1. **Why is Gap doing poorly in 2017?**

During the tenure of Millard Drexler as the CEO, Gap’s market cap rose to **$42 Billion** in the year **2000**. However, the financial status for the years 2015 and 2016 was dismaying. According to Exhibit 9, the financial performance of Gap Inc. had degraded for consecutive eight quarters before growing by **2%** in **Q4** **2016** to deliver a **2%** sales decline for the year, expenditures cap had dropped to **$9.2 billion**. There are numerous reasons why Gap is performing poorly in **2017**. Firstly, the core market was growing slowly due to the change in buying habits of the consumers. Secondly, they had heavy competition from the mid-tier apparel corporations such as Target, LuckyBrand, American Eagle, etc. **Exhibit 3** explains that these firms were launching more thrifty and affordable products in comparison to Old Navy and the Banana Republic which is owned by GAP. Next, the customer’s preferences were shifting to purchasing on online channels which led to a decrease in footfall for the GAP Stores. Moreover, Gap was lagging behind the product cycle timeline (avg. 10 months) in comparison to competitors such as Zara which could deliver products to the store within **4 weeks**. Lastly, the products were essentially deemed identical to the same class of offering presented by a rival company, which was a major challenge for GAP corporation.

1. **Was Peck correct in firing his creative directors and replacing them with a big data-driven creative process? Why or why not? What do you predict will happen to Gap Inc.’s sales going forward because of this decision?**

The case represents that directors were not showing the efforts from last many years through which the company could increase sales as a result Peck decided on firing his creative directors. He was willing to invest money in digital systems and data mining and suggested the management of the company use Big Data from Google Trends, Google Analytics, and the database managed by the company for the customers to understand the fashion market. However, there are some limitations to this decision as big data can cause to reduce uniqueness as competitors are also using that data to design their products. For a successful market, GAP Inc. should strategize the balance between both creative directors and big data. The decision can support in the short run by enhancing sales and brand equity if employees of the company are capable to collect the right data from big data mining. However, in **Exhibit 10** case study present that the net sales of the company are **77%** in the last three years, because of a lack of creativity and uniqueness in fashion. Therefore, in the long run, the decision could fail because of a lack of creativity.

1. **Does the big data approach work for all three of Gap Inc.’s primary brands: Old Navy, Gap, and the Banana Republic? Why or why not? Which brands are better/worse served by this strategy? Why?**

In the case study, there are three primary brands of Gaps Inc which are Banana Republic Brand, Gap Global, and Old Navy. Through Exhibit 10 we can conclude that the big data approach/ strategy was only better for Old Navy Global as during the last few years **2014**, **2015**, and **2016** sales of old Navy Global increased. The overall three-year analysis shows that the total improvement in the Old Navy Global brand was very high. The sales for Banana Republic Global Brand and Gap global decreased because of the change in the strategy for analyzing big data. The graph in **Exhibit 12** represents the downward trend of the Banana Republic and Gap Global sales as their strategy was unable to support the efficiency of the functions in the market.

1. **Should Peck allow Gap Inc.’s brands to be sold on Amazon? Why or why not? What opportunities and challenges do this plan present? If Gap sells through Amazon, should the company be a wholesaler or a third-party seller? Why?**

Yes, Peck should allow Gap Inc.’s brands to sell on third-party sites such as Amazon to widen potential consumer reach. This will help the marketplace to expand brand exposure among more target consumers.

The organization should be a third-party seller through Amazon to accommodate the privilege of being an independent seller entity. Nevertheless, the company could face a decrease in the sales of their product if they were to opt in as a wholesaler, as these entities purchase the goods from the manufacturer and then sell it on Amazon with an increased margin price on resale.

1. **What is your assessment of Product 3.0? How would you improve it?**

Big data and analysis can help to analyze the customer data with potential purchases which could help the company to develop new products. Moreover, the sales data can help the organization to find the bridge in restocking the popular item through **time-series forecast**, the analysis of the trend using **big data** **analytics** can suggest Gap Inc. and Banana Republic sustain their supply chain seasonally. Shifting the manufacturing chain to the Caribbean can enhance the process of delivering stocks much faster than in Asia. As we can see through **Exhibit 13**, the newly introduced Big-Data Based model mainly focuses on the brand’s vision that doesn’t require any input from creative directors. However, introduction to the new model may lead to the most ineffective decision for breaking the balance in making strategies. Therefore, to improve Product 3.0, It is highly recommended to use **Predictive Analytics** on Big Data for informing strategic and managerial decisions to align with the success of sales growth. Additionally, it can be used to predict seasonal customer behavior, identify loyal customers, analyze product refund/return trends, quantitative analysis on fraud transactions, and deliver the product using “the state of art” method.