable its retail clients do business better.

Wipro Technologies delivers winning business outcomes through its industry experience and a 360-degree view of Business through Technology. We have a longstanding Oracle Retail partnership that leverages the power of the Oracle Retail suite to provide end-to-end business and IT solutions for global retailers.

[www.wipro.com](http://www.wipro.com)

also researched cultural nuances, festivals and events in depth, helping it to increase local engagement by reflecting them in its marketing and content.

There is a Russian-speaking customer service team, and Asos' formidable delivery offer is also evident – anyone in Russia can receive free standard delivery, and free express delivery for orders in excess of 5,000 roubles, or £100.

Asos is continuing to improve its offer in Russia, introducing more ways to pay and improving the speed of its delivery service.

The work is clearly paying off – the market is growing rapidly and in 2014 Asos expects it to grow more significantly than many of its other strategic markets.

Asos is truly going where no UK retailer has gone before – as one judge said: "In terms of what they did to get over cultural differences and language barriers, I thought it was exceptional. With every single step they take, they are defining the space."

## ◀ THE VEREDUS PURE PLAY ETAILER OF THE YEAR

It's not the first time Asos has won pure play etailer of the year, and if it continues to outperform in the way many expect, it may not be the last.

Having launched in 2000, it now has nearly 20 million global visitors each month and has launched country-specific websites for the US, Australia, France, Germany, Spain, Italy, China and Russia.

As one judge said: "It's on a global land grab and is defining the space. It's a company people want to emulate."

Asos has defined the meaning of engagement in online shopping – its ability to attract 20-something shoppers and keep them interested in the brand is near-unparalleled in online retail.

Its pioneering use of social and digital media, as well as its ability to produce content that draws shoppers in, means customers keep returning again and again.

What makes its online content strategy so impressive is that Asos has developed the ability to sell through social media without appearing to.

Everything from the tone it adopts on Twitter and Facebook to the type of online marketing campaigns it runs suggest this is not a corporate business trying to make a 24-year-old woman buy something, but a friend who likes sharing pictures of cats and fashion bloggers.

Asos' ability to understand how young people interact online has helped it succeed. Its Best Night Ever campaign was one notable success in 2013, encouraging social media users to share their favourite night out, while its magazine has been emulated across the industry.

And, of course, its delivery proposition makes things seamless for shoppers. As one judge said:

**"ASOS IS SUCH A  
GOOD BUSINESS.  
WE SHOULD BE  
CELEBRATING  
THAT AND ASKING  
THE REST OF THE  
MARKET TO COME  
TO THAT STANDARD"**

Oracle Retail Week Awards judge



Compelling content, an impressive product offer and an efficient logistics operation contributed to Asos' success

"From a delivery standpoint it's breathtaking."

Asos has achieved what it has in part by making its whole operation as efficient as possible. The company is continually working on making the journey between product design and going live on the website as short as it can be, and constantly working on getting prices right.

In addition, Asos' range continues to grow. It stocks an ever-growing range of products and the most lucrative – its own-brand labels – account for around half of total sales.

All this work has already produced great achievements, and more are still to come. Asos expects to hit £1bn worth of sales in 2014, earlier than was expected, and although listed on AIM, it has a FTSE 100 valuation.

One judge said: "It is worth more than Dixons, Home Retail and Carphone Warehouse put together. That just tells you what [founder] Nick Robertson has achieved."

The focus on technology, inno-



vation and infrastructure is just as important as the polished brand and flawless digital marketing. The judges added: "It is exemplary and outstanding and above the rest."

"Asos is such a good business. We should be celebrating that and asking the rest of the market to come to that standard."

"There is such a strong level of innovation, with demonstrable results."

If the past 13 years are anything to go by, Asos will only continue to go from strength to strength. ★



Asos has won over young consumers