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## Gap Inc. and Today's Consumers

The Gap, Inc. is a worldwide apparel retail company. The company offers products for men, women, and children in the departments of apparel, accessories, and personal care. The company has 6 brands: Old Navy, Gap, Banana Republic, Athleta, Intermix, and Hill City. Their apparels include denim, tees, button-downs, khakis, and other products. Their fitness and lifestyle products can be used for yoga, training, sports, travel, and everyday activities. Products are available in company stores, franchise stores, brand websites, third-party arrangements, and catalogs.

Gap Inc. was founded in 1969 by Doris and Don Fisher. It started off selling jeans created by outside brands, then began to produce Gap branded apparel in 1972. Gap became very popular in the 90s due to its advertising and merchandising strategy. Most apparel brands collaborate with celebrities, music artists, athletes, and actors to endorse their brand. Gap however, chose to feature models of different shapes and ethnicities to sport their garments in ads. The company's strategy led to large and increases in net sales, from \$1.9 billion in 1990 to \$11.6 billion in 1999. Its net sales by the end of the decade were almost double the \$6.6 billion in 1997 (Gamble. 2019). As jeans, khakis, T-shirts, and polo shirts were a major source of revenue for Gap, they have skyrocketed in popularity as the most commonly worn garments. The company began to decline as the 2000s era approached. The company incurred most of its expenses operating their storefronts, but generated the bulk of its sales there. As internet usage grew and ecommerce became a thing, the buying habits of modern consumers began to shift. Brick-and-mortar stores were disrupted even more so with the rise of smartphones in the 2000s. Between 2010 and 2015, e-commerce sales of clothing and accessories have nearly doubled at 185%, while traditional brick-and-mortar retail channels continue to grow at a steady rate (Gamble. 2019). Social media and content streaming platforms have increased in popularity and are starting to replace traditional advertising sites, such as malls, magazines, and television.

This shift was reflected in all Gap Inc. brands except Old Navy, which has been the 'feather in the Gap's cap' for some time now. Old Navy has been able to prevail over all other Gap Inc. brands partly because it sells similar styles as Gap but at a lower price. Also, the brand regularly advertises discounted merchandise and tends to have a large inventory of clearance styles. Inditex Group and Abercrombie & Fitch are two of Gap Inc.'s competitors, which have had contrasting experiences in the decline of brick-and-mortar retail. Inditex Group has been able to swiftly adapt to the ever-changing fashion industry through the use of its vertically integrated design and manufacturing strategy. The company closely monitors new fashion and style trends to create new lines as often as every month for its brands. Its brands include Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, and Uterqüe. The Zara brand is the most popular, accounting for 65 percent of the company's revenues and EBIT. Abercrombie & Fitch sells men's and women's casual attire under its brands Abercrombie & Fitch, Hollister, and Gilly Hicks. Abercrombie & Fitch is not a 'fast-fashion retailer' like Inditex, but instead uses a traditional logistics channel. Like Gap, Inc., the company has experienced a decline in sales every year for its U.S. brands (Gamble. 2019).

Gap, Inc. faces many strengths, including operations in over 43 countries; current website and social media presence; strong brand recognition across the world; and a flexible and fast supply

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chain. The company's weaknesses include its decrease in popularity over the last several years; and low product variety, as the company is infamous for jeans, khakis, T-shirts, and polo shirts. Opportunities include the Gap brand's growth in international markets; the overall increase in demand for athletic wear like the brand Athleta sells; recent development of a mobile app; and the recent usage of celebrity brand ambassadors to improve brand visibility. Threats include the increase in competition, especially from brands like Inditex; and the increase in expenses and liabilities in ratio to revenues that the company yields.

The brands Gap & Old Navy sell quality wardrobe essentials but their product portfolio is limited. This specialization strategy worked very well in the company's past years, but modern customers want more. Brands like H&M, Forever21, and Zara have all become extremely successful due to their customer-centric production and marketing strategies. I would strongly recommend gap to diversify their product mix buy minding new trends in fashion. Also, the company should focus on recruiting social media influencers and young and upcoming artists for ambassadorship to increase the reach and impact of their marketing campaigns. Gap has taken initiatives for revival but can do so much more to reestablish its brand's identity to appeal to today's consumers.

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