



# **Predicting Consumer Tastes with Big Data at Gap**

## **MGMT 590 Web Data Analytics, Fall 2023**

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### **Team Project - Executive Summary**

#### **Introduction**

Gap Inc., a globally recognized fashion conglomerate, encountered significant operational and financial challenges as it entered January 2017. Having been a dominant player in the fashion industry for decades, it was alarming for stakeholders to observe consistent declining sales over a span of two years. In these testing times, CEO Art Peck introduced a novel strategy, pivoting towards a data-centric approach. This case study rigorously evaluates the aftermath of this strategic transition, laying special emphasis on three flagship brands under Gap Inc.'s umbrella: Gap, Banana Republic, and Old Navy.

#### **Data-Driven Creative Process**

Under Art Peck's visionary leadership, a multi-faceted strategy, termed 'Product 3.0', was birthed. This strategy was deeply rooted in a confluence of innovation, digital outreach, and data-driven creativity. The merits of this approach were multifarious. Firstly, decision-making became highly objective, relying on tangible consumer behavior data. This, in turn, endowed Gap Inc. with unparalleled agility, enabling swift response mechanisms to volatile market trends. Furthermore, understanding granular consumer needs allowed the company to cater to a diverse and broad audience. However, every coin has two sides. By becoming heavily data-reliant, there

were looming threats of losing the brand's inherent creative essence. The interplay between data-derived insights and innate creative artistry became hard to balance. Moreover, there was an ever-present risk of sidelining and potentially alienating core customers who had been loyal to traditional designs. Given these observations, our team firmly believes in the potential of a hybrid model. While data serves as a formidable ally, it is imperative not to undervalue human creativity and intuition

### **Data Sources**

To keep the data-driven strategy thriving, it is essential to tap into a plethora of web sources like

- Company website data
- Social Media
- Third Party review apps
- Competitor websites
- Customer Behavior data: Google Trends

### **Analytical Approach**

Our analytical odyssey encompassed a diverse array of techniques:

- Text Mining, Opinion Mining, Keyword Analysis, Sentiment Analysis
- Time Series Analysis, Regression model

The regression model predicts the rankings of best-seller hoodies on the e-commerce titan, Amazon. The aim of this model was to highlight the instrumental role played by average ratings, the volume of reviews, and product pricing in determining a product's market rank.

## **Recommendations**

A deep dive into Gap's website, especially the conversations and reviews, painted a vivid picture. It was glaringly evident that for a successful product strategy, it is paramount to stay aligned with customer feedback and overarching sentiment. The regression model further cemented this belief. By addressing reviews that were on the lower end of the rating spectrum, there is a tangible opportunity to augment product quality, thereby bolstering sales. To foster a robust customer engagement ecosystem, Gap Inc. should actively initiate post-purchase surveys, fervently encourage product reviews, and ensure a constant vigil on competitor pricing dynamics. Striking the right balance is crucial – ensuring profitability is essential, but overpricing can be detrimental, potentially hampering sales.

## **Conclusion**

Conclusively, while the allure of data analytics, especially in deciphering customer preferences and predicting market trends, is undeniable, it is pivotal to remember the essence of fashion – creativity. The world of fashion thrives on innovation, design, and branding, aspects that cannot be entirely dictated by numbers or algorithms. For Gap Inc. to chart a successful path forward, it's essential to strike a harmonious balance. A blend where data-driven strategies complement, and not overshadow, the creative intuition is the promising beacon of hope