

Case Study #1 Predicting Consumer Tastes with Big Data at Gap by Avery, J., Israeli, A. (2017).

1. Summary of Relevant Facts

Gap Inc., with a history of 50 years experience in apparel industry is committed to grow into a global ambition to hold its sustainable championship. The iconic brand which elevated the basic clothing to a spirit with strong attitude has continued its regime and became brand image for millennium in red carpet. But in the due course of its journey, the Gap has taken its charisma for granted and stopped analyzing the change in customer's behavior. It not only failed to introduce new styles to the customers but also failed to maintain the IT capabilities, following flat organizational structure. Though Art Peck has invested heavily in digital capabilities and focused on omni-channel shopping, it failed to regain its position in the market.

It is evident that the Gap has fallen deep down in fashion, style and sales despite its irreversible dominance in apparels. Though Gap has introduced trend spotting styles in its earlier years, it has lost its magic in youth.

2. Problem

Though Gap gained strength over information system strategy, it lagged on going with the trend. The Gap, in a trial to root its image as a classy iconic brand, failed and felt bored or outdated to the customers which is why the global company couldn't cope up with its sales even after launching new trends and technologies. Since the success in market is largely dependent upon the ability to weigh the taste of the customer, Gap has strayed in not predicting the customer behavior in its peak years of increasing sales. Followed by this 'threat of new entrants' posed a serious problem with which it couldn't be able to withstand the market given by the competitors.

Another problem is that Gap failed to retrospect itself, in a hurry to increase the sales, it failed to acknowledge the importance of creative director. Although Gap has started using the Product 3.0 by eliminating the creative director, it couldn't be able to hold the pace of running fashion in youths hence it operated as a software company on its information, neglecting the concentration on designing the new models.

Although the idea of utilizing big data by Product 3.0 is a good step of initiation by Art Peck, it is not the only thing that the company has to concentrate on. Accounting this Peck has cropped up the major problem of withdrawing the spending on marketing.

3. Decision

Gap should first focus on the improvements in the designs. Just like in its golden-olden era, it should concentrate to regain its lost soul of the style. Gap has got many trend setting designs which has attracted many and increased the customers. Rather than following the customer behavior, it needs to create a trend to change customer behavior accordingly. In order to process this, there is definitely a need of creative director. Though Peck has not seen the importance of a creative director (or copied the strategy of Zara of not holding on the position of creative director), Gap is in need of him.

Also, Gap can change its style of business and enhance its interest on fashion by partnering with other major online platforms like Amazon. It is in major need of marketing through every way possible and keeps itself up to date.

4. Analysis/Alternatives

Alternative 1 – Need of creative director

With help of product 3.0, Gap can predict the customer behavior and their preferences. Creating new designs and trends will always change the user's preferences. Creation of new fashion/designs/trends will be happen with the help of creative directors. Instead of sticking on to a few models or copying the trend spotting models through product assortment, Gap needs to build its own image and sit on it.

The **advantages** of employing creative director:

- 1 Customers will always attract to the new designs/Fashions. This will make customers to turn their way to Gap.
- 2 Gap will regain its previous customers along with new customers.
- 3 This follows the result of out-standing, rather than eliminating, the new competitors like Zara.

The **disadvantages** of employing creative director:

1. Gap needs to reorganize the hierarchy as it used to be in 20th century.

Alternative 2 – Advertising

Gap may regain its role by wide advertisement Campaigning and marketing on televisions, social media like Facebook, Instagram, Twitter and pinterest to say it aloud that 'Gap has got what you all want'. They should make a contract with big starts from Sports and movies to reach many end users. **It is company's responsibility to make the users to not forget the GAP.**

The **advantages** with advertisement:

1. GAP will have the visibility to many customers. Since users are spending more time on social media.
2. This will leads to gain new customers.

The **disadvantages** with advertisement:

1. Gap needs to spend money for advertising on social media & they need to pay to brand ambassadors.

Alternative 3 – Partnering with Amazon but delivering by its own

Amazon has huge customers across the world and it is the biggest of e-commerce. Most of the customers are choosing online shopping to buy cloths. Gap can reach many people by partnering with Amazon. Here, Gap should use Amazon only for selling their cloths but it should deliver the cloths by its won. With which **Gap will reach many houses & the customers will recognize it.**

The **advantages** of creating partnership with Amazon:

1. Since Amazon has huge customers, it will reach many people.
2. Gap can lists all their new designs in Amazon to attract customers and it will compete with other brands.

The **disadvantages** of creating partnership with Amazon:

1. Gap needs to improve their delivery system to deliver the products, which will be a cost-based concern.
2. Gap should pay certain ratio to Amazon.

5. Conclusion

Gap Inc. has to realize the need for change in its whole business strategy. It should acknowledge the importance soul and purpose of its own birth- of creating a fashion but not following it; which might be possible with an efficient use of creative director. Rather than relying on the unresulted Product 3.0, Gap Inc has to recognize the need of marketing. Although it has lost its customer base, company may regain it by wide advertisement campaigning and marketing on televisions, social media and pinterest to say it aloud that ‘Gap has got what you all want’.

References:

1. Case Study #1 Predicting Consumer Tastes with Big Data at Gap by Avery, J., Israeli, A. (2017).
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